



Senator the Hon Richard Colbeck
Liberal Senator for Tasmania



RC/JP

January 18, 2013

Mr Stuart Wright
Secretary
Legislative Council Select Committee
on the Tasmanian Forests Agreement Bill 2012
tfaccommittee@parliament.tas.gov.au

Dear Wright,

Please accept this as my submission to the abovementioned committee.

I also request the opportunity to appear before the committee.

Yours sincerely

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A submission to the Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012 by:

Senator Richard Colbeck

Senator for Tasmania

Shadow Parliamentary Secretary for Fisheries and Forestry

Shadow Parliamentary Secretary for Innovation, Industry and Science

The intergovernmental agreement on forestry (and the Tasmanian Forests Agreement Bill 2012 which has resulted from it) is a sham. Not in the emotive sense of the word, but in terms of the actual dictionary definition. It is **1.** Something false or empty that is purported to be genuine; a spurious imitation **2.** (it has) The quality of deceitfulness; empty pretence.

This submission will attempt to support a number of key propositions. Firstly, that the IGA is a process that changed beyond any recognition of its original purpose. Secondly, that the make-up of the IGA signatories was not representative and, demonstrably, contained hidden conflicts of interest. Thirdly, that any prospect of peace is negligible. This notion of durability has already disappeared. Fourthly, that nothing has been done to understand the industry, community or economic impacts of the IGA. Fifthly, that the IGA ignores key science – including environmental science – and there are better ways to deliver a sustainable, robust industry without additional lock-ups. Finally, this notion of forestry as a sunset industry is wrong. In fact, it is not an industry in demise. Many leading thinkers see wood as the material for the next century and, with the right strategy, Tasmania is well placed to capitalise on that. To downscale the industry now will disadvantage Tasmania and deliver untold benefits to our interstate and international competitors.

In short, this submission will attempt to show that the IGA process will needlessly commit \$380 million of taxpayers' money to destroy an industry which is not only viable, but central to Tasmania's future.

It does not make sense. It should not proceed.

The IGA is a process that changed beyond any recognition of its original purpose

The IGA started life as a roundtable between Gunns, the CMFEU and ENGOs to secure the development of a pulp mill for Tasmania. Of course, in September last year Gunns entered voluntary administration and a pulp mill for the State has become an increasingly distant prospect. So the very reason for the IGAs existence is no longer here and yet the process has rolled on – no re-evaluation of its purpose or goals despite fundamental changes in Tasmania's forestry sector.

This is one of the most important decisions facing the Tasmanian community and economy in many years. Yet there has been next to no Parliamentary oversight. There has been an appalling lack of public consultation. The signatories were shoe horned into agreement at very death. It has been widely reported that key signatories decided to only back the IGA because of allegations about the lack of a "Plan B". There is no better way to put it: This is bad governance and it has produced a bad policy which will irrevocably damage an industry which should be central to any prospect of an economic recovery for Tasmania. It is has been cobbled together at speed, with no clear idea about the structure or role of the State's peak industry player, Forestry Tasmania.

The IGA has been touted by its supporters as a historic peace deal but it is, by dictionary definition, a complete sham.

The make-up of the IGA signatories was not representative

This idea that the group negotiating the IGA is not representative is true at a number of levels. Critically, the ENGO signatories do not represent a consensus view among the green and environmental groups or personalities. Key groups such as Markets for Change have been at pains to point out they have not been involved in the process and, as a result, are not bound by the outcomes negotiated within the IGA. Similarly, key forest groups have not been part of the negotiations. The Institute of Foresters of Australia (IFA) is the country's peak body representing 1200 forest scientists and practitioners. It has consistently offered itself as a stakeholder in the IGA process, but without success.

Beyond forestry, many other important sectors will be impacted by the outcomes of the IGA. This will be discussed in more detail later, but it is prudent to ask here: What of mining and farming? What of tourism? When were these key sectors going to have input to the IGA? There will be many impacts by the IGA across the Tasmanian economy and key stakeholders have been excluded from both its conception and negotiation.

Apart from the clearly unrepresentative nature of the signatory group, other questions about its composition have not been properly explored or explained. On June 1, the Tarkine National Coalition held an emergency meeting and decided to suspend itself from the IGA talks. What we now know is that lead environmental negotiator Dr Phill Pullinger is also on the board of the Tarkine National Coalition. He carried on his role in the IGA with this apparent conflict going undisclosed.

Any prospect of long-term durability is non-existent

This idea of peace in the forests is a nonsense – a latter day construct designed specifically for Tasmania. This IGA is a potential watershed in forcing what remains of the industry into an unsustainable position; literally the beginning of the end. It is my view that, if the Bill is enacted in its current form, the Tasmanian native forest industry could be all but gone within 15 years.

Groups such as Markets for Change and the Huon Valley Environment Centre have already publicly stated they will not be bound by the conditions of the IGA. Environmentalist Vica Bailey has already told this inquiry that it is not his job to stop people protesting.

Miranda Gibson, who has acted as a spokeswoman for several environmental groups, including Still Wild, Still Threatened, has maintained her tree sit at the so-called Observer Tree throughout this process.

On December 29, environmental groups promised nine days of "direction action" protests as part of a campaign titled *January Justice*. They promised to directly target Ta Ann. That action was supported by groups including Ground Swell and Code Green.

It is clear – patently obvious – that this arrangement will not create lasting *peace* for the State's forest sector. The environmental movement will not stop until it has achieved its stated aim of ending of native forestry in Tasmania. It is also completely plausible that, having bedded down this Bill in Tasmania, they will seek to create similar agreements in forestry areas across the country.

Nothing has been done to understand the industry, community or economic impacts of the IGA

This, in itself, is extraordinary.

It is hard to conceive that a reform of this size and nature has not had appropriate parliamentary oversight or widespread public and industry consultation. But it is beyond belief that this Bill is being considered without a shred of socio-economic modelling or analysis.

A government study to assess potential job losses is not due until the end of January, 2013.

There are timber communities already crumbling. What do we know about the impacts of this proposal upon them?

Beyond the timber sector, both related and unrelated industries will be directly impacted by the Bill.

They include:

- Mining.
- Tourism.
- Agriculture.
- Transport.
- Civil Construction and Engineering.
- Honey.
- Wooden Boat Building.
- Fine furniture and Design.
- Timber crafts.

The Tasmanian Minerals Council – not involved discussions about the IGA – has serious concerns about new reserves created by the plan and the potential impact on future mining proposals.

To replace sawlog volumes in the IGA with plantation timber will take decades and require about 100,000ha of land, most likely agricultural land, of which there is about 650,000ha in the State. And what will that mean for the government's food bowl plans?

Even so-called boutique sectors face considerable impacts. The Special Timbers Study of 2009 found there were 2000 full-time jobs in the sector, with a further 8500 engaging as a hobby or to a limited commercial extent. We have no idea what impact of the Bill will be on this sector.

We should not even be considering this change until detailed modelling is conducted not only on the possible impacts to the forest and timber sectors, but to these other sectors as well.

The IGA ignores key science – including environmental science

The IGA has been mapped out and negotiated devoid of input from the country's peak body representing forest scientists and practitioners.

The Institute of Foresters of Australia (IFA) has repeatedly signalled its willingness to become a stakeholder in the process. Without a seat of the table, the institute has instead attempted to provide balance and peer-review of the science underpinning the process.

In May 2012, the IFA published a critique of the work of the Independent Verification Group (IVG), which was appointed to advise the IGA (**see attachment A**).

Its findings included that:

- The Regional Forestry Agreement (RFA) which had been in place in Tasmania was comprehensive, science-based and consultative;
- The IGA process circumvented the RFA by inventing new criteria for reservation, *"...despite this being a nationally-agreed process based on international criteria and indicators..."*
- *"...the IGA process has largely been exclusive of most stakeholders and lacks adequate transparency..."*
- That the ENGO-nominated conservation areas were treated by the group as if they had already been agreed to;
- That no peer review was conducted into reports submitted by contributors to the IVG, despite its chair Professor West acknowledging the authors held, or were perceived to hold a bias;
- The IVG's failure to fully consult was a "serious oversight" which must be addressed by the Government.

So, according to the body representing 1200 scientists and practitioners, the very basis of the IGA and its reserve system is questionable, to say the least.

Indeed, it is my assertion that a well managed, sustainable native forest industry will deliver many benefits to Tasmania. It is an industry which can meet the triple bottom line test. We should be growing it with confidence, a commitment to R&D and embracing new construction materials and trends. But it also is recognised as an industry with the potential to provide considerable environmental benefits.

This idea that locking carbon up in standing forests provides a good environmental outcome is overstated at best and certainly misleading. In June, 2011 a letter undersigned by 87 forest scientists (**see attachment B**) questioned the outcomes of the Climate Commission Report: The Critical Decade.

Among other things it asked the Climate Commission Secretariat to:

- Reject simple arguments about the benefits of stopping timber harvesting in relation to carbon emission mitigation;
- *"Accept the view of the Intergovernmental Panel on Climate Change (IPCC) and Food and Agricultural Organisation (FAO) that the sustainable management of forests, including a mixed strategy of conservation and timber production, is more likely to be optimal for carbon reduction";* and
- Recognise the benefits in terms of carbon reduction of wood from sustainably managed sources over alternatives such as metal, concrete and plastic.

The IPCC report AR4 states:

"A sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks. While producing an annual sustained yield of timber fibre and energy from the forest, will generate the largest sustained (carbon) mitigation benefit."

We can be confident that if introduced, the IGA will halve our timber industry, lock 52% of our State into reserves, further impact already suffering forest communities and all at a cost of \$370 million of taxpayers' money. On top of that, we can't be confident that it will deliver the best environmental outcomes for our State either.

This notion of forestry as a sunset industry is wrong

Timber is emerging as the construction material of the next century.

It has considerable carbon-friendly advantages over materials such as steel and concrete. It is cheaper and easier to pre-fabricate, allowing major projects to be put together as modules, as is happening at the \$11 million Forte building in Docklands, Melbourne. At 10 storeys, this will be the world's tallest timber apartment building.

Forte uses Cross Laminated Timber, an emerging material gaining favour with many architects because of its aesthetic qualities, lower cost and efficiency in construction relative to traditional approaches.

London architect Alex de Rijke has said that just as the 19th century was of steel and the 20th century of concrete, then the 21st century will be of engineered timber. Prefabricated timber flat-pack homes are gaining in popularity across the world for cost and ease of construction.

Are these really the circumstances under which we will dismantle our native forest industry and lock more than half our state into reserve? Forestry is an economic pillar in Tasmania and small, isolated economies need to be able to leverage their strengths.

We need to be positioning Tasmanian forestry to make the most of this projected upswing in the demand for timber.

Instead of shoehorning the industry into a smaller, less sustainable land area in line with the demise of Gunns, we should be making that bigger footprint available to the remaining sector and extracting considerable industry, economic and environmental benefits as a result.

Firstly, it would have an enhanced environmental impact, longer periods between disturbance and less disturbances, allowing for the development and maintenance of biodiversity levels. The additional area would also dilute the intensity of the harvest mosaic, increasing the unforested area to the benefit of biodiversity and reducing the visual impact on the landscape.

Given that the best quality timber comes from older, slow-grown trees, the longer rotations will provide higher-quality, higher-value timbers. These will provide a better return along the supply chain, better for business, better for communities, better for the Tasmanian economy

In closing, the IGA has been a bad process which has produced bad policy. It should be rejected.

It is also worth considering that the Federal Coalition is committed to the Regional Forest Agreement approach and has stated at least four times in the past 12 months that we will not recognise any reserves that might be created by this process.

The Coalition is committed to a sustainable, well-managed forest sector.

In terms of ongoing environmental opposition to the industry, the Coalition has committed to examine any opportunity to provide better protection for legally operating businesses. Currently Green groups enjoy privileges, such as charity and not-for-profit statuses, and environmentalists are afforded a level of legal protection for acts committed in the name of the environment.

The Coalition will investigate means to safeguard lawfully operating companies and the markets in which they operate.

Tasmania can have a well-managed and sustainable forest industry, but it will not be delivered by the Tasmanian Forests Agreement Bill 2012.

(ATTACHMENT C – Letter from Senator Richard Colbeck to members of the Legislative Council, December 6, 2012)

Attachment A

**Critique of the work of the Independent Verification Group
appointed to advise the Tasmanian Intergovernmental Agreement (IGA)**

Prepared by the Institute of Foresters of Australia.

**CRITIQUE OF THE WORK OF THE
INDEPENDENT VERIFICATION GROUP
appointed to advise the
TASMANIAN FORESTS
INTERGOVERNMENTAL AGREEMENT
(IGA)**

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Executive Summary – Key points of contention

The IFA has prepared a brief critique of selected IVG's reports. This critique was prepared to ensure a level of independent, professional, objective and science-based assessment was applied to verify whether these report's conclusions are reasonable and evidence-based, as required under the IVG's ToR, Clause. This critique does not assess all reports, and represents areas where qualified professional forest managers have committed their time and expertise. This critique highlights that many of the assumptions and methodologies in the reports are questionable and/or limited and narrow in their approach, and supports the need for a comprehensive, independent and holistic review.

The IFA's critique of the IGA/IVG process and selected IVG reports on wood supply and forest conservation concludes that:

- The Tasmanian Regional Forest Agreement's (RFA) approach in developing a comprehensive, science-based and consultative approach for determining reservation levels as part of a genuine balance between environmental, social and economic values remains the appropriate place for assessing landscape representation and adequateness of the forest reserve system.
- The Tasmanian Forests Intergovernmental Agreement (IGA) process is circumventing the RFA process by 'inventing' new 'criteria' for reservation, despite this being a nationally- agreed process based on international criteria and indicators, such as the Montreal Process.
- The IGA process is not a suitable replacement for, or improvement on, the existing RFA process, and the five year reviews of the RFA.
- To date, the IGA process has largely been exclusive of most stakeholders and lacks adequate transparency, and so cannot be considered appropriate for determinations on the future of a publicly-owned asset.
- It seems that the Terms of Reference developed and then used by authors of the IVG forest conservation report are based on an assumption that the ENGO-nominated 'conservation areas' have already been agreed-to and assesses only whether they meet conservation criteria developed by ENGOs for this purpose. These ENGO conservation criteria do not fully align with national or internationally-accepted conservation criteria. Therefore the IVG process is based on an unwarranted assumption about proposed conservation areas and makes judgements about them on the basis of criteria which have not been scientifically-defined or agreed upon. This is not a criticism of the authors or their work, but highlights the shortcoming of a process that appears to predetermine an outcome rather than evaluating ENGO conservation claims on their merits using an objective and scientifically accepted process.
- Despite IVG Chairman, Professor West acknowledging that authors contributing to the IVG process held, or were perceived to hold bias, these perceptions were not addressed appropriately as no independent, transparent or credible peer review has been undertaken of their reports.
- Without such a review these reports remain discussion papers and do not inform the process. This conclusion is supported within the reports by authors who state that their work is presented as 'preliminary' or for 'discussion' thereby acknowledging the need for further work to verify claims and validate conclusions.

- The authors of the IVG's forest conservation reports do not attempt to rank the ENGO polygons and without an assessment of their conservation values against those outside these polygons, and between polygons, it is questionable whether this approach is valid. While the information and approach is interesting, it is meaningless unless an analysis of the relevance and significance of such findings is undertaken. This has occurred despite Professor West agreeing with the IFA that an assessment of the conservation values of forests required a 'ranking' system that would differentiate between multi-use and conservation uses and management.
- The IVG process has distorted public perceptions given that its reports have been interpreted and promoted by some organisations and media as fully supporting ENGO claims regarding the 'high conservation value' status of the identified forests. This has undermined the IGA process by contributing to ongoing campaigns to undermine confidence in Tasmania's forest management processes, as well as timber suppliers and their markets.
- The IVG's failure to meet its own ToR Clause 4 requiring it to fully consult is a serious oversight that must be addressed by the Government.
- The IVG reports have failed to fully assess the impacts of proposals to change public land tenure on stakeholders who rely on access to forests and forest products for commercial and recreational pursuits and who utilise the significant road network and associated infrastructure maintained by Forestry Tasmania through the sale of timber.
- The IVG reports fail to fully consider existing robust and genuine legislative and voluntary (such as certification) measures that exist to ensure production forests and conservation reserves are properly meeting environmental, social and economic values.
- The IVG reports provide only superficial consideration to impacts associated with a significant reduction in domestic timber production. Issues such as 'trade leakage', increased imports and global impacts have been ignored despite Australia having a global responsibility to not only conserve forests, but to also use them and in doing so protect global biodiversity and reduce carbon emissions.
- These reports fail to appreciate that a change in public land tenure will not in itself maintain, expand or enhance forest conservation values and to promote such an approach is simplistic and indicative of an inherent bias to the process.
- The IFA notes that the IVG reports do not examine or assess whether setting aside more areas of Tasmanian forest as conservation reserves will improve the conservation value of forest ecosystems in the State, nor does it assess the effectiveness of present management of both State forests and national parks, and other reserves, in collectively achieving protection of natural values; predict the effectiveness of a different system (i.e., an expanded reserve system) for achieving protection of natural values; or provide any comparison of the success of the present system with likely outcomes predicted under the proposed new system.

Background

The Institute of Foresters of Australia (IFA) and its professional credentials

The Institute of Foresters of Australia (IFA) is the professional association representing Australian forest scientists and practitioners. It was formed in 1930, has active Divisions in all Australian states and the ACT, and is governed by an elected voluntary Board. A requirement of professional level membership is tertiary qualifications in forest science or a closely related scientific discipline, or alternatively, extensive relevant practical experience in forest management or forest science.

Currently the IFA has approximately 1200 members throughout Australia and overseas. Members are employed in a wide variety of positions including native forest, plantation and national park management, research, bushfire management, land care, education, public service administration, private forestry, and associated wood-based industries. Those involved in forest fire suppression and prescribed burning in native vegetation across the nation are strongly represented and there are linkages and collaboration with professionals engaged in these activities elsewhere in the world.

The age and experience profile of IFA members ranges from new graduates to retired men and women with over 50 years of experience in forested land and park management in Australia. IFA members collectively possess over 20,000 years experience in forest management, including over 2,500 years of direct experience in Tasmania

In view of the training and experience of its members, the IFA is the peak professional body for Australia's forest science academics and practitioners. It is therefore frustrating that over the past decade individuals with limited or no direct experience are being given more influence on forest policy determinations than tertiary-trained, experienced professional foresters who have worked with these issues for generations.

The Independent Verification Group (IVG) and its work

The Independent Verification Group (IVG) was established under Clause 20 of the Intergovernmental Agreement (IGA), and charged with the primary task of verifying the high conservation values of native forests nominated under the Tasmanian Forests Intergovernmental Agreement (TFIGA) and their compatibility with sustainable wood supply requirements for industry.

The IVG was chaired by Professor Jonathon West, and (according to its Final Report) its six members were appointed for their independence and their extensive expertise in forestry, forest ecology, conservation reserves, forest modelling and geology. The members of the Independent Verification Group are:

- Chair, Professor Jonathan West
- Dr Robert (Bob) Smith
- Dr Michael Lockwood
- Professor Brendan Mackey
- Professor Mark Burgman
- Professor Ross Large

Unfortunately, only one IVG member (Dr Smith) has practical experience in forest management and forest agency administration, and none represent the Institute of Foresters of Australia which is the country's peak professional body for forest managers and policy-makers.

The IVG spent approximately five months verifying claims about conservation values and wood supply, and met as a group on five occasions, although it appears that the majority of this time was spent on developing work programs. It provided four reports to governments during the conduct of its process – an initial report in September 2011 by the Chair and two subsequent progress reports on 1 December and 31 December 2011, plus a final report in March 2012.

In March 2012, the IVG released five substantial technical reports and appendixes comprised of a mix of IVG written and commissioned reports, each of which contains an overarching analysis by the responsible IVG member. These reports cover the following topics:

- Wood supply
- Forest conservation
- Mineral prospectivity
- Socio-economic aspects
- Social reserves

The IFA has largely restricted its critique to the wood supply and forest conservation reports, although associated socio-economic aspects are also considered at times.

Lack of consultation and independence in the IVG process

The IFA recognises that a relatively short time-frame was allocated to the IVG process and this placed significant pressure on the Chairman, Professor Jonathon West, and authors to deliver their reports by 30 March 2012. Nevertheless, this should have provided greater impetus for an inclusive process based on wide-ranging consultation which could have efficiently informed findings and recommendations that were truly representative of community aspirations.

Unfortunately, the opposite has happened with the IVG process being conducted in contravention of its own Terms of Reference (ToR) both with respect to consultation and independence. In particular, the failure of the process to take account of the perceived bias of some the IVG members by subjecting their reports to independent peer review, has only furthered widely-held perceptions that the process was pre-ordained to support a particular political outcome.

Overview of IFA participation (and non-participation) in the IGA/IVG process

The IFA has been trying to actively and constructively engage in the IGA process since it was first announced. This includes writing to the Premier of Tasmania and the Prime Minister of Australia on several occasions providing details of prominent IFA members willing to provide advice to, comment on, or participate in the verification process under the IGA. This included providing the names and CVs of internationally recognised members who were available and hold appropriate expertise across a range of forest management issues covered by the IVG process.

In addition, IFA members have articulated a willingness to participate at a number of preliminary meetings with the Tasmanian Premier and Ministerial staff (both Commonwealth and State).

The IFA also extended this offer to IVG Chairman, Professor West, in regards to reviewing the findings of his expert panel established to advance the IGA process. The IFA also sought the opportunity to be consulted during the IVG process as a means to at least express our views and aspirations.

Despite these efforts, the IFA considers there has been no meaningful engagement despite the Tasmanian Forest Agreement IVG Terms of Reference (ToR) requiring in Clause 4, that the IVG Chairman, Professor West, "*Put in place appropriate arrangements for ongoing consultation*" with groups that included the IFA as noted in Attachment A of the ToR.

We do acknowledge that Professor West met with Dr Peter Volker, the then National President of the IFA, in late November 2011. However, this meeting essentially involved Professor West detailing the IVG process, explaining his view of the history of Tasmania's forest conflict and stating that he did not see his role as providing any advice to government, as he was acting only as a facilitator.

At that meeting, Dr Volker informed Professor West that:

- 1) The IFA is the peak professional body as distinct from a timber industry body and has a broad membership that includes park managers, production foresters and academics;
- 2) The IFA's primary concern is sustainable forest management regardless of land tenure;
- 3) The current process is likely to result in unsustainable management of the remaining forest left open to production forestry, regardless of what happens in the timber industry; and

- 4) Reinforced the need for the assessment of 'high conservation values' to be done according to proper standards and protocols, inside and outside the current forest reserve system

Dr Volker also raised concerns regarding the credibility and integrity of the IGA process and perceptions of bias. Professor West stated that he was not concerned with any inherent bias of members of the IVG as this could be addressed by subjecting their reports to a review process.

On 15th December 2011, the IFA wrote to Professor West and indicated that the inherent bias which he had previously acknowledged increases the need for appropriate peer review and comment on technical reports prepared by members of the IVG.

Professor West, in emails and discussions with the IFA indicated he would subsequently engage the Institute to provide reviews of the IVG reports (excluding the minerals report) and viewed this as essential to addressing the aforesaid acknowledged bias. However, no such review has occurred.

Without such a review these IVG reports can only be considered as discussion papers that do not inform the IGA process. This contention is supported within the IVG reports themselves by authors who state that their work is presented as 'preliminary' or for 'discussion' and stating that further work is required to verify claims or validate conclusions.

The IFA also acknowledges that two of its members were engaged by Professor Bergman to provide an independent review his work for the IVG on wood supply. We understand that very limited time was provided for this review (hours as opposed to days or weeks). Nevertheless, as both were essentially comfortable with the report's findings, the IFA has confidence that this report is as robust as could be expected within the time-frame allowed for its preparation.

Despite the limited consultation with two of our members in relation to one IVG report, we would contend that there is a big difference to individuals being approached directly to provide advice, compared with being approached as members of the IFA.

Without a comprehensive and appropriate peer review of these IVG reports and considering the manner of their presentation to Governments, the IFA maintains that Professor West has failed to meet the obligation outlined in Clause 4 of the IVG's own Terms of Reference which required that the IFA (along with a range of other specified groups) be meaningfully engaged and consulted. This has not occurred and we reject any notion that the conversations held, or correspondence entered into with various individuals, could be considered consultative and it certainly is not engagement.

As was feared, this lack of consultation led to Professor West and others demonstrating their lack of understanding about forest management and timber scheduling by misinterpreting Professor Burgman's wood supply findings. Despite Burgman's findings being in line with Forestry Tasmania documents that have been in the public domain for some years, there was considerable misrepresentation of the facts, such that Forestry Tasmania and its staff (many of whom are IFA members) have been unfairly portrayed in a poor light. This simply exemplifies the need for IVG members to take professional advice before making public statements on complex forestry issues.

Given that the IVG reports have, since their release in March 2012, been interpreted by some as fully supporting ENGO claims regarding the supposed 'high conservation value' status of forests which have been nominated for reservation, they have arguably undermined the IGA process by contributing to ongoing ENGO campaigns to undermine confidence in Tasmania's forest management processes, and damage timber suppliers and their markets.

The IFA rejects outright any assertions made by Professor West that he meaningfully consulted with the Institute. Sadly, he elected not consult with any one of Tasmania's IFA members prior to making public statements about IVG reports in which he misrepresented the real state of affairs to the Tasmanian and Australian Governments and the people of Tasmania (see **Wood supply report**, p. 14)

Implications of the IVG's failure to consult

The failure of the IVG to meet its own requirements to consult is a serious shortcoming given that the issue of public forest management affects such a broad cross-section of the community. Indeed, the latest advertising campaign initiated by the Tasmanian Government calls on the community to be 'part of the solution', but provides no mechanism for meaningful participation.

In saying this, the IFA does recognise that Professor West was tasked with a challenging job.. However, this only strengthens the need to for an inclusive process based on wide-ranging consultation and review to ensure findings and recommendations are truly representative of community aspirations.

This has not occurred given that the IFA is aware of a number of other organisations who strongly reject the assertion that they have been consulted and, like the IFA, contend that the IVG reports have failed to fully assess the impacts of public land tenure change on stakeholders that rely on access to forests and forest products. These include, but are not limited to:

- Tourist businesses which rely on access through State forests;
- The Tasmanian Aboriginal Land & Sea Council, given that 49,000 ha of State forest is currently zoned for Indigenous and non-Indigenous cultural heritage;
- Research and educational institutions as significant areas of State forests are used to undertake research and educational activities at a primary, secondary and tertiary level;
- Local Government Associations, many of whom are heavily reliant on the payment of forestry rates, and the employment associated with forest-use industries and affiliated service providers;
- Recreationalists who benefit from a range of general and specific tourist facilities including camping sites, parks, barbecues, boating facilities, and 'adventure hubs', as well as being able to undertake activities only available in State Forests such as 4WD, horse riding, running, orienteering, and school events;
- Non-wood extracting industries such as apiculture, seed, and tree ferns; and
- Private forest owners, many of whom are members of the Tasmanian Farmers and Graziers Association, who have forest activity integrated within their business models and leverage off State Forest resources and expertise. Commercial firewood suppliers and recreational woodcutters who supply or obtain around 600,000 tonnes of wood annually.

Implications of the IVG's lack of independent review

During the IVG process through direct discussions with Professor West and the Premier of Tasmania, the IFA has repeatedly maintained that for the IVG to be seen as independent, the reports being prepared and overseen by its members would need to be peer reviewed in order to demonstrate that "*an independent and transparent verification process to assess and verify stakeholder claims*" had been undertaken as required under Clause 2 of the IVG's ToR.

Although this has not happened, the IFA is relatively comfortable with the IVG's report into wood supply and recognises that it has had at least some level of review by professionals who are respected by IFA members.

However the IFA is not comfortable with the report into forest conservation overseen by Professor Mackey. IVG Chairman, Professor West, has advised the IFA that this report is yet to be peer reviewed despite his admission on 13 January 2012, that a review would be necessary and that IFA members have appropriate skills and expertise to provide such a review. Unfortunately since its release, this report has been touted as supporting the transfer of a further 572,000 ha of State forest to National park tenure despite the lack of appropriate assessment of its methodology and findings.

Just one example of deficiency in the forest conservation report was noted by Dr Kevin Bonham, Honorary Research Associate, University of Tasmania, and expert on invertebrates, especially snails. He stated that the report's assessments relating to some snails is "*clearly unsound and this brings into question any other 'potential range' assessments that have not been run past a specialist, directly, in the relevant groups.*" This raises questions about the veracity of the IVG's consideration of forest conservation (see **Forest conservation report**, p. 15)

Critique of IVG reports

The failure of the IVG to meaningfully consult with the IFA has prompted our members to undertake an analysis of the IVG's work to ensure its reports are factual, science-based, and draw justifiable conclusions. However, this should not be considered as a full peer, or comprehensive, review of the IVG's work. Arguably, such an exercise would take months. No assessment has been undertaken of the IVG's report into minerals.

Overview

The IVG reports are quite variable in style, scientific depth, background information supplied, mathematical content, scientific rigour, potential feasibility, relevance to purpose, and considered context. Therefore it is difficult to make general observations which apply equally to all of them, except that it would have been valid for the reports to have been integrated (with each other) before being presented, not least of all because this should be done at some stage.

It is noted that many of the reports indicate the work presented is 'preliminary' or for 'discussion' and acknowledges the need for further work to verify claims or validate conclusions.

It is apparent that, in accordance with the IVG's Terms of Reference, the report authors implicitly assume that the State forests nominated for national park or other reserve status are worthy, and therefore assess only whether they meet ENGO conservation criteria. This is not a criticism of the authors or their work, but rather of the process that appears to predetermine an outcome rather than requiring claims for new reservations to be objectively evaluated using accepted national or international criteria with an agreed scientific-basis.

The IFA reiterates that these proposed new reserves have been nominated by ENGOs dedicated to ending native forest harvesting and they have no valid scientific basis beyond being areas that they would like to see reserved.

Dubious validity of the 'high conservation value' concept

While the concept of 'high conservation value' is the cornerstone of the IGA/IVG process, it is not well defined and no national or scientific standard for this concept has been agreed upon. Without such agreement any assessment of its supposed occurrence is open to personal interpretation and bias. Accordingly, it is illogical and unsound to regard all tall forests as possessing 'high conservation value' without such a judgement being based on well-defined measureable criteria. As the validity of the concept remains so open to question, it cannot at this stage be defined by lines on maps.

It is clear that to the ENGOs, the concept of 'high conservation value' equates to areas where timber harvesting must be excluded in perpetuity. However, as much of the area that they have nominated as possessing high conservation values – and defined as such by the Wilderness Society and other organisations – has a history of commercial forest management, there is no basis to their contention that harvesting and high conservation values are mutually exclusive. Timber harvesting is not land clearing. Indeed, as the ENGO's are themselves conceding, properly managed timber harvesting and regeneration has little impact on the capacity of forests to retain their natural values in the long term.

Many flora and fauna forest species rely on disturbance events for long term survival and renewal. The IVG reports do not fully consider the importance of disturbance events (whether human or natural) in their assessment of forests for reservation. A robust and dynamic forest ecosystem is not necessarily

maintained through trying to preserve it in a particular type of public land tenure, and this presumption (which is integral to the IVG process) is a major flaw which undermines the integrity of the reports.

There is a need for more work to consider the effects of fire and fire frequency on conservation values, especially where public land tenure and management philosophy changes. For example, the effect of bushfires on carbon storage will change the calculations of the amount of carbon storage in eucalypt forests and soils, and may also change the value of affected forests to the community.

Failure to consider claims for new reservations in the context of existing forest management

The IVG report ignores the extent of already existing forest reservation since the signing of the Regional Forest Agreement (RFA) in 1997 and the Tasmanian Community Forest Agreement in 2005. In fact the area of public native forest available for wood production has decreased by almost 50 per cent since the RFA. The majority of Tasmania's public forests are now managed as conservation reserves from which timber production is excluded.

Today, less than 21 per cent of Tasmania's total area of forests is public forest potentially available for wood production and this area is likely to be less due to constraints applied by the Forest Practices Code and other conservation provisions, and associated accessibility, economic, safety and operational issues. This demonstrates that any imbalances between conservation and managed forests have already been addressed.

It is also apparent that many of the IVG report authors are unfamiliar with the present complex forest management system that operates in Tasmania, including:

- the current standard of certification and associated compliance monitoring by Forestry Tasmania;
- the existing robust assessment compliance, monitoring and enforcement procedures managed under the *Forest Practices Act 1985*; and
- the large body of scientific literature and experience which supports it.

This may not be surprising given that all IVG members are from interstate and in view of their general lack of consultation with the forestry profession.

While there remains a perception of bias amongst the IVG report authors, it is unclear whether this is justified or reflects the ToR imposed on their work. In fairness to them, there is a common theme of acknowledging the narrow ToR, the short time provided, limitations on ability to 'field proof' assumptions, and reliance on known data. Given these constraints, it is apparent that additional work is required to validate the ENGO claims for new reserves.

It is of considerable concern that the IVG reports give only limited recognition to the fact that Tasmanian forests are already well managed for biodiversity and other natural values (landscape, soil and water, geodiversity) both through one of the most proportionally extensive reserve systems in the world, and in State forests, through one of the world's most stringent regulatory frameworks governed by the *Forest Practices Act 1985* and the Forest Practices Code 2000. This is further supported through contemporary and dynamic prescriptive and guideline documents e.g. the Threatened Fauna Advisor, and the extensive lists of publications of Forestry Tasmania and the Forest Practices Authority on natural values protection – all of which are readily available on websites and as web tools.

It is almost inconceivable that an assessment of claims for substantial new reservations would take no account of the reality that Tasmania's forest practices system is recognised internationally as a benchmark for best practice in forest regulation and is regularly used as a model for improvement in many countries. In 2008 researchers from Yale University and the Australian National University independently compared environmental forest practice policies in Tasmania against the policies of 38 other jurisdictions from 20 countries. Assessments were based on five criteria: riparian zone management, clearcut size, road culverts and decommissioning, reforestation requirements and annual allowable cut. The researchers found that:

A fundamental underlying component of the RFA is the Forest Practices System. Compliance is detailed in the Forest Practices Code, which has been assessed to be comprehensive and amongst the most prescriptive in the world.ⁱ

Furthermore, forest regulatory processes in Tasmania are embodied in the only system in Australia that has been developed for, and applied equally to, both private and public forests.

The forest industry also operates within a broader regulatory framework that is not acknowledged in the IVG reports. This includes the legislation framework shown in Table 1 below.

Table 1: Major Tasmanian Acts which regulate the forest industry

Forestry Act 1920 & Regulations	Threatened Species Protection Act 1995
Forest Practices Act 1985 & Regulations	Nature Conservation Act 2002
Private Forests Act 1994	Environmental Management and Pollution Control Act 1994
Forestry (Fair Contract Codes) Act 2001	Aboriginal Relics Act 1975
Forestry Rights Registration 1990	Land Use Planning and Approvals Act 1993
Timber Promotion Act 1970	Crown Lands Act 1976
Regional Forest Agreement (Land Classification) Act 1998	Historic Cultural Heritage Act 1995
Public Land (Administration and Forests) Act 1991	State Policy on the Protection of Agricultural Land 2009
Fire Service Act 1979	Agricultural and Veterinary Chemicals (Control of Use) Act 1995 and Regulations
Weed Management Act 1999	Workplace Health and Safety Act 1995

Further evidence of Tasmania's high standard of balanced forest management is contained in a 2008 joint UNESCO World Heritage Centre-IUCN-ICOMOS mission report on the conservation of the Tasmanian Wilderness World Heritage Area. It reported that the management practices being implemented by Tasmania's forest industry are contributing to the protection of conservation, biodiversity and cultural values, and in relation to forests within the Tasmanian Wilderness WHA:

"The threats to these forests from production forestry activities are well managed and there is no need for the boundary of the property to be changed to deal with such threats"ⁱⁱ.

This assessment indicated that the current management and regulatory approaches in Tasmania already adequately take account of conservation and biodiversity criteria and incorporate international best practices as they apply to local and specific situations. It is important to note that there is no 'international best practice' as such, but local or regional best practices. This is reflected in Tasmania's Forest Practices Code as was acknowledged by the Yale and UNESCO World Heritage Centre – IUCN-ICOMOS reports mentioned above.

It is clear to the IFA, and international organisations, that decades of evolving forest policy and regulation have already resulted in substantial areas of Tasmania's public and private forests being managed for non-

commercial values such as conservation, recreation, water quality enhancement and non-wood forest products such as honey, bush foods and tree-ferns – and that these outcomes are being achieved alongside traditional commercial forestry activities.

Again, while we decry the IVG's lack of consideration of existing forest management context, we acknowledge that this stems largely from Terms of Reference which inexplicably gave this no credence when evaluating the merits of proposed new reserves.

Limited consideration of forest values beyond biodiversity

The IFA is concerned that the IVG reports make the error of equating conservation values with biodiversity. In fact conservation values are broader and embrace soil health (e.g. nutrient status, erosion), stream conditions, cultural values (landscape, Aboriginal, European, and scientific heritage) and geodiversity. These subjects have not been fully assessed.

Inappropriate consideration of personal values attached to forests

The use of terms such as 'spirituality' to define a forest value is questionable because it relies on a personal interpretation rather than a tangible, verifiable quantity. The IFA notes that the IVG report rejects the community or personal value placed on a forest by people or organisations who work within, or extract resources from forests, yet accepts these types of values when related to conservation or amenity.

Reliance on such subjective values is also questionable given that only a narrow section of the community have made such claims and no attempt has been made to gauge wider community views on the use or importance of such values. In making this statement, the IFA acknowledges the strong cultural and spiritual links indigenous communities have to land and places and welcomes their input into such assessments. However, it is inappropriate to use such a personal value when applied to conservation assessments, especially when many (or most) of those who cite such values do not possess strong links with forests that could be seen equate to those of indigenous individuals/communities, or even to the links held by those who work within forests on a daily basis.

Neglect of the role of forest management in maintaining conservation values

It is clear to the IFA, as it should be to most scientists, that all forests contain some level of conservation value irrespective of management, species composition, age, location or disturbance (either through fire or timber harvesting). Thus it is hardly surprising that the proposed ENGO-nominated reserve areas contain conservation values which can be attributed to a combination of effective forest management expertise and the natural resilience of forest ecosystems, especially eucalypts which are naturally adapted to disturbance – particularly fire.

As such, the IFA strongly asserts it is not whether conservation values are present that is the issue, as much as whether existing or future management approaches will undermine such values in the long term.

Accordingly, the IVG process (due again to restrictive ToRs) is negligent in not considering potential changes to public land tenure in the context of consequences for forest management and implications for the long term maintenance of forest values.

The chief consideration should be potential changes to the capability to manage forest fire which as has been illustrated in Victoria, is by far the greatest threat to the integrity of biodiversity, soil, water, and carbon values.

Even with the best management systems, bushfires will still occur but are generally more likely to be controllable, and consequently have less drastic deleterious effects on forest values than fires which are able to grow to unmanageable size. Even then, a small proportion of very damaging fires can be expected.

Based on past history, Tasmania can expect a devastating regional fire every 40 years or so. The fact that Tasmania has not had such a fire since 1967, despite many smaller fires occurring, is testimony to the practices of Forestry Tasmania (and its predecessors) which has been able to judiciously manage fire in the forested landscape. However, the continuation of good fire management is dependent on access roads, prescribed burning, and the availability of highly-trained personnel (including foresters, forest workers, harvesting contractors and the heavy equipment they possess) with local knowledge.

If fire management capability is significantly weakened, there will be an increase in uncontrollable fires and far greater damage to forest values as fires which were formerly controllable are able to become unmanageable. This is reflected in the recent major fire events in Victoria and the ACT.

The lesson is clear from southern mainland Australia that transferring State forests into the National park estate is invariably accompanied by a withdrawal of active forest management which is exemplified by the closure of minor roads and tracks, less prescribed burning, and a weaker fire management workforce. This is largely indicative of lower levels of funding and a focus on developing and managing visitor infrastructure at the expense of broad-scale land management.

The IFA notes the potential for the technical expertise, knowledge, experience, and resources (both human and technological) currently available through the broader forestry workforce to be lost or diminished if the ENGO-nominated reservation increases are fully implemented. Regardless of the training, expertise and capacity of National park management personnel, this is likely to make forest values more vulnerable to damage by fire.

Failure to consider perverse effects on private native forests and their values

The IFA is concerned that restricting industry access to otherwise highly productive State forest will ultimately diminish the conservation value of the private forest estate as the capital value of these assets reduce or become a liability as they become the primary wood source for the remaining timber industry or conversely lose their economic value as the timber industry shrinks or virtually disappears. This may have the effect of removing voluntary incentives to maintain these values.

The narrowly focussed IVG reports fail to consider the perverse outcome that wood supply will need to come from the very forests in which real conservation issues occur. Diminished conservation values on private land is likely to be as a response to market drivers – there will be great pressure on private landowners to liquidate their native forest assets (through conversion for irrigation or other agricultural uses) through an acceleration activity by landowners who wish to realize capital before perceived restriction are enacted, or cease to manage their native forests as markets diminish and they realise a loss in capital value. If private native forests are to be withdrawn from the possibility of commercial exploitation, there remains the question for compensation for forest owners whose asset value has been reduced to zero through no fault of their own.

The IFA does not consider various 'REDD' alternatives are robust or mature enough to provide a viable alternative. In fact, they too will disappear if the industry diminishes to an extent that there is no longer a 'threat of logging' which is currently the basis for payment to maintain in-forest carbon storage.

As the private forest estate contains the majority of 'environmental hot spots' which are currently, and voluntarily, managed outside of formal reserves with ongoing costs sometimes financed through other agricultural and forestry activities, the loss of markets for native forest products is likely to have a deleterious environmental impact.

The reduced value of private native forests will increase pressure on the current biodiversity planning constraints (such as thresholds for individual species) imposed through the forest practices system and supported by other legislation and policy initiatives. Thus, the IFA considers it is likely that without the commercial incentive associated with managing a productive economic resource, private native forests are likely to become degraded over time with their social, economic and environmental values diminished as they are increasingly viewed as a liability by private landowners.

The IFA considers this to be a serious omission by from the IVG reports. Further consideration is contained in the Tasmanian Farmers and Graziers 2011 paper titled, "*Statement of Principles Potential impacts – Tasmanian Private Native Forests*".

Wood Supply report

It is acknowledged that the authors of the IVG's wood supply report do have some forestry expertise, and the IFA is reasonably confident that the calculations that it contains were done appropriately including wherever possible the evaluation and correction of biases in the resource data. Accordingly, our criticism of this report is not meant to be a reflection of the authors and their competence, but (as with other reports) reflects narrow Terms of Reference that limited the capability to undertake a more comprehensive analysis.

The concept of 'headroom' represents a reasonable and conservative approach to the uncertainty associated with resource inventory and supply risks such as severe bushfire, climate change or pest/disease damage.

While it could have been a proper risk management exercise, the report is in effect an exercise of adding and subtracting the relevant numbers and adding a safety margin (the 'headroom').

Overall, the report is not the risk analysis that it should have been, but a largely deterministic expression of playing with numbers by arbitrarily discounting for risk without adequate evidence to support the magnitude of discount.

Unfortunately, the report has been used by some ENGOs and Professor West himself to claim that Forestry Tasmania has 'overcut' the available forest resource and to decry their approach to forest management as unsustainable. However, the IFA rejects these claims and is mystified as to how such conclusions could have been drawn.

The IFA notes that the management regime adopted by Forestry Tasmania reflects the requirements of the RFA and the Tasmanian Community Forest Agreement, and has been assessed under those processes. It has also been clearly enunciated in the public domain over the past 20-years that the long term supply and sustainability approach by Forestry Tasmania incorporates a transition to a future resource of native regrowth and hardwood sawlog plantations. A failure to recognise this transition seems to lie at the heart of the inappropriate conclusions which have been promoted.

Our major criticism of the report's ToR is that they don't consider supply or market issues. It is a fact that there is no alternative domestic supply that can fully replace Australian production of sawn native

forest hardwood. Accordingly, the removal of native hardwood from the market will be replaced by imports of rainforest timbers of similar quality but dubious origins, or carbon-emitting substitutes (steel, concrete, aluminium).

Plantation-grown hardwoods have been often touted as the replacement resource but they remain unproven as a suitable substitute and in any event there is a huge shortfall in hardwood plantations being managed on long sawlog rotations. Indeed, some have likened the replacement of native sawn hardwood with plantation-grown hardwood as akin to expecting a premium Coonawarra red wine to be made with table grapes – it simply is not possible.

While there is certainly a place for hardwood plantations in the mix of production systems, there is considerable community opposition to growing more plantations on the basis of competition for land used for food production and other concerns about intensive management processes, including the use of pesticides and landscape alteration to name a few. By comparison, the use of native forest for sawn timber production is a relatively benign process.

Forest conservation report

The forest conservation report is a collection of separate papers, with some attempt by Professor Mackey to collate their collective findings. However, all the papers are collated under the conservation report.

Flawed methodology for assessing conservation values

The IFA believes that the report's methodology for assessing forest conservation values is flawed, although we acknowledge the imaginative approach of dividing the 572,000 ha of disputed State forest up into 270 polygons where values can be more easily assessed. Unsurprisingly, it was found that all polygons had conservation values!

To test the veracity of this approach, an IFA member with expertise in forest conservation tested averaged-sized polygons centred on the Hobart GPO and the Launceston Post Office. Using conservation value data readily available in the public domain at least 5 conservation values were found in each of those two polygons and it is likely this number would increase if the cultural, heritage and 'spiritual' values were also considered, even within smaller sized polygons.

This demonstrates that any polygon in Tasmania of a similar size (or even smaller) would contain a number of conservation values.

However, like the IGV report, this approach is limited. The IVG report does not rank the polygons by assessing the comparative quantity and quality of values against areas outside the polygons, and between polygons. Without such an analysis the approach becomes meaningless because it fails to analyse the relevance and significance of its findings.

That the approach failed to rank polygons and their values contravenes the thoughts of Professor West who agreed with the IFA that an assessment of the conservation values of forests required a 'ranking' system that would differentiate between multi-use and conservation uses and management.

It is also important to note that it is likely that a 'high' conservation value has been achieved within forests that have been actively managed, and their status reflect practices which are independently certified and audited, overseen by the Forest Practices Authority and have been acclaimed by international experts, including those of Yale University and UNESCO.

Tree hollows

This paper does not in itself assist in decision-making or give any direction as to what qualifies as 'high conservation value' and ignores current practices that actively identify and retain appropriate habitat trees that contain, or are likely to contain, suitable tree hollows.

Contemporary forest practices already incorporates active and dynamic management approaches, including variable retention harvesting, that aims to maintain appropriate hollow bearing trees on site and within the interface of permanently reserved vegetation and regrowth from timber harvesting.

Defining and managing old growth forests

As its first sentence states, this paper is a 'discussion paper' and it should be viewed in that context. Accordingly, its findings are appropriate as the basis for discussion when considering adjustments to current practices and to recognise existing science – but nothing more.

A significant point that it makes is that forest maturity takes substantially longer than a harvesting cycle, and needs to be taken into account in forest management. However, in making this statement, the report does not fully consider the interaction of management systems such as variable retention, the identification and establishment of informal reserves within coupes, or the role existing 'old growth reserves' play in a holistic management approach.

The report cites only Australian work and less than half of these have undergone double-blind-peer-review. This is unfortunate, as when suggesting that landscape-level forest representation be considered, it provides limited detail on how to do this and instead merely expands the traditional approach of identifying items considered to be significant, rather than incorporating different area-types for the different spatial attributes under consideration. These include irregular-shaped boundaries matching topography, different sizes dependent on faunal foraging distances, and different extents to cope with different fire severities under forecast climate change. Until such attributes are included then this paper remains a 'discussion' paper.

Other specific issues with this paper are that:

- it inappropriately asserts that forest reservations that are based on age will bias against dry-sclerophyll and favour wet-sclerophyll forests;
- in suggesting a required level of mature forest reservation it fails to take into account the forecast increase in fire frequency and severity with ongoing climate change (and the accompanying decrease in wet-sclerophyll area) and it appears to have not considered the fire buffer offered by mature wet-sclerophyll and rainforest patches, or by active forest management; and
- the approach suggested is too coupe-based even though it gives the impression of setting out to be a landscape-level approach.

Giant eucalypt forests— a globally unique fire-adapted rain forest?

This paper is in the style of a scientific paper and it contains some pertinent statements. However overall, the lack of any assessment of extent, representativeness, and location makes this paper a "theoretical discussion" rather than an objective assessment of the forests nominated for reservation.

It is also unclear how the paper is relevant to either conservation, the forest industries, or to the forest areas in question, until the conclusion where it mentions: *'This approach to vegetation classification has created ongoing controversy about the definition of 'rain forest' in Australia (e.g. Bowman, 2000; Lynch & Nelder, 2002) that has dogged Australian ecology and environmental politics for years.'*

Accordingly, the IFA is concerned that the paper brands these forests as 'globally unique' and 'rainforest' when both labels are highly questionable. This confers on them apparent special significance despite no proper case being mounted to support such a classification.

Indeed, referring to eucalypt-dominated forest as 'rainforest' contravenes accepted vegetation classification conventions, but affords them an unwarranted mythical status amongst many in the community, and supports the regular misuse of this term by ENGOs campaigning for total forest preservation. If the term rainforest is to be used it should accord with the presence and dominance of the specific suite of species that are clearly identifiable as rainforest species. In the Tasmanian context, tall eucalypt forests with a rainforest understorey are more accurately referred to as "mixed forest". This is the same as the Victorian context as is well described by Cameron 2010¹.

As for the use of the term 'globally unique' – it could be argued that every forest type in Tasmania fits this description given that there are no other Tasmania's on the planet.. Accordingly, Tasmania's forests are no more globally unique than other forests and vegetation classes around the world. However, it is pertinent to note that most of the iconic 'giant' forest types that occur in Tasmania are also present on mainland Australia.

It is inappropriate to classify all eucalypt forests greater than 70 m as 'a globally unique fire adapted rainforest' as on the mainland these forests generally do not have a rainforest understorey. A clear distinction needs to be made with reference to the presence of a rainforest understorey if these forests are to be placed into a different category than wet sclerophyll forest or the specific EVCs as already described in the RFA process.

It is also pertinent to note that the RFA process has arguably taken account of the need to conserve Australia's 'unique' forests through targetting the reservation of at least 15% of all pre-European forest types, 60% of old-growth and 90% of wilderness. In fact in Tasmania, all these targets have been substantially exceeded including 80% of old growth and 100% of designated wilderness already contained in the formal reserve system, plus other areas effectively reserved in informal reserves or unusable or inaccessible areas. Indeed, Tasmania has more native forest cover by percentage of total area than any other state in Australia, as well as by proportion of the estimated retained areas of pre-1750 forest cover.

Despite this, the paper asserts in the summary that *'these unique ecosystems are high conservation value, in light of the substantial clearing and logging over the last 150 years'*. However this claim is made with no reference to areas, proportion of pre-European forests remaining, a proper description of the ecological vegetation classes, the amount in various growth stages, or amounts in existing conservation reserves. This clearly displays bias towards conservation objectives rather than considering any genuine balance between conservation and other uses, including timber production.

The discussion paper may have benefited by focusing on what makes the 'giant eucalypts' unique, their characteristics within the proposed new reserves, what they (and their ecosystems) offer to the Tasmanian forest landscape, how these proposed new reserves will enhance existing reserves and benefit the global climate, potential changes to genetic stock, and changes to the forest carbon balance etc. Unfortunately

¹ *A Field Guide to Rainforest Identification in Victoria* (2010) by David Cameron. Department of Sustainability and Environment

these questions have been ignored in favour of a subjective philosophical pursuit which only ensures that the very focus on terminology, which it seeks to disperse, becomes further entrenched.

The document also contains all too-numerous grammatical, spelling and typing errors, and some portrayals of convoluted musings on evolution (e.g. '*and it remains unclear how much the potential increase in flammability with the arrival of eucalypts changed the competitive balance with other rain forest trees*' – whereas a more logical view is that very-slowly-changing climate and fire-induced adaptations if the niche was to be filled (although feedback exists) – by some eucalypts.

Accordingly, the paper does not show sufficient appreciation of earlier work on fire and ecology, is inconsistent in statements about fire, and uses terminology such as pyrophillic, pyrophobic, 'fire dependent' and then talks about regeneration and susceptibility – is there really any plant which likes to be burnt? It also is negligent in that it does not differentiate in its terminology between 'intense' wildfires and high intensity silvicultural regeneration burns.

The paper also assumes that 'giant eucalypts' are worthy of world heritage status without a clear botanical description in terms of recognised classifications such as Ecological Vegetation Classes (EVCs). In view of this and to the extent that this paper is informing it, the IGA process is thus circumventing the RFA process by "inventing" new categories for reservation without adequately assessing their merit. In addition, the 5-yearly RFA reviews are a far more appropriate place for assessing landscape representation and adequateness of the conservation reserve network.

The paper largely ignores the historical literature relating to 'giant trees'. Giant trees have generally been classified according to 2 categories: height and volume. Forestry Tasmania has a clear definition of giant trees which has not been referred to at all during this paper which has instead endeavoured to create a new definition. This is disappointing to those who have put considerable effort into identifying and protecting so-called "giant trees" in Tasmania and elsewhere.

Other specific concerns:

Summary, p3: "*Giant eucalypts co-exist with rainforest trees in eastern Australia, but occur where rainforest is now extinct in south-west Western Australia*". This is a gross generalisation and is incorrect in much of the Victorian context. The authors must correct this.

Summary, p3: "*These unique ecosystems are of high conservation value, in light of the substantial clearing and logging over the last 150 years*". This is a value-laden judgment not backed up by any evidence in the paper. If this statement is to be taken seriously it needs supporting evidence. For example, in Victoria, the mountain ash forest type within which most giant eucalypts are found, still occupies 97% of its pre-European range, although admittedly most is of young age classes due largely to extensive fire, but also timber harvesting.

Are giant eucalypts rainforest trees?

This discussion strays away from stand descriptions to individual species descriptions. This is problematic as one species should not be considered in isolation of its surrounds. The term wet sclerophyll forest is well described; EVCs are well described but the theoretical discussion being presented here is unhelpful from a management context.

Conclusions, p.19: "*..... the giant eucalypts stands out as the tallest flowering plants, and form a global unique set of ecosystems of giant pyrophillic angiosperms over pyrophobic rainforest canopy and understorey*." This is a gross generalisation and is not true across the range of tall trees. It may be true of much of the Tasmanian context but this paper is broadly describing "giant" eucalypts across their range.

Despite its shortcomings, the paper does provide some beneficial information, such as the graphs of forest-type areas versus moisture index (which could be used in conjunction with the forecast climate-change scenarios to help forecast forest demise or change if the reports were integrated as suggested above) and the point that investing in thicker bark and fire-resistant growth components slows growth (relevant also to the plantation estate and its susceptibility). The statement that *'Indeed, there is no question that the current distributions of the same eucalypts differ considerably from their historical distributions.'* Should have been expanded as it is unclear what distribution would be like in absence of active forest management, and whether or not this difference is significant.

Future climate projections for Tasmanian IBRA regions

This report is mostly a selection and summary of calculations conducted for a different project – the 'Climate Futures for Tasmania project'. The IFA has confidence in the numeric forecasts of temperature, rainfall and runoff and their variability from the individual models, however there are major downfalls in the report as follows:

- It would be more appropriate if it calculated likelihoods for the different models and subsequently for the expected effects rather than averaging their outcomes. The averaging of models that yield low net change (and relatively low loss of biomass) is prominent in the major forest industry zone of the 'Tasmanian Southern Ranges' IBRA (Dean & Wardell-Johnson, 2010) because that area is situated between the two trends of rainfall change for Tasmania (east and west)— something that should have been considered in this report.
- The calculations could have been better placed in context by providing an assessment of their likelihood of the two SRES scenarios examined (A2 and B1); and
- The authors appear to have overstepped their remit, made an invalid leap in logic and ignored published scientific work on the climate-change effects on native forests by stating that *'There is projected to be a gradual increase in annual GDD ... changes in GDD are also likely to have significant implications for native vegetation due to changes in, for example, growth rates of vegetation.'* (Where 'GDD' stands for 'growing degree days'.) The detrimental effects of climate-change on native forests have been noted already in several locations (and reported in double-blind peer-reviewed literature) and chronic drying of forests has been forecast along with increase in fire frequency and fire intensity, and subsequent loss of carbon— which is likely in the areas that were forecast in this report to have increased moisture deficit, and possible in areas where model-averaging yielded minimal forecast change.

Carbon value

This paper fails to fully acknowledge the findings of the IPCC, and its consideration of forest carbon would benefit from a broadening of the parameters upon which the analysis and conclusions are based. This is appropriate to avoid perverse outcomes such as the loss of global carbon stocks associated with trade leakage, or increased carbon emissions through substitution by non-wood products.

Neither of these outcomes have been fully considered within this paper and if accepted, the assumptions that the paper puts forward are likely to result in the loss or severe degradation of global biodiversity and C stock. This would result especially if timber imports from Asia increase to meet shortfalls created by reducing domestic hardwood production as global Co2e emitted as a consequence of 'leakage' through import substitution would be nearly eight times greater than that associated with forest activity in Tasmania. This is due to the fact that the forest practices in many exporting countries are less robust and

comprehensive than those within Tasmania and are consequentially higher contributors to a loss of forest and its biodiversity and carbon stock values when considered at a global level.

The IFA believes that when valuing forest carbon income or storage potential, Tasmania must avoid the Canadian experience where narrow assessments of the carbon benefits of standing forests has resulted in that country facing a crippling financial penalty under its Kyoto commitments, which has ultimately resulted in it withdrawing its support for that protocol.

While the IFA acknowledges that landscape carbon storage is important, it nevertheless forms only part of the full role of forest biomass in greenhouse gas mitigation. Storing carbon in wood products, and supplying society with low-emission products for construction and renewable energy generation are also widely recognised benefits of forest management that are being actively developed in Australia and internationally. Using wood in construction dramatically reduces fossil fuel emissions when substituting for metal, concrete, aluminium and plastics.

Key international and domestic climate change reports recognise that managed forests and increased use of wood products will provide important stores of carbon and are an important part of the solution to tackling climate change. The Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (2007) noted that:

“ wood products can displace more fossil-fuel intensive construction materials such as concrete, steel, aluminium and plastics, which can result in significant emission reductions.

“A sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fiber or energy from the forest, will generate the largest sustained mitigation benefit”.

The paper fails to acknowledge that Tasmania’s forests include a wide variety of forest and vegetation types, most with relatively low C stocks even when mature, compared to relatively undisturbed old-growth tall-wet-eucalypt forests. It is a reality that the iconic tall-wet eucalypt forests with large carbon stocks are atypical of the greater forest landscape in Tasmania, with old-growth examples making up less than 2% of the total forest estate, and the majority of these already in permanent conservation reserves.

The paper does not adequately address the potential impacts of wildfire and other disturbance events such as drought, pests and disease on C stock. While a significant proportion of carbon remains after fire in dead trees and roots, burnt forests will be net emitters of carbon for decades. Therefore, the increased incidence of wildfire, or other disturbance events, under a changed land tenure or due to a changing climate will invariably prevent much of Tasmania’s forests from reaching their potential carbon storage capacity.

A further limitation of the report is that it only covers a relatively short time frame (18 years). However when considering the fate of the proposed high conservation value forests the longer-term relevant guidelines require a 100-year commitment to maintaining C levels in forests identified and managed under national schemes. The short timeframe also ignores the likelihood of climate-change impacts strengthening as time progresses, including through landscape-level affects.

While this paper is somewhat informative and addresses its ToR, the IFA considers it is:

- simplistic, imperfect and at odds with international conventions to infer that the removal of timber harvesting from Australia's native forests is the best strategy for carbon emissions mitigation;

- more appropriate to incorporate and accept the view of the IPCC and UN Food and Agricultural Organisation that the sustainable management of forests including a mixed strategy of conservation and timber production is optimal for carbon reduction. Further, it should be acknowledged that the 2009 Garnaut Climate Change Review argued for the inclusion of carbon stored in wood products into climate mitigation policies and strategies and there is now considerable science to support this approach;
- appropriate to recognise the carbon emission reduction benefits when wood from sustainably managed sources is used rather than alternatives such as metal, concrete and plastic; and
- there is a need to further evaluate alternative forest management strategies for mitigating the impacts of climate change.

Forestry impacts

The IFA acknowledges that the consultants involved in this paper were competent at what they were asked to model, however, what they were required to model is questionable.

The paper develops log supply forecasts based on a scenario [Scenario 2] that existing privately-owned eucalypt plantations can be managed for sawlog production. This scenario is not realistic because, firstly, most private plantations are owned or controlled by companies that are managing plantations on short rotations for pulpwood production, and secondly, most will already be too old for the change of silviculture needed to produce quality sawlogs.

This is acknowledged by Burgman and Robinson, in *'Review of Tasmanian Forest Estate Wood Supply Scenarios'* on p.13: *'Virtually all private plantations are currently being managed on a 10 to 12 year rotation for pulp wood and could not be used for sawlog or peeler production, because pruning after age 4 years will not result in certain development of clear wood below five metres (Nolan et al. 2005).'*

Burgman and Robinson also conclude on p.91, that *'it is certainly possible for eucalyptus plantations to provide sawlog products, given the right infrastructure and circumstances, but there are presently several critical impediments that must be overcome. Without further investment in focused research, to follow up the excellent work that has already been done for the CRC for Forestry and other contributors, reliance upon high-value products from eucalyptus plantations in future scenarios is highly optimistic.'*

The IFA considers that until the impediments referred to by Burgman and Robinson are overcome, the claim that eucalypt plantations can or should substitute for native forest timber supply is misleading. Private plantations and public native forests are different resources, developed often on different land and managed for different primary purposes by different owners. They supply wood with different technical properties and product applications. The entirely hypothetical availability of sawlogs of reasonable quality and in any significant quantity from privately-owned plantations should not be used as a bargaining chip for reducing supply from public native forests.

The question of whether Australia could expand the area of hardwood plantations managed for sawlog is also fraught. Substantial capital and good quality land would be required for this purpose. At present Governments are not allocating scarce funds to plantations and the private sector is mainly only interested in investing once plantations are semi-mature. Managed Investment Schemes have a role to play but have largely been attractive only for short rotation plantation options, while recent failures of badly managed companies have dampened enthusiasm for large scale plantings. Furthermore, land suited to sawlog plantations would need to be purchased from the private farming sector. There is already

conflict in Tasmania over this issue as well as considerable community opposition to intensive plantation management practices such as herbicide and pesticide use that would make this difficult to realise.

The paper is also deficient in that it fails to recognise that a move to a plantation resource will in effect create a situation where the products produced have no market differentiation or advantage, and Tasmania's geographical position and inherent competitive issues associated with being an island State will undermine the products' ability to compete in the marketplace.

Native forest products have the advantage of market differentiation based on characteristics – such as strength, durability, uniqueness, colour, etc. This differentiation is critical in the market-exposed trading environment which affects Australia's timber resources. However, plantation products offer no differentiation and products from this resource will be trading as a low value commodity.

The IFA considers that to be informative, this paper needed to consider the technical and market feasibility of transitioning to a plantation-based industry, with particular focus on Tasmania's competitive position associated with such a transition. This would have provided an economic basis for evaluating the worth or cost of exiting the industry from native forests.

Conclusions

The IFA believes that the IVG process and its reportage is highly flawed, largely due to constraints imposed by timing and narrow Terms of Reference that limited its ability to widely consider the proposal for new forest reserves in the context of existing Tasmanian forest management, including the substantial extent of already existing parks and conservation reserves.

We would further note that the refusal to consider the context of existing forest management and reservation and the consequences of completely over-turning it, has also undermined the integrity of the IGA process from which the IVG is derived. In particular, the IGA and IVG process, and ENGO claims, fail to recognise, or incorporate the fact, the public wood production forests represent only around 25% of Tasmania's total native forest area, and that virtually all other public forests are either reserved formally or informally.

It is also significant that most IVG report authors have recognised the limitations of their work and presented reports which they acknowledge to be 'discussion papers' or primers for further work. As such they are in no way an appropriate basis for making decisions on proposed new reserves nominated by ENGOs dedicated to ending native forest wood production. Yet, under the IGA process they are viewed as the key informer of decision-making.

We would also contend that:

- Australia has a global responsibility to not only conserve our forest resources, but to also use them and in so doing to protect global biodiversity and reduce carbon emissions. The IFA notes that the IVG process has given only superficial consideration to the impacts associated with significant reduction in domestic timber production, and essentially ignores important issues such as 'trade leakage', increased imports, and global impacts.
- The comprehensive, science-based and consultative approach of the Tasmanian RFA is the only legitimate national process for determining reservation levels that provide a genuine balance between environmental, social and economic values. The IFA notes that the balanced assessment of these three values and the national approaches inherent to the RFA process have been

essentially ignored by the IVG's report. As have the Tasmanian Government's comprehensive 5-yearly RFA Reviews on the State of Tasmanian Forests.

- There are already existing robust legislative and voluntary (such as certification) measures to ensure State forests and reserves are properly meeting environmental, social and economic values. The IFA notes that these processes have been essentially ignored by the IVG reports. Indeed the Tasmanian Forest Practices system has been independently assessed as being in the top three such systems in the world, but this fact has been completely ignored by the IVG.
- The notion that a change in public land tenure can maintain, expand or enhance forest conservation values is extremely simplistic and the IVG's effective promotion of such an approach demonstrates an inherent bias. The IVG reports do not examine or assess whether setting aside more areas of Tasmanian forest as reserves will improve conservation values of forest ecosystems, nor does it assess the effectiveness of present forest management in achieving protection of natural values; or attempt to compare the outcomes of the present system against likely outcomes predicted under the new system.

Such an approach would, if undertaken with an open mind, allow decisions to be based on outcomes rather than ideology. If new reserves and their management could be shown to be better than existing approaches, they may be worthwhile implementing provided other factors like cost of implementation are affordable. On the other hand, if the benefits of the new reserves are slight or non-existent, then there would be no reason for changing policy.

- The notion of 'locking-up' virtually all native forests to prevent economic use is virtually unprecedented internationally and is at odds with international conventions such as the IPCC's assertion that a mix of forest conservation and use is the best carbon mitigation strategy.

Finally, the IFA supports Mr Graham Wilkinson's (Fellow of the IFA and Chief Forest Practices Officer of the Tasmanian Forest Practices Authority) observations that:

"The solution to the forestry debate is more complicated than simply transferring more "high conservation value forests" into reserves . . . High conservation values do not necessarily occur in large discrete tracts; they occur at vastly different scales in time and space within a mosaic of forests of different species, habitats and age classes. For example, mobile species such as eagles have large, but not necessarily homogenous, territories. In contrast a threatened orchid may occur at a highly localised scale." Forest Practices News, 10(4)

ⁱ McDermott, L et al (2008), *A Global Comparison of Forest Practice Policies using Tasmania as a Constant*, viewed at <<http://www.yale.edu>>.

ⁱⁱ World Heritage Committee 2008, 'Item 7B of the Provisional Agenda: State of conservation of World Heritage properties inscribed on the World Heritage List', United Nations Educational, Scientific and Cultural Organisation Convention concerning the protection of the World Cultural and Natural Heritage, Thirty-Second Session, Quebec City, Canada, 2–10 July 2008.

Attachment B

Flaws and missed opportunities in the treatment of forests in
Climate Commission Report: The Critical Decade

Letter to Climate Commission Secretariat

Dr Martin Moroni
79 Melville Street
Hobart 7000

28 June 2011

Professor Will Steffen
Climate Commission Secretariat
GPO Box 854
CANBERRA ACT 2601

Dear Professor Steffen

Flaws and missed opportunities in the treatment of forests in Climate Commission Report: The Critical Decade

We, the undersigned forest scientists and practitioners, wish to draw your attention to what we regard as some serious flaws, omissions and lost opportunities in relation to the best approaches for using forests to reduce greenhouse gas emissions in the Climate Commission's latest report, "The Critical Decade".

We argue that there is significant potential for managed forests to contribute to a more sustainable future for our economy and society and to address climate change. However, we are deeply concerned that climate change policy will be based on assertions not supported by sound analysis or scientific evidence.

In recommending policy options, we urge you to:

- Reject the simplistic argument that the cessation of timber harvesting from Australia's native forests is necessarily the best strategy for carbon emissions mitigation;
- Accept the viewpoint of the Intergovernmental Panel on Climate Change (IPCC) and Food and Agricultural Organisation (FAO) that the sustainable management of forests, including a mixed strategy of conservation and timber production, is more likely to be optimal for carbon reduction;
- Recognise the carbon emission reduction benefits when wood from sustainably managed sources is used rather than alternatives such as metal, concrete and plastic; and
- Seek further advice from scientifically-qualified experts on forest management strategies for mitigating the impacts of climate change.

Our concerns are based on several shortcomings of the Climate Commission's report, outlined below:

Representation of forests, forestry and forests in the carbon cycle

Landscape carbon storage is important, but forms only part of the full role of forest biomass in greenhouse gas mitigation. Storing carbon in wood products, and supplying society with low-emission products for construction and renewable energy generation are also widely recognised benefits of forest management that are actively being developed in Australia and internationally. Using wood in construction dramatically reduces fossil fuel emissions when substituted for metal, concrete and plastic alternatives. Unfortunately, these benefits are not recognised by the Climate Commission's report. This is particularly concerning given the 2009 Garnaut Climate Change Review argued for the inclusion of carbon stored in wood products in climate mitigation policies and strategies and there is considerable science to support this arrangement.

An incomplete account of forest carbon storage in Australia

The section of the Commission's report dealing with forest management focuses on the tall-wet eucalypt forests. Whilst important, these forest sites with their very large carbon stocks are atypical of the greater forest landscape in Australia. Old-growth examples make up only 2% of the total forest estate and the majority are already in permanent conservation reserves. Australia's forests include a wide variety of forest and vegetation types, most with far lower C stocks, even when mature, than the relatively undisturbed old-growth tall-wet-eucalypt forests referred to in the Climate Commission report.

There are a number of important omissions from the report's treatment of forests. The first is the impact of forest clearing on carbon stocks; this has, of course, the greatest single impact of any human intervention. The second is the lack of attention to wildfire effects that are not properly recognised in the Climate Commission report. Australia's forest cannot be uniformly old due to the occurrence of wildfire. For example, in Victoria 3.5 million hectares have burned since 2003, including some of the nation's most carbon dense forests. While a significant proportion of carbon remains after fire in dead trees, these burnt forests will be net sources of carbon emissions for decades as dead wood decomposes. Increased incidence of wildfire in a changing climate is likely to prevent much of Australia's forests from reaching their potential maximum carbon storage. Thirdly, there is no exploration of possible forest management regimes that optimise the overall storage of carbon in managed forests and harvested wood products and account for avoided emissions possible when wood substitutes alternative resources. The merits of this strategy are recognised elsewhere, as noted below.

Sustainable forest management is the internationally recognised strategy

The IPCC, FAO and most forest scientists recognise that the sustainable management of forests including a mixed strategy of conservation and timber production is optimal for carbon reduction. To quote the IPCC AR4 report:

"A sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit".

We support the roles of afforestation recognised in the report as part of an overall sustainable forest management strategy. Reforestation for timber, biodiversity, biofuels, water quantity and quality and landscape protection are possible. Afforesting land, including agricultural

land, produces a variety of goods and services, including carbon sequestration, while generating income and other benefits for rural communities.

Potential adverse flow-on effects

The cessation of harvesting in native forests would have significant and unnecessary costs to society and the economy. It will impact adversely on the livelihoods of Australians in rural communities and result in the loss of skills, knowledge and expertise required to manage our native forests sustainably for all their values.

Given Australia's high per capita consumption and substantial imports of wood products, it is also likely that there will be significant leakage impacts on forests elsewhere, most of which are managed to lesser standards than Australia's forests. Withdrawal of more Australian native forests from management can be expected to increase greenhouse gas emissions from more intensive harvesting elsewhere, and from increased transportation of imports.

Australian forest scientists stand ready to assist in rectifying the report

The shortcomings identified above suggest greater input from experienced forest science and management professionals would be helpful to the Commission's deliberations. The signatories and Institute of Foresters of Australia would be pleased to assist the Climate Commission in its work relating to the important roles of forests in greenhouse gas mitigation.

Please contact Dr. Martin Moroni to further the discussion and identify relevant forest professionals for consultation.

Dr Martin Moroni, Senior Research Scientist, Forest Carbon
Forestry Tasmania
Tel: (w) 03 6235 8309
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More detail can be found at:

http://www.fwpa.com.au/Resources/RD/Reports/PRC162-0910_Final_Report_Greenhouse_gas_mitigation.pdf?pn=PRC162-0910
<http://environmentaledge.com.au/>
<http://www.cei-bois.org/files/b03500-p01-84-ENG.pdf>
<http://www.fao.org/docrep/013/i1756e/i1756e00.htm>
<http://www.fao.org/docrep/012/i1580e/i1580e00.htm>
<http://www.fao.org/forestry/27314-09105bd5bd06ba33380a10c39e36ac6c1.pdf>
http://www.ipcc.ch/publications_and_data/ar4/wg3/en/tssts-ts-9-3-description-and.html
[http://www.forestry.org.au/pdf/pdf-public/policies/Statement 6.2 - Forests & Climate Change Mitigation \(approved 2003\) \(Web 6.2\).pdf](http://www.forestry.org.au/pdf/pdf-public/policies/Statement_6.2_-_Forests_&_Climate_Change_Mitigation_(approved_2003)_%28Web_6.2%29.pdf)

Yours sincerely

(The under-signed)

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FAICD: Fellow of Australian Institute of Company Directors

FIFA: Fellow of Institute of Foresters, Australia

FTSE: Fellow of the Academy of Technological Sciences and Engineering

IAWF: International Association of Wildland Fire

MAICD: Member of Australian Institute of Company Directors

MACFA: Member of Association of Consulting Foresters of Australia

MCFA: Member Commonwealth Forestry Association

MIFA: Member of the Institute of Foresters of Australia

PEFC: Programme for the Endorsement of Forest Certification

RPF: Registered Professional Forester

Copied to:

- Professor Tim Flannery, Chief Commissioner, Climate Commission, Climate Commission Secretariat.
- The Hon Greg Combet, AM, MP. Minister for Climate Change and Energy Efficiency
- The Hon. Tony Burke, MP. Minister for Environment
- Senator the Hon. Joe Ludwig, Minister for Agriculture, Fisheries and Forestry
- The Hon. John Cobb, MP. Shadow Minister for Agriculture and Food Security
- The Hon Greg Hunt, MP. Shadow Minister for Climate Action, Environment and Heritage
- Senator the Hon Richard Colbeck. Shadow Parliamentary Secretary for Forestry
- The Hon Dick Adams, MP. Chair, House of Representatives Agriculture, Resources, Fisheries & Forestry Standing Committees

Attachment C

Letter from Senator Richard Colbeck to
members of Tasmania's Legislative Council.

RC/JP

6 December 2012

The Hon. Susan Smith MLC
Parliament House
HOBART TAS 7000

Dear Ms. Smith

The Legislative Council has before it the Tasmanian Forests Agreement Bill 2012 - one of the most important decisions facing the Tasmanian community and economy in many years.

While the bill is being presented in the context of the forest industry its impact will extend much further into the Tasmanian economy and on the perception Tasmania as an investment destination than any might imagine.

The suggestion that 52% of the Tasmanian land mass be effectively closed to economic activity, is quite, frankly preposterous and especially when considered in conjunction with the impact on the remaining areas.

There is simply no justification for locking up any more of Tasmania. At some point in time we must be prepared to stand and say: Enough is enough.

While it is important to acknowledge the considerable time that has been invested in the forest talks over the last 2½ years, it must also be recognised that there are many other interests that have not been represented in the process yet will be materially affected.

This legislation is not just about the forest industry based in public forests.

Other industry sectors on the front line of impact include:

- Mining.
- Tourism.
- Agriculture.
- Transport.
- Civil Construction and Engineering.

- Honey.
- Wooden Boat Building.
- Fine Furniture and Design.
- Timber crafts.

Of course none have been represented in the talks.

That this decision could be rushed through the Tasmanian Parliament – with reserves declared prior to the completion of any socio-economic modelling - demonstrates the complete failure of governance and decision making currently on display at both a State and Commonwealth level.

That any government would make such a critical decision without any knowledge of the potential impacts shows complete disregard for the broader community and economy.

This information should be available before this legislation is considered.

That the arrangement be considered an “historic peace deal” flies in the face of history. It should not be forgotten that environmental groups have signed on to these processes previously only to return to protest following the completion of the negotiations.

Most notable in this cycle is the Salamanca Agreement finalised in the late ‘90s.

As Professor West indicated in his report there have been nine of these processes previously.

There is little to suggest that this will change following this process with organisations such as Markets for Change and Getup, in particular, running national campaigns against the native forest sector.

These groups, along with local protestors like Still Wild Still Threatened, Code Green, and other green cells which morph in and out of existence at regular intervals, have announced that they are not aligned to the talks. This demonstrates that the promises of peace are not credible.

The Wilderness Society statement following the completion of the talks indicates where we are headed. They said: “...*there will be native forest logging until at least 2027,*” a clear statement that conflict will not end until they have destroyed the native forest industry.

There will be no peace.

We know the history

It is worth reconsidering the history of the negotiations to remind ourselves why we are where we are today.

As has been noted a number of times in the media, the genesis of this process was a deal conducted between Gunns, environment groups and unions to provide a path for the Bell Bay pulp mill.

The deal being that Gunns would exit native forest and the green groups would stay out of Gunns proposed pulp markets in Europe.

The rest of the industry was subsequently drawn into the process by State and Federal governments, firstly through the "Round Table", then the "Statement of Principals", Kelty and then the IGA.

As we know the European partners are no longer there, and nor is Gunns. The fundamental rationale for the deal no longer exist.

From a forestry perspective, there is really nothing good about this legislation.

The effect of the lock ups and the level of harvest will sign the death knell of the industry.

The only matter to be determined is how long we have.

The above quote above from the Wilderness Society statement gives a good indication.

What we are doing is squeezing what is left of the industry after the exit of Gunns into a smaller and smaller area with a level of harvest that can not be sustained over time.

This is made clear by the supply graph for native timbers which falls from an available volume of 300,000m³ between now and 2017, falling to about 150,000m³ by 2021. **(see attached graph)**

That is why the report of the IVG group (West Report) told both the State and Federal governments that locking up any forest would mean it would not be possible to meet the volumes under contract and promised by the Premier, Prime Minister and Federal Environment Minister.

This is a very important point to consider, particularly given the promises made to industry and the Tasmanian community by all three.

The Premier promised the industry in writing that the currently contracted volumes would remain available to industry.

Those volumes were, 155,000m³ of Cat 1 saw log, 265,000m³ peeler billets and 12,500m³ special species timbers.

These amounts were incorporated into the intergovernmental agreement and Tony Burke said at the Community Cabinet meeting in Kingston on October 3, 2011: *"where you get a clash between minimum requirements for wood supply and a conservation aspiration, wood supply will win."*

Obviously, a written promise by the Premier of this state, the Prime Minister of the Country and the Minister for the Environment mean little.

We now know that the amounts to be made available are 137,000m³ cat 1 sawlog, 160,000m³ peeler billet and an unknown amount of special species timber.

Unfortunately this is having a secondary impact of creating doubt around broader investment in Tasmania: If you can't trust the promise of a Premier or Prime Minister what can you trust?

The exit of Gunns from the native forest industry did, however, present a particular opportunity for Tasmania.

As I have indicated earlier there was a significant reduction in the availability of native forest sawlog which was due to start to have an impact on the industry from about 2017 and peaking in 2021. (This may also have been another motivator for Gunns' decision to exit)

By taking advantage of Gunns' exit and spreading the additional supply capacity over coming years there is an opportunity to reduce the intensity of harvest and extend rotation times within the remaining estate.

This can have multiple benefits.

Firstly, it will have an enhanced environmental impact, longer periods between disturbance and less disturbances, allowing for the development and maintenance of biodiversity levels.

The additional area will also dilute the intensity of the harvest mosaic, increasing the unforested area to the benefit of biodiversity and reducing the visual impact on the landscape.

Given that the best quality timber comes from older, slow-grown trees, the longer rotations will provide higher-quality, higher-value timbers.

These will provide a better return along the supply chain, better for business, better for communities, better for the Tasmanian economy.

Clearly, not locking up more forest will give a better longer term result for all.

- Better environmental outcomes.
- Better quality timber outcomes.
- Better returns for sought-after products.
- Better returns for industry.
- Retaining employment in regional towns.
- Better for the Tasmanian economy.

The alternative is to spend taxpayers' money to buy out businesses we don't need to destroy.

The push to force the Tasmanian industry into greater reliance on plantation is also a matter for major concern.

Apart from the fact that there is insufficient stock available to supply industry with the high quality sawlog to replace native species, it places Tasmania in a commodity market for a lower quality and value product with which we will struggle to compete.

The vision for the Tasmanian industry should be for the supply of our unique species in high-quality, high-value markets to be the key driver with appropriately scaled markets for residue materials.

The pressure to move to plantation also places direct pressure on one of Tasmania's other key assets: Agriculture.

Apart from the pressure that will be placed on the private forest sector by reduction in sawmill capacity and competition, loss of markets for residues and consequent reduced returns, there also is a significant threat to the area of available land for agriculture.

It has been estimated that to replace the proposed reserved areas with plantation for sawlog will require approximately 100,000ha of land.

With only 650,000ha of agricultural land in Tasmania, 100,000 represents a significant reduction in the amount of land available for another of our most important industries.

The potential impact is more pronounced when you consider the discussion around the global food task, and the major investment currently underway in irrigation schemes to improve our productivity.

It is completely counter intuitive that we would spend \$220 million of taxpayers' money and millions more farmers' direct investment to improve the productivity of the state and then reduce that by needlessly locking up another 8% of the island.

It also is completely ignorant of the proposals to expand industries such as dairy which also offer so much promise to our economy and the looming constraint of a prohibition of further conversion due to commence in 2015.

It is particularly offensive that agriculture has not been a party to these negotiations and there is little or no recognition of the impact that will be imposed on it from the process. The required research simply has not been done.

That governments could be considering making such an important decision in isolation defies belief.

This ignores the carbon science

It is worth making an environmental comparison between plantation-based forestry and native forest-based operations.

From any perspective a native-based forestry operation will provide a superior environmental result than plantation.

It will store more carbon, it is better for biodiversity, better for water quality, better for landscape values, uses no chemicals, and can play an important role in bushfire mitigation.

Does anyone seriously believe that environmental groups will not strenuously rail against the development of plantations on agricultural land?

On the issue of carbon storage, there have been a number of claims recently that forests are worth more left standing than they would be if they were harvested.

This suggestion is not supported by sound analysis or science.

The IPCC AR4 report states:

“A sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit.”

Enclosed is a copy of a letter endorsed by 87 forest scientists supporting that view.

I have previously addressed my view that this process will not result in “peace” in our forests.

It is clear, however, that this process is merely a precursor to further disputes over resource use in the state.

In my view, the next overlay will be additional requirements on the “protected” areas from other uses.

While there has been a notable lull in green output of public comment about forest access by mining, tourism and others over recent weeks it has been a lull only until after the Legislative Council completes its deliberation on this bill.

Considerable consequences for mining, special timbers

From a mining perspective, some of the most prospective areas of the state are impacted.

Again, the mining sector has played no part in the talks and there has been no consideration of potential economic impact.

Discussions with representatives of the wooden boat building industry indicate that under the proposed scenario for special species, they will be lucky to have enough timber in the first year to build one boat.

This is an industry which currently has an output of \$70 million per year.

The fine furniture, design and craft industry is also impacted by the special species reductions and employ in the order of 2000 Tasmanians.

For all of this economic activity, broader impact and potential loss we are expected to accept \$7 million per year for 15 years as compensation.

While there is also a request for additional amounts by the signatories under the “deal”, it is clearly inadequate.

Timber is the material of the 21st century; it is the only carbon-positive building material and the only carbon positive industry.

Instead of paying to close down industry and shed jobs, we should be working to grow the industry – continuing to supply the high-value products that remain in demand and looking to develop higher-value products, whether it is the next generation of cross-laminated timber from Australian hardwoods, energy generation, ethanol, or high-value cellulose-based derivatives.

Continued investment in research and development is obviously important to ensure these opportunities.

I have tried in this letter to demonstrate to you that it is not in Tasmania’s interests to pass this legislation.

Suggestions that we should lock everything up and walk away fly in the face of sound science, vision and are a relic of last-century thinking. We are so much better equipped to manage our environment than we were 20 or 30 years ago.

Moreover it is possible to achieve a positive environmental, industry, community and economic outcomes without taking the area of the state locked up to 52%. In fact, to do so would be irresponsible.

I urge you not to pass the legislation.

Yours sincerely

Richard Colbeck
Liberal Senator for Tasmania
Shadow Parliamentary Secretary for Fisheries and Forestry
Shadow Parliamentary Secretary for Innovation, Industry and Science