



Submission by the
Forest Industries Association of Tasmania
to the

The Reviewer

On The
RFA 10 Year Review
2007

July 2007



Forest Industries Association
of Tasmania



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SUMMARY

In the course of our review of the background reports and consideration of their contents, FIAT have identified a number of areas where we have suggested a need for altered or improved reporting. These comments are summarised below:-

- FIAT submit that as a matter of urgency the parties to the RFA must commit to the progression of a detailed socio-economic review of the industry of the type envisioned by the RPDC recommendation quoted earlier, the scope of which should be subject to consultation by key industry stakeholders. This review must also pay particular attention to the post TCFA era and must measure the actual impacts of that subsequent agreement on the overall impacts of the RFA
- FIAT recommend that to ensure the facilitation of plantation establishment in the manner envisioned by the NFPS a new State policy should be created that in effect enshrines the Forest Practices Code as a State Policy and which would then be mandated for Councils through the RPDC.

We further recommend that the review of the PAL Policy be completed and that no further restrictions on plantation establishment on agricultural land be imposed.

- It is incumbent on the RFA Parties to undertake the functions referred to by the RPDC and clarify the intent of the Attachment 12 obligations as a matter of priority and to identify appropriate mechanisms to measure the effectiveness of steps taken to implement those obligations as well as implementing additional steps where appropriate to further those obligations.
- FIAT contend that the parties should provide sufficient funding to ensure that a properly resourced information campaign can be mounted to advocate the progress made in implementing the agreements and to properly inform the general public of the issues dealt with by those agreements.



- FIAT propose that the agreement be converted to an evergreen, rolling 20 year agreement to ensure that the industry will always have a sufficient investment security horizon upon which to formulate plans for investment in capital and human resources. It is only through this type of mechanism that the true potential of the RFA will be realised.

- Reported log volumes are currently reported with insufficient detail (Tables 2.1.c.1 and 6.1.a.2) - reporting should be expanded to include volumes for all categories of logs (as are currently reported in Forestry Tasmania's annual report (e.g. 2006):
 - Sawlog Cat. 1 & 3 (m3)
 - Sawlog Cat. 2 & 8 (m3)
 - Veneer logs (m3)
 - Regrowth peeler (tonnes)
 - Special species (m3)

- There is a pressing need to include indicators which reflect log quality rather than simply log volumes as are currently reported (Tables 2.1.c.1 and 6.1.a.2). Suggested log-quality indicators are:
 - Average log volume
 - Diameter distribution of sawlogs
 - Average product value per cubic metre of sawlog
 - Log-grade specifications

- FIAT submit that it is incumbent on the parties to the RFA to provide detailed public reporting on the ecosystem health of our reserved forests and we propose that all such areas be reported against similar criteria to those utilised in forest certification schemes (adapted as appropriate).





- The issues identified in this submission with respect to carbon provide an opportunity to intensify reporting of carbon storage attributable to Tasmania's wood and wood products sector and FIAT recommend additional future data gathering and reporting as follows: -
 - carbon stored in standing forests
 - native forest by tenure
 - plantation by tenure
 - carbon stored in wood in service derived from our forests
 - net total carbon stored





OVERVIEW

The Forest Industries Association of Tasmania (FIAT) welcome the opportunity to provide input on 10 Year review of the Tasmanian Regional Forest Agreement and the Supplementary RFA also known as the Tasmanian Community Forest Agreement.

FIAT and its members remain committed to the RFA and its fundamental underpinning objectives as a tool to ensure the appropriate balancing of the environmental, social and economic imperatives that present as part of Tasmania's forest industry. Our ongoing steadfast commitment to the RFA is predicated on the original promise of security of access to a high quality resource of sufficient quality and quantity to sustain the industry's needs along with the potential for additional value-adding to the State's valuable natural timber resource through investment in technology and down stream processing.

This commitment should not however be taken as a given as a number of concerns have emerged as to the extent to which the commitment to long term resource security will be honoured or indeed can be met from the resource available to industry. These concerns will be identified in later passages of this submission and are issues upon which the industry will require greater certainty if on-going willingness to invest can be assured.

It is trite to observe that the willingness of the private sector to invest is inexorably linked to the security it is provided in its access to resource and the on-going quality of that resource. Diminution of either of these factors will inevitably result in a decreased willingness to invest in technology or new processing techniques.



ABOUT FIAT

The Forest Industries Association of Tasmania (FIAT) is an industry association formed in 1983 to represent the interests of processors of Tasmanian forest products. FIAT was formed out of a predecessor Association, the Tasmanian Timber Association (TTA). FIAT and TTA collectively have provided representational services to the Tasmanian timber industry for in excess of 60 years. Our members' activities are diverse and include:

- the production of veneers, hardwood and softwood timber, pulp and paper;
- woodchip production and export; and
- plantation and native forest management.

FIAT's 18 member businesses include all of the State's larger processors of forest products. They utilise a significant proportion of the crown sawlog output as well as all of the high quality decorative veneer produced in the State. FIAT Members' activities account for more than 75% of the gross value of production in the forest and wood products industry in Tasmania.

Included within the FIAT membership are the State's largest industrial forestry Companies that account for the vast bulk of plantation development and management enterprises on private land in Tasmania and the largest native forest management enterprises in the private sector in this State.

As such FIAT and its members have a significant interest in the Regional Forest Agreement and welcome the opportunity provided by this review to analyse the achievements that have been made to date and in so doing we will take the opportunity to provide our perspective of where further improvements can be made, where priorities should be directed and what work remains outstanding in pursuit of the original RFA objectives.

FIAT's role is described in our Annual Report as follows: -





Role:

In addressing its first objective, FIAT's role is characterised by helping to create the right external environment within which industry has to operate. This has two main dimensions - the policy environment and the public image of the industry in the eyes of the community.

The policy environment centres on government legislation and regulations which determine the limits to what industry can do. The policy environment must be tackled at both the Federal and State Level.

Industry's public image rests on public opinion and the various factors which influence that opinion. This is important because public opinion has a strong bearing on the development of Government policy.

In addressing its second objective, FIAT's role is to facilitate discussion and joint action among its membership, to project the membership position in wider forums as appropriate and to encourage other bodies to participate positively in the public debate to ensure that the industry retains a public license to operate.





ORIGINAL INTENT OF RFA

The ongoing commitment by FIAT to the Regional Forest Agreement (RFA) and the Tasmanian Community Forest Agreement (TCFA) is unequivocally premised on the pursuit of the original goals of the RFA process. This was a process that promised a balanced approach to the issue of regulation of forestry in Tasmania with a significant diminution the previously existing spectre of sovereign risk. It will be the extent to which these goals have been pursued and met that will guide FIAT in its deliberations on the success or otherwise of the Agreements and we submit should equally guide the parties in conducting this review.

The Tasmanian RFA was signed in November 1997 by the Tasmanian and Australian Governments to provide a framework for the fulfilment of the National Forest Policy Statement by: -

- developing and implementing ecologically sustainable forest management and use; and
- establishing a CAR Reserve System; and
- facilitating the development of an internationally competitive wood production and wood products industry; and
- Promoting the conservation and management of the Private Forest Estate.

(Tasmanian RFA clause 19)

In broad terms FIAT understand that the agreement was formulated to cover the three components of a triple bottom line approach to the regulation and enhancement of Tasmania's forest industry i.e.: -

- The establishment of secure conservation reserves;
- The protection and enhancement of communities; and
- The development of an economically viable and prosperous forest industry.



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The true measurement of success of the RFA is not in the micro measurement of all of the individual indicators and whether or not they have specifically been met but rather in the adjudication as to the extent to which each of the three macro legs of a triple bottom line have been successful in achieving the broad intent of the Agreement. We acknowledge in this regard that in total the individual indicators and commitments are a measurement of the extent to which each of the above basic tenets have been met but say that it is the end result in “toto” that is important.

FIAT will measure the success of each of the above tenets by commenting upon each in turn in this submission to identify whether or not the expectations held by industry have been met by the progress to date and in so doing will identify areas in which further work may be necessary in pursuit of the original ideals enunciated by the RFA parties.

The actual purpose of the RFA is set out in the Agreement prior to Part 1 where it provides as follows: -

“A. The State and the Commonwealth have agreed to establish a framework for the management and use of Tasmanian forests which seeks to implement effective conservation, forest management, forest industry practices and in particular:

- o provide certainty for conservation of environment and heritage values through the establishment of a CAR Reserve System; and*
- o provide for the ecologically sustainable management and use of forests in Tasmania; and*
- o provide for future growth and development of Tasmanian Industries associated with forests and timber products; and*
- o assist with the development of forest-based tourism and recreational opportunities based on Tasmania's environmental advantages; and*
- o provide for certainty of resource access to the forest industry; and*
- o provide for certainty of resource access to the mining industry; and*
- o remove relevant controls in relation to application of the Export Control Act 1982 (Cwth); and*
- o introduce a range of new or enhanced initiatives to assist with forest based development; and*



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- *encourage the development of forest based research; and*
- *encourage significant employment opportunities and investment throughout Tasmania.”*

(Tasmanian Regional Forest Agreement Page 1)

In our view each of these objectives can be categorised within the 3 components of the triple bottom line approach outlined above for the purposes of analysing the approach to each of those components and therefore determining whether or not those broad objectives have been equitably pursued.



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IMBALANCE IN THE TRIPLE BOTTOM LINE APPROACH

FIAT contend that a perusal of the two reports comprising the background reports for this review lead to the inescapable conclusion that considerably more attention has been paid to the environmental considerations covered by the agreement and wholly insufficient attention has been paid to the balancing components going to social and economic factors. For a triple bottom line approach to be truly effective and for it to create the balancing of at times competing objectives we say each of the legs of that approach must be in balance with no one component being provided primacy over any other.

It certainly seems to FIAT that a higher priority has been placed on environmental factors including reserves, forest practices restrictions, permanent native forest estate policy development and amendment, protection of special values, protection of endangered species etc.

Our view on this aspect is largely reflected in the comments of the RPDC in the Final Recommendations Report at the five year review of the RFA where they said: -

The Commission considers the industry development component of the RFA, the Comprehensive, Adequate and Representative reserves system, and Ecologically Sustainable Forest Management as all being equally important. This equality is not reflected in the information and data, nor is it reflected in the detail associated with implementation approaches. This should be remedied.

Inquiry on the Progress with Implementation of the Tasmanian Regional Forest Agreement (1997)

Final Recommendations Report – RPDC – Page 101

And later: -

The Commission also considers that the social and economic data and indicators referred to in Recommendation 5.1 need to be developed alongside the industry development strategy so that by the next five yearly review there is sufficient information to make useful comment on progress.

Inquiry on the Progress with Implementation of the Tasmanian Regional Forest Agreement (1997)

Final Recommendations Report – RPDC – Page 101



We unhesitatingly say that we do not in any way object to the work done, the protections applied and the extensive reporting capacity in the conservation sphere, in fact this is entirely appropriate and necessary if the forest industry is to retain its social licence to operate in this State.

Our concern is that much more work is required by the RFA parties in the social and economic areas to ensure all of the original objectives are achieved in equal measure to ensure that the gains made in the conservation sphere do not come at the expense of the viability of the forest industry and other forest based industries and that dependent communities are able to prosper. We are disappointed that little if any endeavours have been made to redress the paucity of information identified by the RPDC and that the suggestions of the RPDC do not appear to have been heeded.

We are very conscious of the ongoing activities of conservation groups to undermine the credibility of the Tasmanian forest industry and in so doing to undermine the RFA and the TCFA as credible approaches to the complex task of providing for the pursuit of the original goals of the RFA. In many respects we believe these incessant attacks have played a significant role in leading to the imbalance that we perceive currently exists between to various components of the triple bottom line approach. Put another way the environmental movement have been the “squeaky wheel” that has from time to time been provided grease.

We instance for example the lack of specific work undertaken by the parties to the RFA to properly assess the social and economic outcomes of the RFA and the resultant inability of those parties to be able to articulate with any clarity the specific benefits or impacts of the RFA and the TCFA in respect to socio-economic outcomes of the agreements.



We note that the RFA is now at the midpoint of its original life of 20 years and many in the industry are now turning their minds to the future beyond that original term but have little actual data upon which to gauge the appropriate direction to be pursued in the ensuing 10 years to provide a foundation for the industry and its dependent communities in a post RFA era. In the absence of any commitment to continue the RFA in some form beyond its ostensible termination date in 2017, this thinking will almost inevitably be from a lack of properly codified information due to a lack of attention being applied to this area.

These concerns are not now being enunciated for the first time, they were raised in the 5 year review of the RFA conducted by the Resource Planning and Development Commission in 2002. The Final Recommendations Report by the RPDC included the following discussion and recommendation: -

*“A number of submissions on the Background Report, Draft Recommendations Report and made at hearings, **identified the need for better and more comprehensive employment data.** Conflicting claims were presented, using different data sets, about changes in industry employment. Some, using Australian Bureau of Statistics wood products industry figures claimed that employment had decreased as a result of the RFA. Others, citing other reports, claimed that employment in the industry was much larger than the Australian Bureau of Statistics figures, and has grown in the last five years. Irrespective of the data it is incorrect to claim any changes in gross employment figures are as a result of the signing of the RFA, as there is no way of knowing what would have happened to employment in the absence of the RFA.*

Accurate employment figures for the whole forest industry, including non-wood sectors, needs to be collected, as current figures are not informative and submissions reported that figures could be misleading. Several submissions on the Background Report, Draft Recommendations Report and made in hearings, proposed that the Australian Bureau of Agricultural and Resource Economics should be requested to develop methods to gather improved employment statistics specific to the forestry industry. **Submissions suggested that employment figures should be broken into discrete categories such as:**

- • native forest logging;
- • hardwood plantation operations;





- • *softwood plantation operations;*
- • *industrial scale sawmilling;*
- • *small scale sawmilling;*
- • *specialty timber industry including woodcraft and boat building;*
- • *wooden furniture industry;*
- • *woodchip industry;*
- • *pulp and paper;*
- • *forest management;*
- • *supervision and monitoring of the Forest Practices Code;*
- • *transport of forest product and associated dependent industry;*
- • *forest based recreation and tourism;*
- • *non-wood product industries;*
- • *forest based apiary industry; and*
- • *industry in forest dependent towns.*

The Commission considers that the Parties, with assistance from industry, should undertake periodic resource, economic and social assessments. Such assessments are to provide comprehensive, publicly available, information on employment, use and yield of forest resources on public and private lands, as well as industry economic and social information. Further, the Parties should request the Commonwealth Research Bureaus (particularly Australian Bureau of Agricultural and Resource Economics and Bureau of Rural Sciences), to actively work on the development of socio-economic (Criterion 6) indicators. The Commonwealth Research Bureaus should also be requested to repeat resource, economic and social studies undertaken for the Comprehensive Regional Assessment process undertaken prior to the RFA. This information should be available, reported and compared, for five yearly reviews of the RFA, and to help monitor and provide statistics on employment, industry development and social impact.

Recommendation 5.1

That the Parties, as a priority, develop a process to obtain reliable data to inform social and economic indicators for the community, and the performance of the forest based industries relevant to Attachment 12 of the RFA. The sustainability indicators relevant to the social and economic aspects of the industry need to be reviewed when such reliable data becomes available.”

Inquiry on the Progress with Implementation of the Tasmanian Regional Forest Agreement (1997)

Final Recommendations Report – RPDC – Pages 89 – 91



It is apparent that this recommendation has not been implemented and that the parties have not taken steps to obtain reliable data to inform social and economic indicators. It is FIAT's view that data at least equivalent to that collected as part of the Comprehensive Regional Assessment process needs to be obtained to provide an accurate barometer of the success or otherwise of the RFA in the context of socio/economic issues.

The report by the parties in the Implementation Report points to and acknowledges this deficiency in available data but we say that simply relying on external analysis such as reporting by the Australian Bureau of Statistics does not mitigate our primary point that the parties were enjoined by the RPDC to initiate steps to collect this data and they have failed to do so viz: -

“Implementation of this recommendation has progressed in some areas but more needs to be done.

The report, Sustainability Indicators for Tasmanian Forests 2001-2006, documents the current indicators used for tracking environmental, social and economic criteria, and the status of the data available to measure sustainability. The indicators used for the report were reviewed at a national and State level since 2002 to reflect, inter alia, the ability to obtain reliable data.

The report presents some new social and economic indicators, for example, Indicator 6.1.c (value of forest based services), 6.1.e (degree of recycling of forest products) and 6.4.d (the importance of forests to people), although available data are limited. The report also presents improvements in data for some social and economic indicators, for example Indicator 6.1.b (Value, quantities and use of non-wood products). However, the quantity and quality of data in some important social and economic indicators is less than reported in 2002. Examples are Indicators 6.1.a (Value and volume of wood and wood products) and 6.5.a (Direct and indirect employment in the forest sector). This is largely due to changes in the level and scope of statistical reporting on the forest sector by the Australian Bureau of Statistics. This impacts on the ability to report on social and economic indicators of sustainability at both the State and national levels.





The Parties will continue to address this recommendation on an ongoing basis, through exploration of improved data availability.

FIAT believe the only way this criteria can be effectively implemented is through the parties committing to immediate implementation of a programme to undertake a detailed socio-economic assessment of the industry at least the equivalent of the CRA assessment as originally suggested by the RPDC at the five year review of the RFA.

FIAT is disappointed that the parties to the RFA remain steadfastly unprepared to commit appropriate resources to a proper and detailed socio-economic assessment of the industry using the original CRA assessment as the benchmark from which to measure progress.

The Implementation Report refers frequently to current research work being undertaken by Jackie Schirmer (Forestry CRC) but it needs to be acknowledged by the parties to the RFA that this project is not designed to provide the outcomes referred to in the above recommendation from the RPDC. It will certainly be a very useful on-going reference point and could assist in informing the type of project referred to in the above quoted recommendation by the RPDC but should not be seen as a substitute for the undertaking of that priority process.

The Tasmanian forest industry has undergone considerable compositional changes since the CRA assessment was undertaken and the impacts of this change is worthy of measure to enable informed decision making on the future policy direction relevant to the industry.

This is especially true in the wake of the Tasmanian Community Forest Agreement that resulted in the addition of a further 146,800 ha to the CAR reserve system from State land and projected another 45,600 ha of forest on private land. In combination these two additions to the CAR reserve system will impact adversely on the capacity of the forests to deliver on the commitment in the RFA to the supply of 300,000m³ of high quality saw



and veneer logs. The impacts of this decision need to be evaluated to ensure that they are not to have a deleterious effect on the ability of State forest to deliver the promised volumes. This aspect is dealt with in more detail later in this submission.

The constant reduction in land available for timber supply from a number of policy initiatives has heightened concerns held by FIAT members in respect to the quality and quantity of sawlogs that will be available into the future. This aspect of the agreement must be subject to stringent review and reporting. Examples of decisions impacting adversely in this respect include the following: -

- TCFA forest reservation;
- Permanent Native Forest Estate Policy;
- Changed silviculture in old growth forests; and
- Additional Forest Practices Code restrictions

In combination, these additional restrictions have led the industry to the inescapable conclusion that the spectre of sovereign risk has not been eliminated and continues to undermine investment confidence. These issues need to be the subject of evaluation in the context of the economic performance of the RFA as well as the environmental and social ramifications.

FIAT submit that as a matter of urgency the parties to the RFA must commit to the progression of a detailed socio-economic review of the industry of the type envisioned by the RPDC recommendation quoted earlier, the scope of which should be subject to consultation by key industry stakeholders. This review must also pay particular attention to the post TCFA era and must measure the actual impacts of that subsequent agreement on the overall impacts of the RFA





PLANTATIONS AND THE POLICY ENVIRONMENT

The RFA is made in the context of a number of overarching intergovernmental agreements that provide the framework within which the RFA is to operate. Those intergovernmental agreements are intended to create a conducive policy environment within which the RFA is to operate and to provide a consistent approach to enable the industry to have confidence of a supportive policy setting at Federal, State and local government levels.

FIAT are concerned that there are areas where this policy framework has not been pursued to the maximum extent possible which detracts from the capacity of the agreement to deliver the maximum outcomes.

National Forest Policy Statement

In 1992 the Australian, State and Territory Governments determined to enact a National Forest Policy Statement (NFPS) that outlined the jointly agreed manner in which they would co-operate in ensuring the sustainability and economic viability of Australia's forests, both native forest and plantation.

The Forward to the National Forest Policy Statement that was ultimately signed by Tasmania on 12 April 1995 contains the following: -

“This Statement has been jointly developed by the Commonwealth, States and Territories through the Australian Forestry Council and the Australian and New Zealand Environment and Conservation Council in consultation with other relevant government agencies, the Australian Local Government Association, unions, industry representatives, conservation organisations and the general community. The Statement was signed by all participating Governments, with the exception of Tasmania, at the Council of Australian Governments' meeting, held in Perth in December 1992. Tasmania became a signatory to the Statement on 12 April 1995. The Statement has been developed concurrently with the development of the



Ecologically Sustainable Development National Strategy and the National Greenhouse Response Strategy.

In endorsing this Statement, we commit our respective Governments to implement, as a matter of priority, the policies in it for the benefit of present and future generations of Australians. We acknowledge that implementation of policies requiring funding will be subject to budgetary priorities and constraints in individual jurisdictions.”

Source: - National Forest Policy Statement – A New Focus for Australia's Forests

It is clear from this extract that the intent of the NFPS was for the joint Governments to develop an overarching framework for the management of the Nations forests. This concept is extrapolated in the Introduction section of the NFPS as follows: -

“This Statement outlines agreed objectives and policies for the future of Australia's public and private forests.

It is the joint response of the Commonwealth, State and Territory Governments to three major reports on forest issues — those of the Ecologically Sustainable Development Working Group on Forest Use, the National Plantations Advisory Committee, and the Resource Assessment Commission's Forest and Timber Inquiry — and it builds on the 1983 National Conservation Strategy for Australia initiated by the Commonwealth Government and the 1986 National Forest Strategy for Australia developed by the Australian Forestry Council.

The three levels of government in Australia have specific interests in and responsibilities for forest management. State and Territory governments have primary responsibility for forest management, in recognition of the constitutional responsibility of the States for land use decisions and their ownership of large areas of forest. The States and Territories have enacted legislation that allocates forest land tenures and specifies the administrative framework and policies within which public and private forests are managed.

Local governments have responsibilities for local land use planning and rating systems, which affect public and private forest management and use.



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The Commonwealth Government is responsible for coordinating a national approach to both environmental and industry-development issues. It has an interest in achieving the efficient and effective management of the nation's resources, including a national approach to forest issues.”

Source: Extract from NFPS

Given this being the clear intent of the Joint Governments at that time it is useful to explore the more definitive matters agreed to pursue the implementation of these clear objectives.

The NFPS has a specific section dealing with the question of plantation development within the Country and the agreed policy positions to be implemented in pursuit of those objectives.

FIAT wish to specifically draw attention to the following extracts from that Section of the NFPS:-

“The Governments have several objectives in relation to Australia's plantation resource: to increase commercial plantation development on cleared agricultural land and, where possible, to integrate plantation enterprises with other agricultural land uses; to improve the productivity of existing plantation areas by means of improved technology, breeding of genetically improved stock, and selection of species; and to continue to encourage industrial growers, and where appropriate public forestry agencies, to expand their plantation base to satisfy specific requirements.”

“To achieve the Governments' objectives it will be necessary to ensure the impediments to plantation development are minimal in areas such as taxation, planning and access to information.”

“The Governments recognise that, to ensure a reliable supply of wood from plantations as feedstock for world-competitive processing plants, large areas of plantation, such as those normally planted by private industrial and investment companies or public forestry agencies, are necessary. Accordingly, State and local governments will provide a planning framework that facilitates the development of large-scale industrial plantations.”



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“The Governments see merit in having some commercial wood production integrated with other agricultural pursuits. There is considerable scope for the commercial growing of wood to be extended on cleared agricultural land, particularly in higher rainfall areas that are close to markets. Plantations on cleared agricultural land have the potential to increase the area of wood production and enhance regional development. In some cases they can offer opportunities to increase agricultural productivity and profitability and diversify farm income. In addition, they can play a major role in land and water conservation, and in the rehabilitation of degraded lands. Plantations on cleared agricultural land can also provide a carbon sink, which may have benefits in reducing the impacts of the enhanced greenhouse effect.”

“There is also a need for State and local governments to simplify planning procedures and to ensure that land use planning controls and land rating systems do not discriminate against plantation development. In this regard the States will take two actions:

With appropriate public involvement, the State Governments will pursue planning policies that provide zoning suitable for commercial planting on private lands and give security to that zoning. Within this zoning framework, tree planting and subsequent harvesting for commercial wood production will be an 'as of right'.”

“The Governments also recognise that there is a need for further public education and better training in relation to plantation development, particularly when such development is integrated with agriculture. Information about the financial, social and environmental benefits of tree planting on cleared land for commercial purposes needs to be directed not only at farmers and other landowners but also at investment advisers, bankers, accountants and investment institutions. Links with local Landcare and other rural groups should also be encouraged.”

We say that these are important overarching policy objectives that remain extant today and which have in part been given operative effect by way of a number of State and Federal Government initiatives including inter alia the Protection of Agricultural Land Policy, the Tasmanian RFA and the Tasmanian Community Forest Agreement.



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We note that the PAL policy is currently the subject of review by the State Government. This review proceeds against the backdrop of agitation by a few in the community to apply additional restrictions to the establishment of plantations on previously cleared agricultural land and especially to prevent such establishment on classes 1-3 “prime agricultural land”.

To provide the confidence necessary for the growth in plantation estates as embodied in the RFA, it is imperative any such additional restrictions are not imposed. We further note that any such restrictions would constitute a direct repudiation of three separate intergovernmental agreements ie:-

- The Regional Forest Agreement
- The National Forest Policy Statement
- The Plantations 2020 Strategy

As we have indicated above the principles of the NFPS have been in part enacted through the PAL Policy but to some extent this enactment has been frustrated by the activities of a number of Councils through the application of revised planning schemes and we therefore say more action is required to ensure the full enactment of the NFPS principles.

FIAT recommend that to ensure the facilitation of plantation establishment in the manner envisioned by the NFPS a new State policy should be created that in effect enshrines the Forest Practices Code as a State Policy and which would then be mandated for Councils through the RPDC.

We further recommend that the review of the PAL policy be completed and that no further restrictions on plantation establishment on agricultural land be imposed.





Many hours of work are being expended unnecessarily in seeking amendment to draft planning schemes and appearances before the RPDC simply to ensure the Statewide consistent application of the PAL Policy and the Forest Practices Code. This goes directly to the confidence of industry to invest without unnecessary impediments through the various tiers of Government.

A recent report released by Private Forest Tasmania demonstrates conclusively that the “catch-cry” of those opposed to the development of plantations on “prime agricultural land” is nothing more than hollow rhetoric as only 4.4 percent of all class 1 – 3 land has been put into plantation which is only 3.6% of the total plantation estate. These fears have been exposed as unfounded and it is now time to ensure that those involved in plantation development on private land should be able to have their activities considered in the same vein as any other agricultural pursuit consistent with any other crop.

FIAT believe that the full intent of the NFPS has not been achieved through the RFA, TCFA and the PAL Policy and more definitive steps are required to achieve this objective. This goes directly to the heart of a number of the goals of the RFA and in particular to clause 74 which states as follows: -

“Employment and Industry Development

74. In recognition of the unique contribution of forest-based industries to the Tasmanian economy, the Parties intend that this Agreement will have the effect of enhancing the future growth and development of Tasmania's industries associated with forests and timber products by the implementation of the RFA Forests - Employment and Industries Development Strategy. The Parties agree to cooperate in implementing the specified actions in that Strategy as described in Attachment 12. In particular, future growth and development will be achieved through: -

- o certainty of resource access to the forest industry; and*
- o active encouragement of the development of downstream processing in Tasmania such that the preferred market for growers is within the State; and*



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- ***a range of new or enhanced initiatives designed to encourage investment, plantation development, downstream processing, value-adding and jobs growth in Tasmania's forests-based industries; and***
- ***the implementation of new intensive forest management initiatives, including eucalypt and blackwood plantations, and Native Forest thinning, to balance changes in Forest inventory resulting from this Agreement and expand that inventory.***

(Emphasis added)

Source: Extract from clause 74 of the Tasmanian RFA

These goals appear to only be truly achievable through further intervention to prevent frustration of the policy objectives by local Councils through the application of their planning schemes.



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SELLING THE RFA/TCFA OUTCOMES

The further Recommendation 5.2 of the RPDC is germane to this aspect of our submission on the Implementation Report where the RPDC made a number of comments leading to their recommendation on this aspect of their consideration viz: -

5.5 Public education and information

Background

Attachment 12.18 commits the Parties to continue to support programs to educate the public on issues of forest management and on the suitability of wood as an environmentally acceptable raw material for a wide range of uses.

Issues

In several submissions on the Background Report and made at hearings, public education about forest management practices, and the social and economic benefits that the industry provides, was seen as an area where more Government and industry effort was required. Education and information for the community was seen as necessary to ensure accountability on management, sustainability, and high value uses of forest products. Specific mention was made of the excellent work done by the Tasmanian Forest Education Foundation and the need for maintaining support by the State and industry. The need for the Parties to promote the sustainability of Tasmanian wood products in domestic and international markets was also raised (see section 5.10).

Submissions on the Draft Recommendations Report advocated that there be a public education and information program on the RFA, on forest management and as a key component of any industry development strategy and warrants a stand alone recommendation.

Analysis

The Background Report provides information on activities that the Parties are supporting to improve public education on forestry and wood. While these programs have substantial benefit, it is obvious that much still needs to be done to better educate the public on forestry issues. The Commission heard many views in submissions and hearings that demonstrated a lack of knowledge and



misconceptions about the RFA, the industry, forest management and the regulatory and institutional framework in which it operates. The continuing public debate on forestry could be much improved if it was based more on facts rather than perception and misinformation. It is acknowledged that this is not an inconsiderable task.

The Commission considers that the Parties should more actively work with industry to improve public understanding through the development of programs and outputs about forest management issues, the RFA, and the social and economic benefits that the industry provides to the Tasmanian and national economies. This matter needs to be addressed in implementing Recommendation 5.2.

Inquiry on the Progress with Implementation of the Tasmanian Regional Forest Agreement (1997)

Final Recommendations Report – RPDC – Pages 91 and 92

and later: -

Recommendation 5.2

That the Parties clarify the intent of Attachment 12 by 30 June 2003 and that the State prepares an industry development strategy, in consultation with the Commonwealth and the Forests and Forest Industry Council, by 30 June 2004, based on that intent and providing an industry vision and an action plan to achieve it. Table 5.1 provides an incomplete list of issues that should be covered by the industry development plan.



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Table 5.1 Issues to be considered to clarify the intent of Attachment 12

Issue	Aspects for consideration of further action
Increased domestic downstream processing	Introduction of the Log Supply Charter, improved training and accreditation throughout the production chain, assistance to smaller sectors including special species and furniture industries, Commonwealth assistance to industry development including continuation of Forest Industry Client Manager position, Forest Industry Structural Adjustment Package funding.
Industry information	Improve information about the industry and its regional impact, improve social and economic indicator data.
Public education	Improve public information about the RFA, industry value, sustainability of forest management and wood.
Market information	Provide of up to date market information for the industry including supply and demand information from both public and private forests.
Industry training	Accreditation and training to support Log Supply Charter.
Research and development	Using existing and new research and development opportunities to prepare for the future changes in resource.
Forest and product certification	Support for development and implementation of certification schemes and facilitation of international recognition of the Australian Forestry Standard.

Inquiry on the Progress with Implementation of the Tasmanian Regional Forest Agreement (1997)

Final Recommendations Report – RPDC – Page 102

In our view these recommendations remain substantially unresponded to in any material way. As an example we quote the following extract from the Implementation Report at page 119: -

“Implementation of this recommendation is in progress.

See the report on implementation of Attachment 12 in Part 1 of this report for additional information.



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The Parties have not formally clarified the intent of Attachment 12 and the State has not prepared an industry development strategy as recommended by the RPDC. However, the Forests and Forest Industry Council has, at the request of the State Government, considered the intent of this recommendation and has developed a Vision and action plan for the industry. The Vision statement is nearing completion and is awaiting formal endorsement by all of the Council's members.

Many of the issues recommended by the RPDC to be considered for clarification have been progressed by the Parties, particularly through the TCFA.”

Implementation of the Tasmanian Regional Forest Agreement 2002 – 2007, Page 119

It is incumbent on the RFA Parties to undertake the functions referred to by the RPDC and clarify the intent of the Attachment 12 obligations as a matter of priority and to identify appropriate mechanisms to measure the effectiveness of steps taken to implement those obligations as well as implementing additional steps where appropriate to further those obligations.

FIAT believe there remains a significant role for the parties to the RFA and the TFCA to make the general public more aware of the outcomes of the agreements and their foundation in applying the principles of sustainable ecological management. The whole forest industry debate in Tasmania is characterised by a process of claim and counter claim often based on misinformation or even ignorance and this has acted to significantly undermine the effectiveness of the agreements in providing an enduring settlement of this highly emotive and divisive debate.

It is the obligation of the parties to these bi-lateral agreements to provide resources to inform the public of the significant gains for biodiversity, ecological benefits, protection of threatened rare and vulnerable species, as well as the social and economic benefits that the industry provides to the Tasmanian and National economies..



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We note moneys were made available through the TCFA for the parties to inform the public about the outcomes of that agreement, however much of those funds remain unexpended and yet considerable debate and misinformation continues to dominate the public debate on forestry.

FIAT contend that the parties should provide sufficient funding to ensure that a properly resourced information campaign can be mounted to advocate the progress made in implementing the agreements and to properly inform the general public of the issues dealt with by those agreements.





DURATION OF THE RFA

The original RFA as signed in 1997 had a finite term of 20 years as spelt out in clauses 7 and 8 of the Agreement as follows: -

“Duration and Extension of Agreement

7. This Agreement will commence on the date of its execution, and subject to its terms remain in force for twenty years.

8. The process for extending the duration of this Agreement will be agreed by the Parties as part of the third 5 yearly review specified in clause 45.”

This agreement is now at the half way point in its term of operation and as a consequence the investment horizon in terms of confidence of the industry to invest in the secure knowledge of access to its resource is now only 10 years. FIAT contends this factor is, and will continue to be, a restrictive provision in terms of maximising the potential of the RFA.

The Tasmanian forest industry was promised security of access to a resource in exchange for the wide ranging reservation of Tasmania’s forests and wilderness area and the industry believed that security was for a period of 20 years.

This belief is in part premised on the provisions of the Recitals to the RFA which includes:

- Provide for certainty of resource access to the forest industry;

The reality has in fact been something less than that as we have been consistently subject to on-going attacks by conservation groups who refuse to accept the outcome of the RFA. One result of these constant attacks was the promulgation of the Tasmanian Community Forest Agreement which significantly increased the area of forest reserved and undermined the industry’s confidence through the enactment of the Permanent



Native Forest Estate Policy without consultation with industry stakeholders. Both of these decisions have had the effect of reducing the area of forest available for sustainable production forestry but there have been no consequent promises of increased security provided to the industry in exchange for this further move to placate green extremists.

In short, the prospect of “sovereign risk” continues to hang over the head of the industry notwithstanding its reasonable expectation that the RFA was intended to put that prospect to bed. This constant threat to the security of the resource has significantly acted to dampen investment in new technology and in workforce up-skilling.

The Tasmanian forest industry fervently believes that the investment horizon now remaining for the balance of the RFA is not sufficient to deliver the outcomes that may have been possible had the expectations of a full 20 year security actually been delivered.

FIAT propose that the agreement be converted to an evergreen, rolling 20 year agreement to ensure that the industry will always have a sufficient investment security horizon upon which to formulate plans for investment in capital and human resources. It is only through this type of mechanism that the true potential of the RFA will be realised.

We believe this approach in concert with a continuation of the 5 yearly review process will ensure that the full social, economic and environmental benefits of the RFA will be maximised and the industry and dependant communities will have the security necessary for long term decision making to supplement the ad hockery of the current short term thinking that pervades due to too short an investment horizon.



HIGH QUALITY SAWLOG SUPPLY

The RFA is significantly premised on an increased reliance on younger logs and particularly a move towards an as yet untried plantation-grown hardwood resource. To a significant extent this is a leap of faith and FIAT believe it is incumbent on the RFA parties to closely monitor changing log quantity and quality to ensure a viable processing sector remains and also remains viable.

A critical parameter not reported in the existing set of sustainability indicators regards the quality of harvested logs. Whilst indicator 2.1.c reports the actual cut of eucalypt sawlogs (Table 2.1.c.1, p.61), it does not acknowledge that there is considerable variation in suitability for product of sawlogs within the reported log volumes.

The sustainable cut from public land is based on making available a minimum legislated high quality eucalypt sawlog supply of 300,000 cubic metres per year (Sustainability Indicators for Tasmanian Forests 2001 – 2006, p.59) - a critical component of this statement from the perspective of the processing industry is the phrase “high quality”.

There is a pressing need to develop and track indicators which depict the quality of sawlogs being provided to the processing sector of the industry. Parameters that are indicative of sawlog “quality” are:

- sawlog size
- value of sawn product per cubic metre of sawlog
- sawlog defects
- log specifications for all log categories

Current projections provided by Forestry Tasmania as part of the Tasmanian Community Forest Agreement analysis indicate that the Tasmanian sawmill and veneer sectors will be required to accept plantation-grown eucalyptus sawlogs as a significant component of the legislated “high quality” eucalypt sawlog supply of 300,000 cubic metres per year. That is, from 2020, 115,000 cubic metres of the legislated 300,000 cubic metres of high



quality sawlogs (38%) will be sourced from plantations (Figure 1). Whilst these logs might meet the necessary minimum size criteria for “high quality” sawlogs, they will represent a significantly lower quality resource:

- the logs will be smaller in diameter;
- the logs will be shorter in length;
- the logs will have higher-shrinkage wood; and
- sawn timber cut from the logs will suffer greater defect on drying (particularly internal and surface checking - the occurrence of which immediately down-grades a sawn board to the lowest grade).

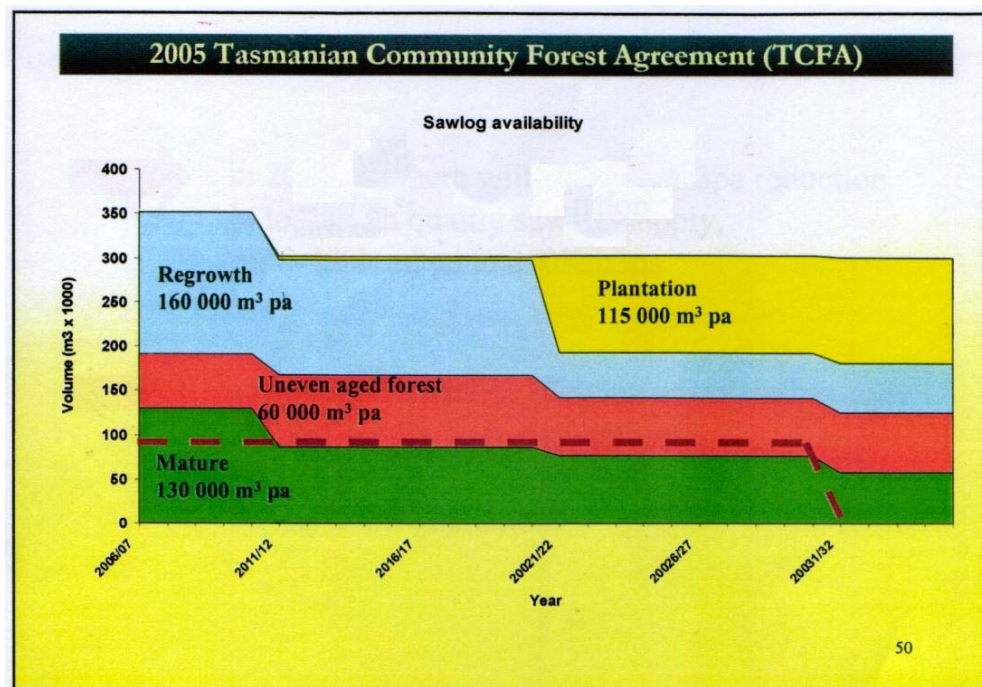


Figure 1: Projected source of supply of the minimum legislated high quality eucalypt sawlog supply of 300,000 cubic metres per year - after the Tasmanian Community Forest Agreement.

Sawlog size

There is a well established general trend that the value of sawn product that can be cut from a cubic metre of sawlog declines with decreasing log diameter, and to a lesser



extent sawlog length - the age of the tree from which the sawlog is cut also is important with logs from younger trees yielding a reduced sawn product value (Ken Last¹ *pers. comm.*).

Further, there is a general perception within the Tasmanian sawmilling sector that average sawlog volume is decreasing. This perception is confirmed by Figure 2 which presents estimated average sawlog volume by year for Category I and III sawlogs sourced from Tasmanian State Forest from 1998 to 2004 showing a clear and progressive decrease in average sawlog volume over this period.

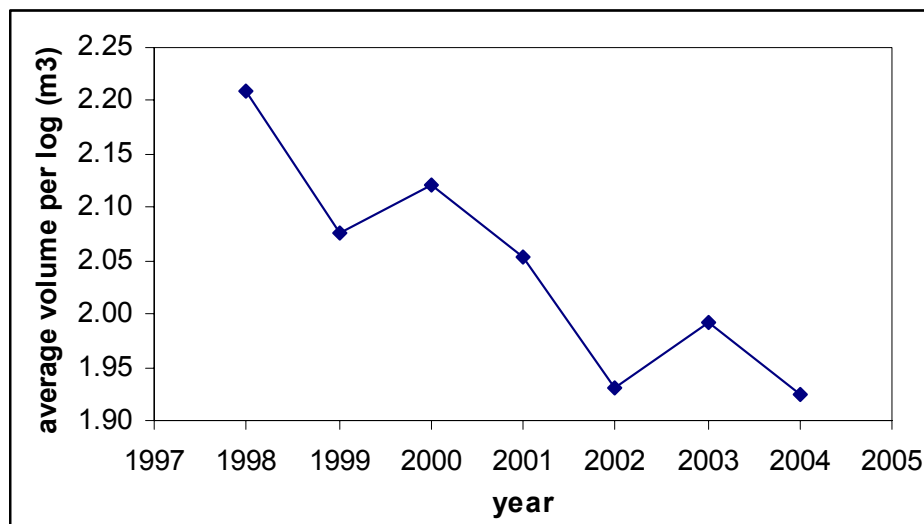


Figure 2: Average volume of Category I/III sawlogs by year (1998 - 2004) showing a clear and progressive decline from 1998 to 2004 - based on data reported by Felmingham and Farley et al. (2004).

The current specifications of Tasmanian Category I and III sawlogs (loosely classed as “high quality” sawlogs) require logs to be greater than 40cm diameter at the small end (under-bark). This is the minimum diameter however, and delivered Category I and III sawlogs currently range from small-end-diameter of 40cm to 170cm (see Figure 3). Whilst there are few reported estimates of the likely log size distribution from sawlog-

¹ Ken Last, Executive Director, Forest and Wood Products Research and Development Corporation



managed plantation-grown eucalypts, an appropriately managed stand of 26-year-old thinned and pruned plantation-grown *E. nitens* yielded an average small-end-diameter of pruned butt logs of 43cm (Innes et al 2007) - the log diameter distribution is depicted in Figure 3 but is an over-estimate to the extent that the butt-logs in the study were sawn into two 2.7m-long logs thus artificially increasing the average small-end-diameter of the harvested log population. Another stand of plantation *E. nitens* experimentally-managed for high-quality sawlog production at Gould's Country plantation showed a similar diameter distribution (Figure 4). Clearly, plantation-grown sawlogs will be of smaller diameter than Category I and III sawlogs sourced from sustainably managed natural stands.

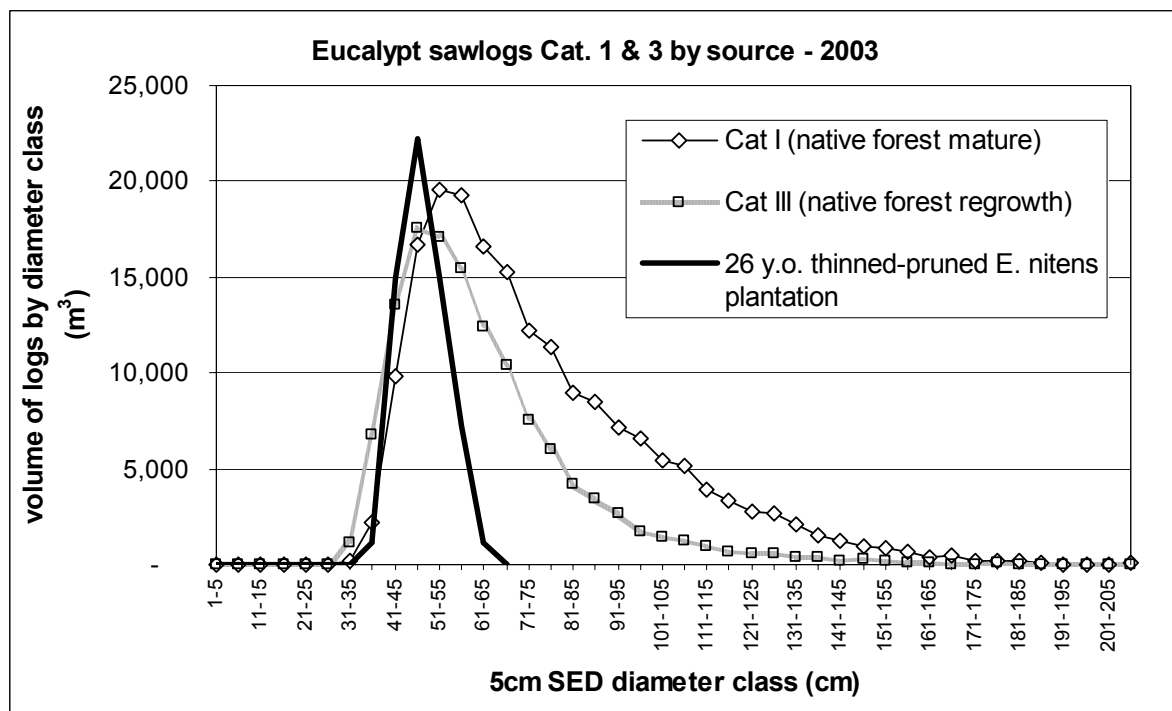


Figure 3: Diameter class distribution for Category I and III sawlogs sourced from Tasmanian State Forest - Figure reproduced from Greaves (2004), based upon data provided by Farley and Associates (25 March 2004) extracted from information provided by Forestry Tasmania. Also depicted is the SED distribution of pruned sawlogs harvested from an experimental thinned and pruned 26-year-old stand of *E. nitens*, although the distribution is overstated as the 5.5m pruned butt logs were cut into 2.7m lengths thus artificially boosting the average diameter of all harvested logs.





Unlike existing more mature logs, plantation-grown logs and to a lesser extent regrowth logs represent the lower of the diameter distribution and will not be offset by larger diameter logs. This will inevitably lead to an overall reduction in product yields at sawmills and veneer mills, which will in turn affect the viability of processing facilities which can be expected to fall progressively as wood flows shift to younger and smaller logs.

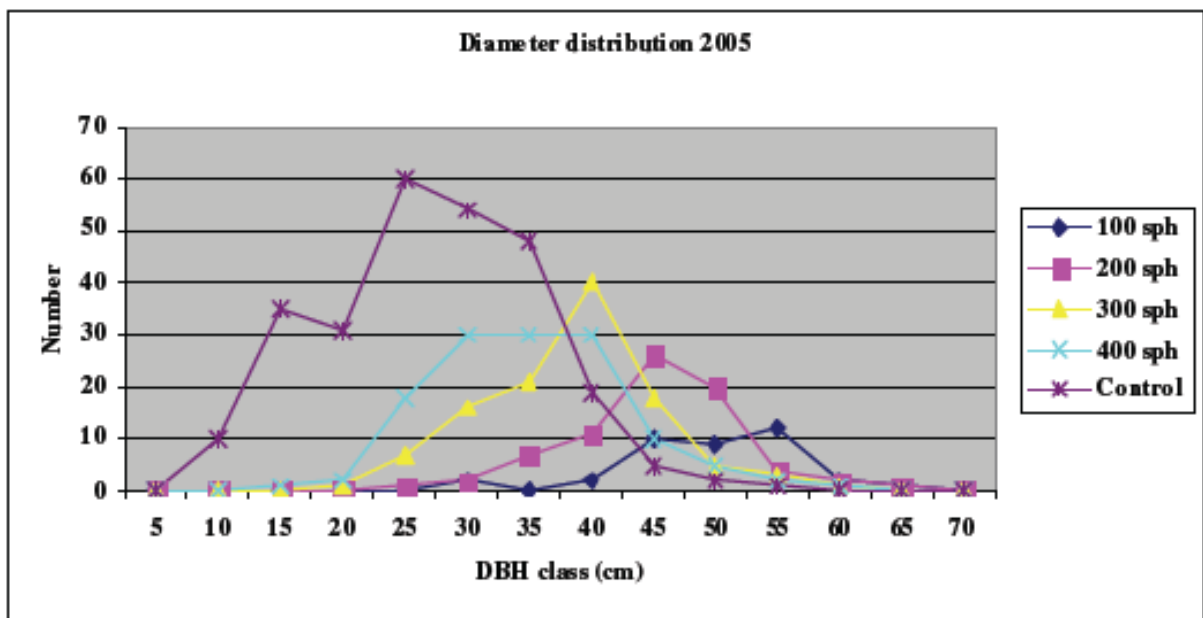


Figure 4: Distributions of standing tree diameter at 1.3m height (over-bark) of 21-year-old *E. nitens* grown at various spacing levels (stems-per-hectare, sph) at Goulds Country in north-east Tasmania. The 200 sph distribution is indicative of a stand managed for high-quality sawlogs, although somewhat younger than operational harvest age the diameters are at 1.3m height and likely approximate small-end diameters at harvest age. Thus the expected range in small-end diameters of sawlog-managed *E. nitens* at this site would be 35 to 60 cm. Reproduced from Washusen et al. (2007), Figure 2.

Sawlog quality

Sawlog size is not the only determinant of sawlog quality, and two logs of the same size may have very different suitabilities for product: recent studies of plantation-grown *E. nitens* experimentally processed by Tasmanian sawmills (Washusen et al. 2007, Innes et



al. 2007) indicate high levels of defect, particularly internal and surface checking, in dried-dressed sawn boards cut from these trees - such high levels of defect would seriously impact on the profitability of processing these logs.

It appears from the results reported by Washusen et al. (2007) and Innes et al. (2007) that, at best, sawmills will require significant refit or operational restructure to effectively utilize the plantation-grown logs, and at worst, be unable to economically manufacture any saleable products from the sawlogs.

Criteria/indicators necessary to track log quality

Additional indicators that FIAT submit should be included in *Criterion 2: Maintenance of productive capacity of forest ecosystems* so that log quality can be tracked are as follows: -

Average log volume

This indicator could be readily reported from data currently collected for individual sawlogs and compiled by Forestry Tasmania, and could be estimated retrospectively to provide a historic perspective (as depicted in Figure 2).

This parameter should be reported for each category of log produced from Tasmania's State Forest.

This will provide a ongoing monitor over time of average log volumes and would supplement forest management and socio-economic data already reported.

Diameter distribution of sawlogs

This indicator could be readily reported from data currently collected for individual sawlogs and compiled by Forestry Tasmania (for example Figure 2). Log diameter



distributions should be reported for each category of log produced from Tasmania's State Forest.

Average product value per cubic metre of sawlog

This indicator has been largely adopted by the forest products research community as a log-quality indicator that can be reported and compared within and between sawlog utilization studies (e.g. Washusen et al. 2007). It represents the average value of sawn products recovered per cubic metre of sawlog processed.

This indicator may be difficult to estimate due to potential sensitivities within the processing industry regarding what they might consider to be commercial information, however, some such indicator is required to track log quality changes which have been, until now, not presented in the RFA Sustainability Indicators.

This is a core indicator of economic impacts over time for the processing sector.

Log-grade specifications

The specifications of the various categories of logs should be included as a Sustainability Indicator in the RFA, and any changes to the specifications should be tracked and reported.

Predicted future yield of "solid-wood" logs from hardwood plantations

Table 2.1.c.2 of Sustainability Indicators for Tasmanian Forests 2001 – 2006 depicts the predicted yield of "solid-wood" logs from all Tasmanian hardwood plantation forests will rise from zero in the period 2005-2009 to around 900,000 cubic metres in the period 2025-2029 - depicted here in Figure 5. In this context, "solid-wood" logs are defined as "non-pulpwood product of the tree that may be valuable for a variety of uses, including rotary peeling or sawing" (footnote 2, page 62, Sustainability Indicators for Tasmanian Forests 2001 – 2006). It is very important in the context of the Tasmanian forest



products sector that the “solid-wood” log volume is not confused with the legislated high quality eucalypt sawlog supply of 300,000 cubic metres per year.

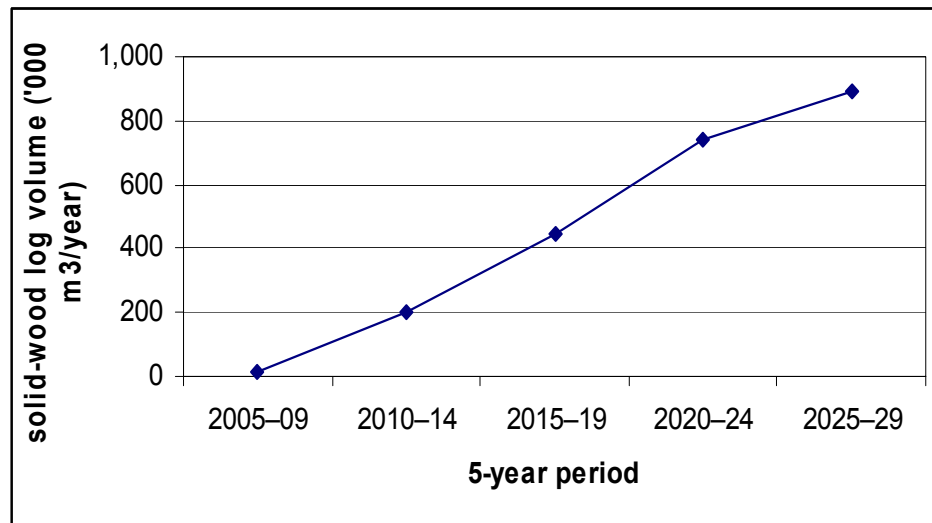


Figure 5: Estimated future yield of “solid-wood” logs from Tasmanian hardwood plantations. Reproduced from estimates reported in Table 2.1.c.2 of Sustainability Indicators for Tasmanian Forests 2001 – 2006, p.62

Reported log volumes have insufficient detail

Within the RFA Sustainability Indicators (2007) the volume of harvested logs are reported in Table 2.1.c.1 (p.61), Table 6.1.a.1 (p.106) and Table 6.1.a.2 (p.106). These tables differ in their methodology and reported estimates, and none provide an appropriately detailed quantified estimate of log production by log-type.

For example - for the 2005-06 year:

- Table 2.1.c.1:
 - total *actual cut of native forest sawlog and veneer log* was 395,000 m³ (public 330,000 and private 65,000 m³)
 - total *actual cut of native forest pulpwood* 3,371,000 tonnes (public 2,427,000 and private 944,000 t)



- Total native forest harvest equates to 3,805,000 tonnes
- Table 6.1.a.2:
 - *Hardwood – native forest sawlog, veneer and peeler*: 707,000 t (equates to around 643,000 m³ at a green density of 1.1 t/m³)
 - *Hardwood - native forest pulpwood*: 3,135,000 tonnes
 - Total native forest harvest equates to 3,842,000 tonnes

The Forestry Tasmania-reported (Forestry Tasmania 2006) public-forest log-volume totals by log category for the 2005-06 year are:

- Sawlog Cat. 1 & 3 - 320,719 m³
- Sawlog Cat. 2 & 8 - 85,057 m³
- Veneer - 9,260 m³
- Regrowth peeler - 150,934 tonnes
- Special species - 13,560 m³

The currently unreported log categories are of considerable importance to the forest products sector of Tasmania:

- Category 2 and 8 sawlogs are processed by Tasmania's smaller sawmills (and also by some larger mills) which generally fall under the class of Country Sawmillers; and
- The regrowth peeler logs, which have largely been exported over the last few years, are of considerable importance as there is a perception amongst some Tasmanian mills that many of these logs could have been processed locally, and that as the result of the logs being exported (and/or to be peeled locally in future) that smaller sawmills have had to suffer a decline in log quality, and thus economic viability.

Reporting of log volumes should include a breakdown into all possible quality categories - this information is currently collected by Forestry Tasmania and could be readily and usefully included in Table 2.1.c.1. This would provide a useful analysis of the quality of



logs being derived from our forest areas which will also allow further analysis and tracking of values of timber produced from that resource tracked over time.

Indicator 6.1.a Value and Volume of Wood and Wood Products

This indicator could provide valuable insight into the Tasmanian industry if it were reported as the title suggests. Unfortunately, neither the volume nor value of Tasmania's wood products is reported.

FIAT believe steps should be taken to identify more meaningful analysis of the value and volume of processed wood products derived from our forest resource. We have previously in this submission suggested additional criteria that would inform this indicator in future reports.

Indicator 6.1.d Production and Consumption and Import/Export of Wood, Wood Products and Non-Wood Products

This indicator could provide valuable insight into the Tasmanian industry if it were reported as the title suggests. Unfortunately, reporting import and export statistics as generated by ABARE are completely useless for the reasons indicated in the RFA Sustainability Indicators (2007): that products that clear customs at other ports are not attributed Tasmania. So there remains a pressing need to expend resources to estimate these parameters - we need to know:

- the product mix and value of forest products produced from Tasmania's forests;
- the local demand for such products;
- the general destination of products exported from Tasmania, both to other Australian states and to elsewhere in the world; and
- imports of forest products to Tasmania, both from other Australian states and from elsewhere in the world.





To reiterate, Tables 6.1.d.1-3 should be completely removed from the RFA Sustainability Indicators (2007) because the reported statistics are meaningless and might be interpreted as having meaning - unless Tasmanian imports and exports that clear customs in other ports are included. Further, the information that is needed is Tasmanian imports and exports with respect to both Australia and elsewhere in the world.

This criteria has the potential to provide extremely valuable measures of the destination of our wood and wood products but reliance on data compiled on a generic basis does little to provide meaningful analysis.





RESERVES

The RFA commitment at Attachment 10.11 was to “develop and implement a code of practice for reserve management”. This commitment was not met and was rolled into the 2002 RFA review recommendations as Recommendation 4.3 which stated “that the State completes the Reserve Management Code of Practice and commences implementation of the Code by 30 June 2003.” and “that the State undertakes annual reporting on compliance with the Reserve Management Code of Practice.”

This Code has now been completed and implemented however the annual reporting systems are still in development and as such formal compliance reporting has not commenced.

FIAT are concerned by the focus on “environmental assessments of new activities” (p.38) both within the Reserve Code of Practice and the reporting that has taken place to date rather than a focus on ecosystem health. FIAT believe that the focus of reserve management should be related to the original intent of the creation of the reserves and must report on the health of the ecosystem – including monitoring and in some instances direct intervention.

FIAT submits that there is a genuine question as to whether or not the ecological integrity of an ecosystem is protected by assigning that ecosystem national park status alone? This is what has happened within many of the areas declared as national parks in Tasmania, and many of these ecosystems are suffering as a direct result of that approach. There is considerable scientific evidence available indicating that the “reserve only” approach to biodiversity conservation has led to a decline in the health of many forest ecosystems within the National Park system.

A report titled “how well are we doing? – some thoughts on the effectiveness of protected areas.” in “In Parks” Vol 9 1999 IUCN by M Hockings and A Phillips observed ; -





“many protected area managers are not able to systematically review the results of their efforts. In the absence of such reviews, however, money and other resources can be wasted on programs that do not achieve their objectives. Protected area managers must expect to come under even greater pressure to introduce systems of monitoring and evaluation.”

With respect to “long term” plans, it is important that Governments understand that the life cycle of many ecological communities that exist within the reserve system are hundreds of years and the management of these areas needs to consider these time frames rather than working on managing these communities on a 5-10 year timeline.

A significant number of the forest ecosystems throughout Australia and specifically in Tasmania rely on a regular pattern of disturbance to facilitate their on-going health and regeneration process. The “lock up only” approach does not permit this disturbance process to be achieved and as a consequence many of the unique features that gave rise to the original national park listing will inevitably be lost.

A simple example is the old growth tall wet sclerophyll forest communities that have been added to the reserve system over the past 20 years that are incapable of regenerating in that format without disturbance to promote regeneration as the eucalypt species in these forests cannot regenerate. To achieve regeneration and continuity of the forest ecosystem that our legislators sought to preserve these forest types require extensive wild fire or other disturbance as the understorey is too thick to allow regeneration simply from natural seed fall. In the ordinary course of nature these forests will secede into a temperate rainforest with none of the eucalypt species present that were the focus of the original reservation.

FIAT considers the main threat to national parks is the absence of effective management. There are a number of factors contributing to this lack of management including a severe shortage of funding to be able to carry out effective management as well as in many cases a philosophical opposition to managing these areas. There is also community



pressure in some cases that prevents effective management of these areas eg fuel reduction burning.

Threats through the lack of effective funding for reserve management are numerous and include weed infestation, feral animal infestation, increased fire intensity, decline in ecosystem health and succession of other species that replace the values that the ecosystem was originally put into the reserve system for.

Any Government, whether Federal or State, that intends to proclaim additional reserves must be compelled to put in place adequate management regimes and ensure sufficient long term funding to manage such a reserve for all of its values including managing threatening processes. Any outcome short of this will ensure an exacerbation of the current unsatisfactory situation where reserves have been proclaimed and insufficient funding exists to manage our reserved ecosystems.

One of the key responsibilities of governments with regard to management of reserved areas within Australia is to apply accepted sustainable management regimes similar to the Australian Forestry Standard / Program for Endorsement of Forest Certification / Forest Stewardship Council which are all based on the Montreal criteria as well as committing long term resources, including funding, to the management of these areas.

It is unacceptable for governments to continually reserve areas of land within Australia and have no way to measure the health and management of these ecosystems to ensure their vitality for future generations. Currently the success of the reserve system in Australia is measured by the total area within the reserve system with little or no regard for the health of these areas. A monitoring and reporting standard must be developed to ensure that by reserving ecosystems we are not committing them to death by benign neglect and that the original values sought to be protected are in fact protected.

In the past 12 months alone, significant management activities have taken place in Tasmania's reserves including wildlife population control on Maria Island and fuel



reduction burning throughout the reserve system. These activities are critical to maintaining the health of these ecosystems and the results need to be monitored and reported upon.

FIAT submit that it is incumbent on the parties to the RFA to provide detailed public reporting on the ecosystem health of our reserved forests and we propose that all such areas be reported against similar criteria to those utilised in forest certification schemes (adapted as appropriate).





CARBON BALANCE

FIAT applaud the inclusion of the maintenance of forest contributions to global carbon cycles as part of the sustainability indicators. FIAT believe that the forest industry already plays a substantial role in the minimisation (reduction) of greenhouse gas (CO₂) and therefore climate change impacts through the sequestration and storage of carbon and is in fact Australia's only greenhouse positive industry.

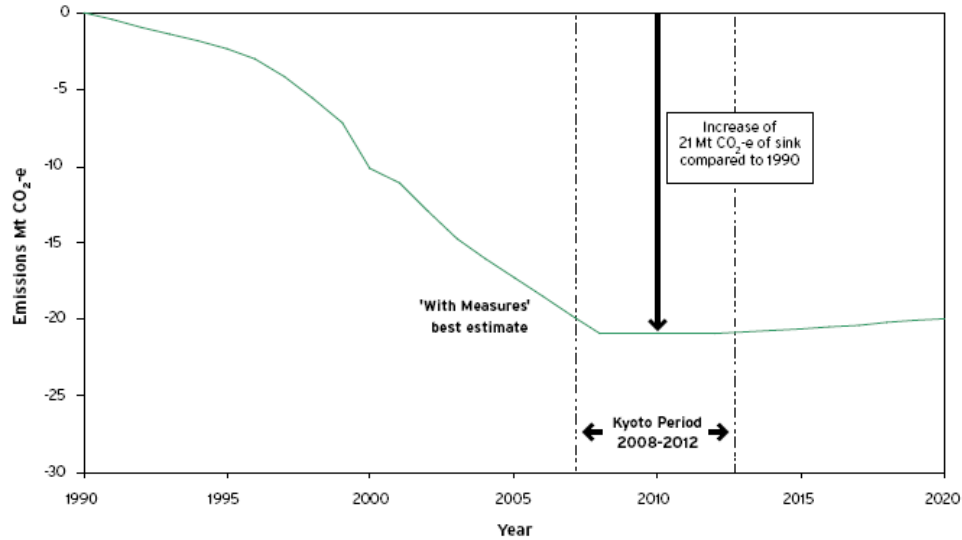
It is clear that Tasmania's forest industry is a net sequester of carbon and in that context can play a significant role in the overall reduction in GHG emissions within the State. Tasmania is by far the most forested of the Australian States with forest area constituting approximately 50% of the States land mass and this forested area is actually increasing.

The Australian Greenhouse Office in their "Forestry Sector Greenhouse Gas Emissions Projections 2006" estimate that after allowing for the impacts of fire and climate effects such as drought, forestry activities in Australia will sequester (remove) 21 MtCO₂e/year for the period 2008-2012 and is the only sector to demonstrate a capacity to actually reduce carbon emissions.

The actual removals of carbon measured in accordance with the reporting requirements of the Kyoto Protocol from 1990 are depicted in the following graph derived from the AGO Kyoto Tracking Report: -



Figure 10: Forestry emissions projections



This demonstrates a continuing and growing capacity of forestry activity to remove carbon from the atmosphere and to be part of the solution to climate change and not as many would suggest a part of the problem.

The actual Greenhouse emissions by sector are reported by the Australian Greenhouse Office in Tracking the Kyoto Target – Australia’s greenhouse emissions Trends 1990 to 2008-2012 and 2020 as follows: -





Table 1: Greenhouse emissions: 1990, and 2008-2012 ^{abc}

	1990	2010 'With Measures' best estimate	
	Mt CO ₂ -e	Mt CO ₂ -e	% of 1990
Energy	287	430	150
<i>Stationary</i>	196	306	156
<i>Transport</i>	62	86	140
<i>Fugitive</i>	30	38	127
Industrial Processes	25	38	150
Agriculture	91	96	105
Waste	19	16	81
Land Use, Land Use Change and Forestry	129	24	18
<i>Land Use Change</i>	129	45	35
<i>Forestry^d</i>	0	-21	<i>ne</i>
TOTAL^e	552	603	109

Notes:

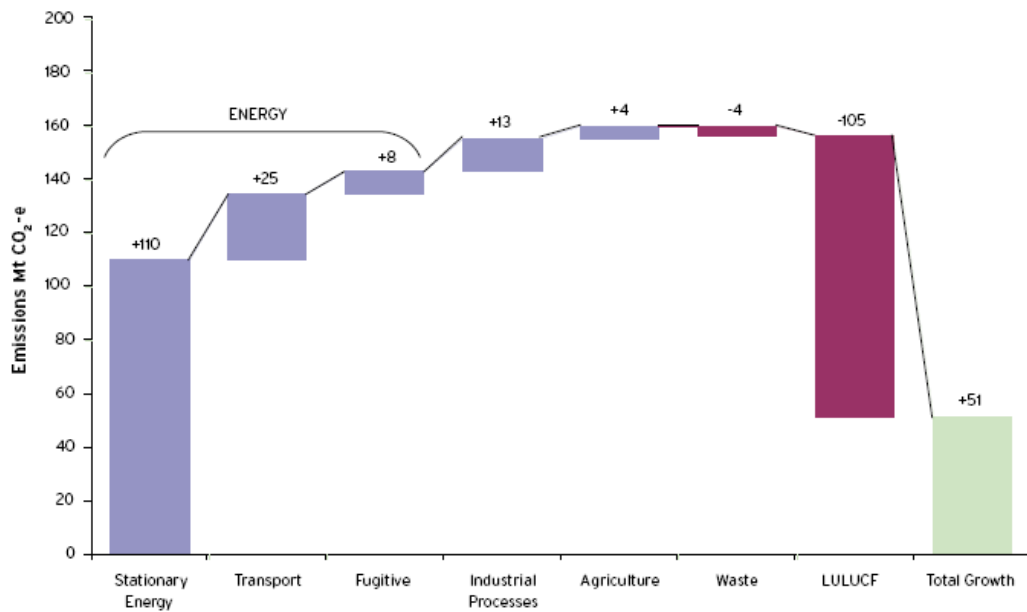
- a) These projections are made under Kyoto Protocol accounting rules, which differ to those of the United Nations Framework Convention on Climate Change, notably in their treatment of forestry sinks.
 - b) Energy, industrial processes, agriculture and waste sector projections in Table 1 and Figure 1 were prepared by a range of modellers, and land use change and forestry estimates were prepared by the AGO's National Carbon Accounting System (NCAS).
 - c) The 2010 emissions projection is equivalent to the 2008-2012 average.
 - d) Forestry sinks estimates relate to sequestration in Kyoto-compliant plantations.
 - e) Columns may not sum due to rounding.
- ne = not estimated

The change in emissions expected to be achieved through emissions abatement measures is demonstrated by the following graphical depiction: -





Figure 2: Change in emissions by sector: 1990 to 2008-12



It is clear from this nationally collated data that other than finding mechanisms to reduce the emissions of other sectors beyond those estimated from the emissions abatement measures the best mechanism available to Governments to reduce the climate change effect of increased carbon loads in the atmosphere is to facilitate the additional sequestration of carbon through the creation of new forests as carbon sinks.

There is clear evidence that the growing of trees (afforestation or reforestation) can assist in the removal of carbon from the atmosphere and can be used to reduce the overall emissions from other sectors. A recent report published jointly by the Forest and Wood Products Research and Development Corporation (FWPRDC) and the Cooperative Research Centre for Greenhouse Accounting (CRC - GA) titled Forests, Wood and Australia's Carbon Balance indicates the extent to which plantations and other commercial forests along with wood products produced from those forests, contribute to Australia's carbon balance.

The report produces the following broad findings



Forest Industries Association
of Tasmania

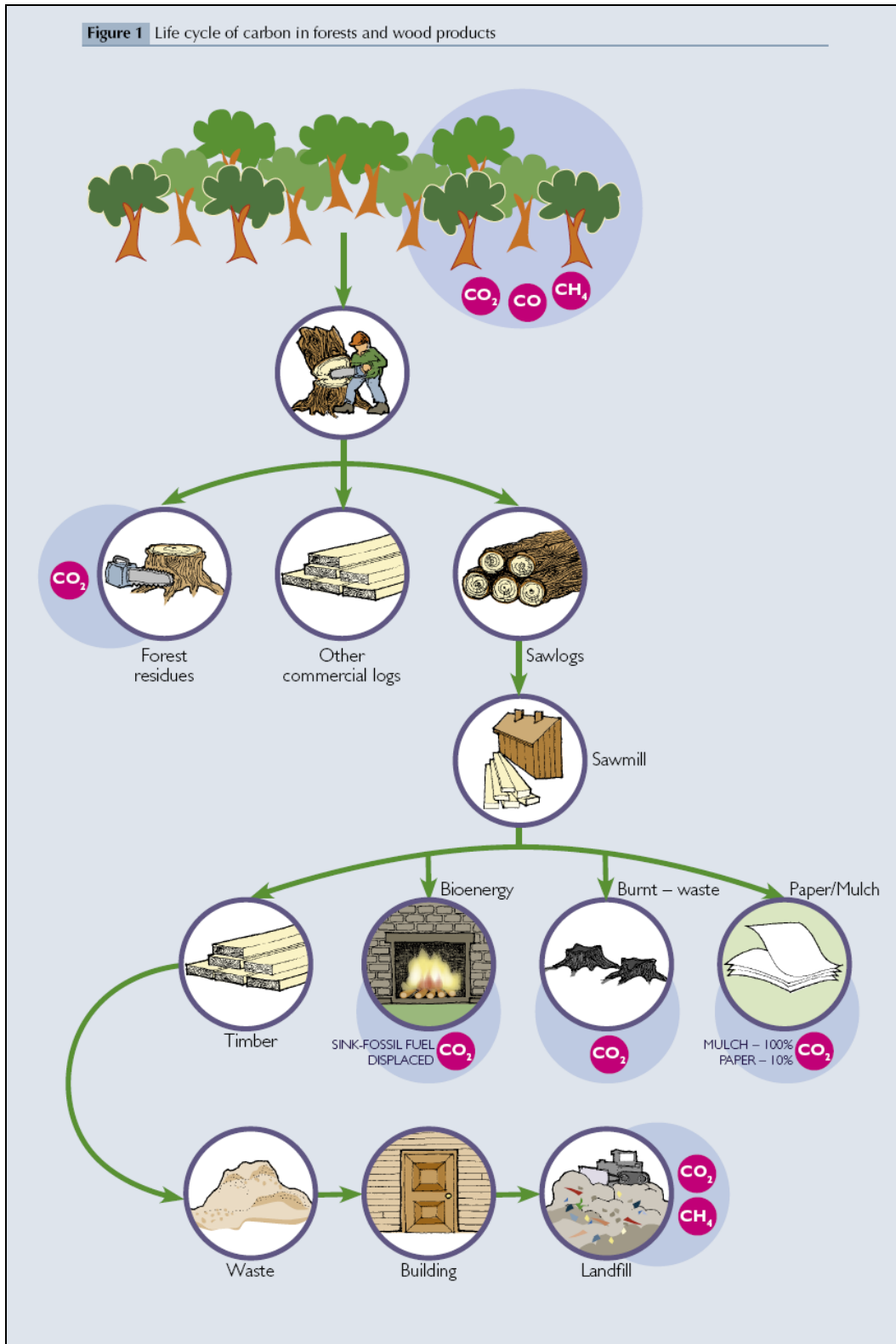


- Forests in Australia store an estimated 10.5 billion tonnes of carbon (excluding soil carbon). The carbon store has been built through the forest plants having removed almost 38.5 billion tonnes of carbon dioxide from the atmosphere, about 70 times Australia's annual net greenhouse gas emissions.
- Australian plantations and commercial forests removed a net 43.7 million tonnes of carbon dioxide from the atmosphere in 2004.
- The accumulated storage in Australia's forest plantations and wood products is about 323 million tonnes of carbon, of which the wood products store more than 230 million tonnes of carbon.
- Wood products typically require less energy to make than alternative materials. Because energy rating schemes and environmental assessments are typically not based on full-life-cycle assessments, the comparative environmental advantages of sustainably harvested wood are not fully recognised.
- The use of sustainably harvested forest biomass to generate renewable energy permanently eliminates atmospheric emissions that would otherwise have resulted from the use of fossil fuels.
- There are ways to recognise better the greenhouse credentials of forests and wood products. These include burning more sustainably harvested wood and waste for energy, extending emissions trading schemes to recognise carbon stored in wood, and making full-life-cycle assessments of building materials.
- By removing carbon dioxide from the atmosphere, forests, forestry, and the use of wood products are helping mitigate climate change. They can help much more.

The following graphical representation summarises the life cycle of carbon in forests and wood products and demonstrates the interaction between growing, harvesting, transport, processing and end uses of the timber that is derived from the growing and harvest cycle. The illustration demonstrates that when a forest is harvested there is not a massive release of carbon into the atmosphere as the carbon remains stored in the wood and wood products until such time as they are broken down by decomposition or burnt.



Figure 1 Life cycle of carbon in forests and wood products





This storage of carbon, often for hundreds of years actually creates an opportunity to increase the carbon stored beyond the current standing carbon stored in our forests.

Much of the growth in forested area is in the establishment of plantations on areas previously cleared for agriculture and therefore represents a significant additional sequestration capacity for at least the duration of the current rotation of those forests and potentially into the future through replanting for subsequent rotations.

The clear policy advantages of utilising forestry as a “strategy” to reduce GHG emissions and therefore reduce or ameliorate climate change is restricted by a number of confounding Government policy settings that restrict the industry’s capacity to contribute to its full potential in this amelioration process. Much of this confounding policy is designed, almost exclusively, to placate a vocal minority that seek to impose their political opposition to forestry regardless of the facts of the debate or of the science.

If Tasmania is serious about combating climate change then it must be prepared to consider the hard and potentially unpalatable decisions to further that objective provided those decisions are based on good science directed at the optimal outcome for the State. This will require considerable leadership and courage from the Government and the implementation of a clear communications strategy with the Tasmanian community to facilitate an acceptance of the foundation for such strategic decision making. One example may be a re-examination of the policy of locking up vast tracks of old growth eucalypt forests where those forests are progressively “leaking carbon” through decay compared to the obvious benefits in harvesting those forests with the on-going sequestration of their embodied carbon in the products produced from those trees and regenerating healthy vigorous regrowth forests that will actively remove carbon from the atmosphere.

We readily acknowledge the difficulties this example may present to a Government, however if climate change presents as the pre-eminent environmental threat to Tasmania



and beyond it may be that these are the type of issues that may need to be grasped to provide any meaningful amelioration.

Another example could be the generation of “green energy” through the processing of bio-fuels either for use within Tasmania or as an export as a replacement for energy generated through burning fossil fuels in mainland States.

It is not only the planting, growth and management of forests where the activities of the forest industry can be utilised in redressing the impacts of climate change. The carbon sequestered by a growing tree is not released by the harvesting of a tree but remains stored in the wood product until such time as it is released through rotting or burning.

The Joint FWPRDC and CRC for Greenhouse Accounting Report Forests, Wood and Australia’s Carbon Balance clearly demonstrates that Australia’s forests store an estimated 10.5 billion tonnes of carbon (excluding soil carbon) and in 2004 it is estimated that Australia’s plantations and commercial native forests sequestered 43.7 million tonnes of CO₂. This storage is reasonably well understood by the community. What is not well understood is the on-going storage of carbon in wood and wood products in service and these are not accounted for in Australia’s NCAS.

The following extract from that report demonstrates the in-service storage of carbon in wood and wood products: -

“In 2004-2005, Australians used 7.1 million cubic metres of sawn wood and panel products and 4.2 million tonnes of paper products. Most of the wood products are used in residential buildings and furniture.

Residues are produced at each stage of wood and wood-product processing. Typically 40 to 60 per cent of log biomass is lost to residues during processing to green rough sawn boards. A large proportion of sawmill residues are used for paper- and panel-board manufacturing, while in the large-scale softwood sawmilling industry in Australia the majority of the remainder is used to produce steam, with very little burnt to waste. Wastage during secondary processing to



wood products ranges from 5 per cent of the board mass in the manufacture of truss, frame and flooring to 35 per cent in the manufacture of shopfitting products.

The type of residues generated and their fate are important to the greenhouse impact of wood products. For example, if the sawdust is burnt to waste, the carbon is emitted back into the atmosphere without any benefits. However, if the sawdust is burnt to produce heat for a drying kiln, for example, the energy generated typically avoids the use of fossil fuel energy.”

And later on the same page: -

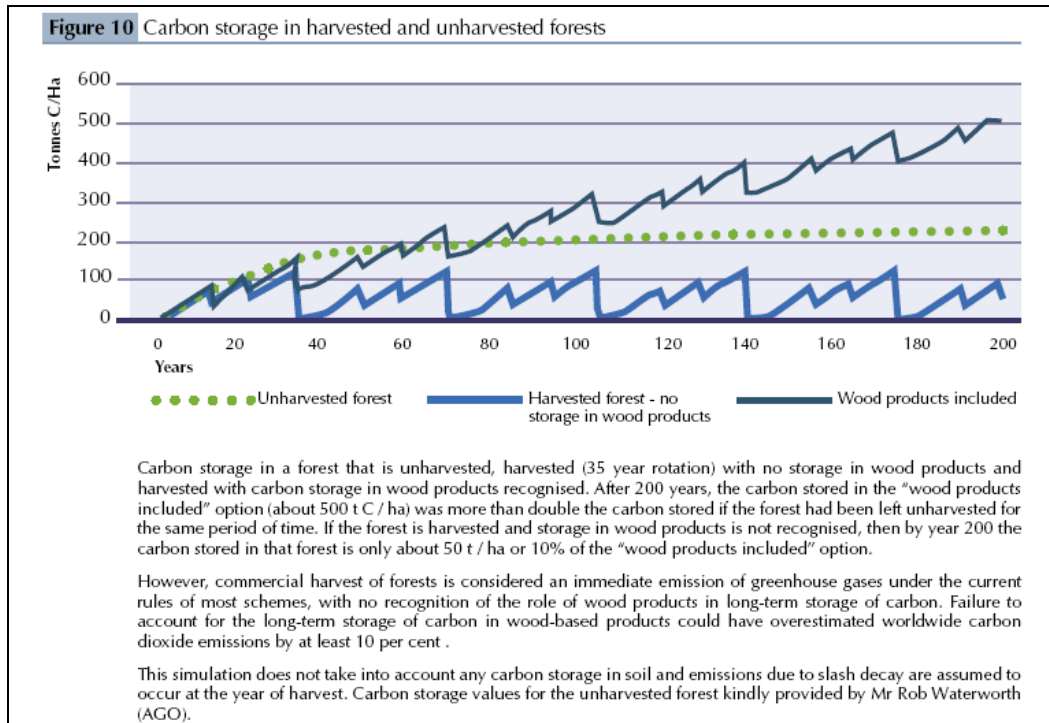
“Australia’s National Greenhouse Gas Inventory accounts for emissions from all wood products within Australia (including imported material). Emissions from exported wood products (including woodchips) are reported in the national inventory of the importing country.

Wood and paper products produced in Australia in 2004 stored a net 5.3 million tonnes of carbon. After accounting for emissions from wood products manufactured in previous years (from 1944 onwards), the new wood products produced in 2004 added an estimated 1.44 million tonnes to the net store of carbon in wood products in service in Australia

The Australian Greenhouse Office estimates that wood products in service in Australia (produced from 1944 onwards) are storing about 95.6 million tonnes of carbon.”

At page 11 of that report appears the following chart that demonstrates the comparative effect of leaving a forest standing and unharvested compared to the two scenarios of comparing a harvested forest with and without the inclusion of the storage of carbon in wood products after harvest: -





The following commentary from the report is opposite to consideration of strategic methods to combat and or reduce the effects of climate change: -

“The continuing long-term storage of carbon in wood products is a more-secure way of locking up the carbon than retaining it in permanent forests, as forests may be periodically affected by fire, pests and tree mortality caused by drought, storm damage, competition and natural senescence. The higher the number of rotations, the more carbon is stored in wood products, and after only a few rotations the combined pool of carbon becomes larger than that in the unharvested forest (Figure 10) The recognition of long-term storage in wood products in trading schemes has the potential to:

- o *increase the value of carbon sequestration in forests, as the penalty currently paid due to harvest would be greatly reduced;*
- o *encourage the establishment of more plantations for carbon sequestration, providing greater incentives for smaller growers to participate; and*
- o *increase the use of wood products, with overall beneficial impacts on climate and to the wood-products industry as a whole.*





FIAT says that this data clearly provides a case for a strong bias being applied to the use of wood as a construction material and in other uses such as furniture, flooring etc as it provides a clear and sustainable advantage over alternative products that might be applied for the same purpose. There is scope for measurement of this aspect by the RFA parties. FIAT believes more intensive carbon reporting by the RFA parties would provide significant additional benefit. A comparison of the greenhouse gasses emitted in the manufacture of various competing building materials is demonstrated by the following table

Life Cycle Assessment (LCA): Greenhouse gases emitted in the manufacture of building materials used in a range of construction components for a single storey house in Sydney

Construction component	Option 1	Greenhouse gas emissions (CO ₂ e)	Option 2	Greenhouse gas emissions (CO ₂ e)
Floor structure	Timber sub-frame	1.9	Concrete slab	12
Floor covering	Hardwood T&G laid on particleboard	0.4	Ceramic tiles	5.2
Wall frame	Timber	0.4	Brick	6.8
Roof frame	Timber	1.2	Steel	5.3
Windows	Timber	0.8	Aluminium	2.2
	Total	4.7	Total	31.5

Source; CRC for Greenhouse Accounting (2006). Counting carbon - timber products. Retrieved February 6, 2007 from http://www.greenhouse.crc.org.au/counting_carbon/wood.cfm

This table clearly demonstrates that for every category timber releases significantly less GHG's than other competing building materials. This evidence provides the opportunity for Government to provide positive support to the use of timber in building construction as part of an integrated strategy to reduce the emission of GHG's.

This approach has been adopted in New Zealand where the New Zealand Government have initiated a programme to provide positive encouragement to increase utilisation of



timber in building construction in Government buildings. (Branz Limited, Project Number QC 4979 Issued 30 July 2004, Reviewed 30 July 2006)

The issues identified above provide an opportunity to intensify reporting of carbon storage attributable to Tasmania's wood and wood products sector and FIAT recommend additional future data gathering and reporting as follows: -

- carbon stored in standing forests
 - native forest by tenure
 - plantation by tenure
- carbon stored in wood in service derived from our forests
- net total carbon stored





CONCLUSION

FIAT would like to thank the Reviewer for this opportunity to provide feedback to the 10 year review of the Tasmanian Regional Forest Agreement.

As stated throughout this submission, FIAT and its members remain committed to the RFA and its fundamental underpinning objectives as a tool to ensure the appropriate balancing of the environmental, social and economic imperatives that present as part of Tasmania's forest industry.

Should you require further detail or wish to discuss any aspect of this submission, please contact Terry Edwards on 6224 1033.





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