

## **NIPPON PAPER**

### **ISSUES**

- **Procurement from Sustainably Managed Forests**

FIAT endorses the proposed Policy setting by Nippon Paper Group Inc. to procure woodchips and lumber from forests under sustainable forest management.

Of the forests available for production in Tasmania the vast bulk are covered by the Australian Forestry Standard which has been mutually recognised by the Programme for Endorsement of Forest Certification (PEFC). This includes the State's public forests manager Forestry Tasmania and the States largest private forests manager Gunns Limited. The Chain of Custody standard that applies to this certification enables a transparent assessment of the origin of forest products as coming from sustainably managed forests.

- **Refusing to Buy Illegally Logged Lumber**

FIAT endorses the position of Nippon Paper Group Inc. to refuse to deal with illegally logged lumber.

Tasmania's forestry industry acts within a number of strictly enforced Government regulations including the following: -

#### **Regional Forest Agreement**

The Tasmanian Regional Forest Agreement was reached in 1997 between the Australian Government and the Tasmanian Government and includes the following objectives: -

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:

- Provide certainty for conservation of environment and heritage values through the establishment of a Comprehensive Adequate and Representative Reserve System; and
- Provide for the ecologically sustainable management and use of forests in Tasmania;

This Agreement has been made having regard to studies and projects carried out in relation to all of the following matters relevant to the Tasmanian Region –

- (a) environmental values, including old growth, wilderness, endangered species, national estate values and world heritage values;
- (b) indigenous heritage values;
- (c) economic values of forested areas and forest industries;
- (d) social values (including community needs);
- (e) principles of ecologically sustainable management.

This agreement expresses the clear support of the Australian and State Governments for the forestry industry in Tasmania. Any product sourced in accordance with this agreement will have been obtained legally and in accordance with the principles of ecologically sustainable forest management.

### **Tasmanian Community Forest Agreement**

In the election of a new Federal Government for Australia in October of 2004 the Prime Minister announced a new policy position in respect to the forest industry in Tasmania. This policy was by way of a supplement for the Regional Forest Agreement. Following detailed negotiation between the Federal and State Governments following that election a new Agreement known as the Tasmanian Community Forest Agreement (TCFA) was reached.

The TCFA includes the following key issues: -

Expansion of the forest reserve system by 170,000 hectares with particular emphasis on old growth forests and rainforest increasing the reservation of these forest communities to a total in excess of 1 million hectares;

Substantially curtailing the use of clear fall logging in old growth forests to be replaced by a new silviculture known as Variable Retention;

Providing assistance to forest products industry processors to move towards a greater reliance on plantation sourced wood;

This agreement confirms the support of the Federal and State Government's for Tasmania's forest industry whilst further enhancing conservation values and biodiversity. Wood sourced from Tasmania carries the approval of both Governments and is therefore free of any contention in respect to legality.

### **Forest practices system including criteria to be assessed prior to logging**

In addition to the Regional Forest Agreement criteria the Tasmanian forest industry operates under a rigid and exacting Code that has legislative backing. The Forest Practices Code is developed by a representative body with technical backgrounds to ensure that the Code is capable of on-ground implementation.

In the planning process prior to any harvesting operation the Code requires that a specially trained person, a Forest Practices Officer, prepare a detailed Forest Practices Plan that analyses the proposed harvest area for a range of specific special values ie : -

- Fauna
- Flora
- Soil and Water
- Geomorphology
- Visual and Landscape
- Cultural Heritage

Any coupe (harvesting area) that contains identified special values is required to be assessed by an independent employee of the Forest Practices Authority who may place restrictions on access to all or part of a coupe or may require particular prescriptions to protect the identified special value. A Forest Practices Plan is enforceable and an independent audit of compliance with a plan is carried out by staff authorised by the Forest Practices Authority.

The Forest Practices system in Tasmania is an extremely rigorous and tightly controlled process that is designed to ensure the protection of rare, vulnerable or endangered species by providing a balance between the economic, social and environmental requirements of the State.

- **Level of reservation in Tasmania**

Tasmania has one of the highest levels of reservation anywhere in the world and considerably in advance of internationally recognised benchmarks and criteria.

Tasmania is an island that is comprised of a total of 6.8 million hectares of which 3.2 million hectares (47%) is forest (source Sustainability Indicators for Tasmanian Forests).

Of the 6.8 million hectares land mass of Tasmania, almost 2.9 million hectares (43%) are in secure reserves for the preservation of biodiversity and other conservation values. This conservation area is likely to be considerably understated as it does not include extensive areas of land managed for conservation by private landowners for which data is not readily available. As an example of this reservation that is not part of the formal reporting processes Gunns Limited who own 178,000 hectares of private land in Tasmania manage approximately 20% or 35,000 hectares for a variety of conservation values. This reservation is entered into voluntarily by Gunns Limited.

Following the Tasmanian Community Forest Agreement 1.45 million hectares (45%) of the 3.2 million hectares of forested land in Tasmania is now reserved for conservation reasons. The International Union for the Conservation of Nature (IUCN) recommend that 15% of forest area be reserved for conservation reasons therefore Tasmania's level is considerably above that recommended by the IUCN.

As part of this extensive reservation of Tasmanian land 97% of identified High Conservation Value Wilderness areas have been placed in formal reserves.

The Tasmanian RFA proceeds on the basis of the implementation of the Montreal Process Criteria and the JANIS Technical Working Group Report "Broad Criteria for the Establishment of a Comprehensive, Adequate and Representative Reserve System in Australia". These processes are based on solid, well tested scientific criteria for the conservation of natural values.

- **Old Growth Forests**

Detractors of Tasmania's forest industry constantly raise public objection to the harvesting of old growth forests and particularly target the use of material from this harvest for woodchips.

Tasmania's forest area includes 1.3 million hectares of old growth forest, of which 1.007 million hectares (Approx. 70%) is reserved following the Tasmanian Community Forest Agreement.

The old growth reported as reserved only includes areas in formal reservation zones on both public and private land and does not include the extensive informal (and largely unreported) protection of old growth forest on private land.

This voluntary reservation by private land owners follows a similar policy position to that developed and followed by Nippon Paper Group Inc. through its Social Contribution Subcommittee.

The unreserved area of old growth forest is used to supply the Tasmanian saw milling and veneer industries with native forest timbers for the production of high quality furniture, veneers, timber flooring, mouldings etc for sale in the local and international markets. Any pulp wood that is generated from old growth forests is purely as an arising from the harvesting of those forests for sawlogs and veneer logs. The criticism of these harvesting practices by a small number of extreme environmental groups is about political positioning and not about the proper and responsible management of Tasmania's old growth forests for biodiversity and other conservation values.

- **Social Contribution/Corporate Citizenship**

We have observed in the preparation of these comments the Nippon Paper Group's Corporate Citizenship philosophy and Principles and commend the Company for these initiatives.

The forest industry in Tasmania applies similar principles in respect to its approach to forest management and harvesting activities.

All cultural and heritage values are carefully assessed and protected from any harm from forestry activities through the application of the Forest Practices Code.

The level of conservation of Tasmania's forests is one of the highest in the world and this protection is enhanced by the application of the PEFC certification achieved by our two largest land managers. In addition to the formal reservation achieved through the Federal and State governments the industry imposes its own conservation on its privately owned land.

We also take our responsibility to communities very seriously and engage in a wide range of voluntary initiatives to actively support the development of communities and ensure compatibility of forestry activities with the aspirations of the community. In

particular we have actively participated in the creation and implementation of the following community support initiatives: -

Good Neighbour Charter – this charter ensures close cooperation and consultation with affected communities in areas where plantation forestry is carried out.

Tourism and Forestry Protocol Agreement – this agreement provides an important interface between the forestry and tourism industries and allows for the non-confrontational resolution of disputes between the two industries in the event of conflicting priorities or land use wishes.

The forest industry in Tasmania also engages closely with a number of community groups to ensure we operate compatibly with the views and aspirations of society. In particular we have a close working relationship with Timber Communities Australia, Aboriginal and Torres Strait Islander Commission, Tourism Council of Tasmania, Local Government Association of Tasmania, Tasmanian Farmers and Graziers Association, Tasmanian Aboriginal Land Council, Tasmanian Chamber of Commerce and Industry, Greening Australia and many others.