

Hello

I am a Registered Professional Forester, with nearly 25 years experience in the industry, much of it relating to development of new planted forest projects, as a public servant and consultant, in several states.

Whilst working as a consultant, I was involved in Independent Forester work for several MIS projects - in providing reports for inclusion in PDSs, and subsequent activities such as evaluating potential sites for sold projects, and the performance of trees planted.

MIS projects are vital to the future of Australia's forestry industry, offer great opportunities for lasting regional renewal through sustainable socio-economic development and environmental repair, and are very important to correcting our trade imbalance in forest and wood products. It is important that existing mechanisms be enhanced to encourage more investment and particularly more investment in longer rotation plantings for more local value adding. Central to achieving this will be restoring and building the confidence investors have in the claims made in PDSs. PDSs include statements of opinion from independent experts - typically a report by an Independent Forester and sometimes a separate report from an Independent Market analyst, which rational investors would consider in making their investment decision. It is very important that these be of a high standard.

However, as the experts are directly chosen by and paid for by the PDS proponent, there is potential for both perceived and real conflicts of interest. In order to ensure the opinions provided remain objective and unbiased, I suggest the Inquiry give consideration to a mechanism to ensure that the reports of Independent Experts are of a high standard. It might be possible for instance, to introduce a process along these lines:

- a body of the Commonwealth be given responsibility to accredit Independent Experts (eg, call an EoI for membership of panel, with set criteria);
- Experts are appointed to a panel, with a set time for review of accreditation (default expiry);
- PDS promoters can only select from this panel;
- The reports from Independent Experts are submitted, either to the Government body, which would then pass it on to the PDS promoter, or it could be sent to both at the same time. There would be merit in the Government body auditing such reports from time to time;
- A levy be charged on each unit / woodlot sold under the PDS, to be collected by the Government body, from which the the Independent Experts are paid.

Independent information about likely growth, yield and price of products (returns) from new plantations is not always readily available, and often not published publicly. However, as information about actual yields and returns does become available, it is important that it not be ignored by Independent Experts providing statements with respect to new PDSs. Comparing forecast yields and returns given in PDSs against actuals could be an important component of audits conducted by the Government body, and should also be part of the accreditation review process for Independent Experts (see 2nd dot point above).

The Institute of Foresters Australia (IFA), and Registered Professional Foresters accredited by the IFA, should play a central role in assisting the Commonwealth body to develop the criteria for accreditation and in conducting audits.

Please note these are my personal views and not those of my current or past employers, or necessarily the IFA.