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25 March 2010

**The Hon Dick Adams MP
Committee Chair
House of Representatives Standing Committee
on Agriculture, Resources, Fisheries and Forestry
arff.reps@aph.gov.au**

Inquiry into the Australian forestry industry

The Huon Resource Development Group seeks to make a submission to this important inquiry. The Huon Valley has a proud tradition of sustainable management of our natural resources including agriculture, fishing and forestry. The beginnings of our timber heritage is recorded as a back drop to the Historical novel *Hearts of Oak* by Bill Leitch, industry development generally followed that of the rest of the State that is recorded in the Australian Bureau of Statistics Tasmanian Year book of 2000¹. The feature article on the Tasmanian native forest industry shows a history of innovation and product development based upon our native timbers from residential and construction timber, industrial applications such as apple boxes, boat building and fine furniture to pulp and paper.

The Pulp and Paper Mill at Geeveston was established at the mouth of the Kermadie River in 1928, despite the belief that paper could not be made from eucalypt pulp. Yet despite this record of innovation the region's timber industry has been beset by conflict as a result of the political power of the environmental movement since the 1980's. This has manifested itself in a flurry of inquiries and 'agreements' starting with the Helsham inquiry and its overturning that resulted in a massive extension of the World Heritage Area, the Regional Forest Agreement and the latest bid to create an agreement to replace it based upon a statement of principles that essentially is seen by the Commonwealth appointed facilitator as trading additional native forest reservation for the achievement of the Bell Bay pulp mill approved by the Commonwealth and State Governments.

These inquiries and political deals have been accompanied by forest protests such as Farmhouse Creek in March 1986 and continue today in the Weld and Picton valleys. Protest and disputation was a key feature to the opposition to value adding the timber resource within the Huon Valley when the project known as Southwood was first proposed. This centre includes merchandising, Sawmilling, Rotary Peeling and it is planned to use residues for Electricity generation and timber drying.

¹ Australian Bureau of Statistics, 2000, 1301.6 - Tasmanian Year Book, 2000 available at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/1301.6Main+Features12000?OpenDocument>

The Huon resource Development Group was formed after amalgamating the Southwood supporters Group and the Huon Valley Branch of timber communities Australia. As a result of the groups experience with protests and misinformation about forest management, the Group has decided to prepare a forest policy that is focused on the sustainable management of the native forests in the Huon district and form a sound basis for future product and market development.

The policy is attached for the committee's information and is designed to support progressive development in the Huon Valley to continue a vibrant and sustainable community. The policy addresses the impact of fire, high conservation values, the forest cycle and ecological determinants in determining sustainable forest practices that bring multiple benefits to the community. The policy supports the Regional forest Agreement and the relevant findings of the Independent Review of the Commonwealth's Environment Protection and Biodiversity Conservation (EPBC) Act.

The policy also addresses legitimate concerns on the current green demands reflected in the Statement of Principles process that may lead to a transition of timber production from native forests. In short, a transition from native forests would mean an abandonment of the Regional Forest Agreement and the Group believes such a transition will destroy the Huon Valley forest sector.

The Group believes that the current and future prospects of the forestry industry in the Huon Valley depends on continued access to native forests as provided for under the National Forest Policy Statement. Such a commitment by Government can provide the industry to grow in the long term and to be able to accept opportunities that provide social, economic and environmental benefit.

The Group invites the committee to inspect the Southern Forests of the Huon and to visit the Southwood complex, local sawmills and forest harvesters to meet the timber workers and community leaders to hear first hand their hopes and aspirations for their families and for a vibrant community.

Kind Regards

Alan Duggan,
President

Attached Forest Policy

Huon Resource Development Group

Policy on forest use and sustainable development

Our group is based with its focus on supporting developments in the Huon Valley based on the sound management of our natural resources.

Mission Statement

Supporting progressive development in the Huon Valley through the democratic representation at all levels of Government ensuring a vibrant and sustainable community

Introduction:

The group is committed to encourage and support industries which use Tasmania's natural advantages to provide for the well-being of its citizens and to increase wealth in a sustainable manner while maintaining the health and diversity of natural ecosystems.

For almost 200 years industries based upon our natural assets including forestry, farming and fishing have provided a proud heritage for the Huon Valley. The area is renowned for its produce, fruit, wine, seafood, mushrooms and gourmet delicacies. The Franklin Wooden Boat School demonstrates how Tasmania's fine timbers are turned into boats, the Geeveston Forest and Heritage Centre promotes the history of forestry in the region.

The Huon Valley has embraced its heritage while forging ahead with newer industries, agriculture, viticulture, forestry; tourism and aquaculture thrive side by side.

The forest industry is based on the natural advantages Tasmania has of soils of moderate to high fertility for forests, adequate rainfall, outstanding renewable timber resources with rapid growth rates and proximity to ports.

However in recent years the management of our forests, the value adding and downstream processing of timber has become a political issue. The Huon Valley's local economy was almost destroyed with the overturning of the recommendation of the Helsham inquiry that only 27,400 ha of forest had World heritage value, instead a political deal by Canberra to appease the greens resulted in 600,000 ha being added to the World Heritage Area in 1989.

The Regional Forest Agreement that was signed in 1997 reserved a further 293,000 ha of native forest. This agreement, to last for 20 years, created certainty to see a proposal to develop an investment ready site at Southwood in 2001. The Southwood supporter's group (the forerunner of this group) was formed to promote the sustainable benefits of this development.

After the planning permit was issued in 2002, the group affiliated with the national grassroots organisation, Timber Communities Australia. The Southwood site currently hosts a regrowth sawmill, selling the sawn product into the Australian market, a rotary peeled veneer plant selling product into south east Asia and a modern log segregation facility to maximise the return from each log delivered to site. All are employ locals.

Another exciting step in the development will be the provision of renewable power- bio energy, generated from the forest residues after harvesting for sawn timber and pulp wood from local multiple use forests. This will have major benefits in reducing the fire risk in the forests, and reducing the need for large fuel reduction burns and resultant smoke.

Having the power station on site will mean costs are minimised for those investors seeking to produce product for the international market place. Plants like laminated veneer lumber planned in the longer term will mean value-adding the timber that fails to meet sawlog requirements rather than exporting it as wood chip.

Projects like Southwood and traditional sawmilling enterprises will have long term benefits to communities within the valley, providing our native forests, supplemented by plantations, are managed under principles of sustainability based upon the scientific evaluation of our forests.

Whilst the Huon Resource Development group addresses issues such as road infrastructure, aquaculture, farming and tourism, a major focus is on forests and the employment that their sustainable management can create.

Many newer settlers to the Huon Valley admire the forests for their scenic, landscape and intrinsic values, not realising that the forests result from both wildfire such as those massive fires in 1898, 1914, 1934 and 1967 and from silvicultural regeneration. Well managed forestry is compatible with scenic and landscape values.

This policy seeks to advance opportunities for value adding, diversification and product innovation; by outlining principles governing science-based native forest harvest, addressing social and environmental perceptions and ensuring balance with economic outcomes, to provide a sustainable future for this and future generations of the Huon Valley community.

Fire and forests

1. Tasmania's landscape, including its forests, has always been modified by fires.
2. After the arrival of the first settlers in Tasmania about 40,000 years ago fire frequency increased, as it did in all places around the world when humans first arrived.
3. Tasmania's eucalypt forests are a product of fire and ecosystem disturbance. Forest growth begins with seed germinating after fire and in their natural state forests are 'destroyed' by fire, allowing a new cycle of growth to begin.
4. Fire is a natural part of the eucalypt ecosystem and fires are inevitable - one cannot 'save' a eucalypt forest.
5. Even in rare cases of the interval between fires being longer than the lifespan of eucalypts (about 400 years) the eucalypt forest is not preserved or 'saved' - it gives way to rainforest.

High conservation value forests

1. The high conservation value forests in Tasmania have already been defined and mapped and identified by foresters and forest scientists. They are those forests containing rare or endangered species of animals or plants or unusual associations of plants, or vegetation that was once widespread but is now of

limited extent.

2. Most high conservation value forests are already set aside and managed as national parks and forest reserves.
3. Those high conservation value forests not already set aside are mostly found in the drier eastern part of Tasmania or in areas now dominated by agricultural production. Many are on private land.
4. Much of the HCV forest is within the Tasmanian Wilderness World Heritage area, where an independent Mission investigating whether the area's boundaries should be expanded due to threats to HCV forests, found in 2008: "Considering the representation of old growth forest, including of the tall Eucalyptus forest within the area covered by the TWWHA and its management plan, as well as in the other reserves in Tasmania, and the fact that potential threats from production forestry activities are well managed, the mission does not recommend any change to the boundaries of the property to deal with such threats"

The sustainable forest cycle

1. The highest value sawn timbers are found in Tasmania's wet eucalypt forests which support the taller trees such as *Eucalyptus regnans* and *Eucalyptus obliqua*. These forests cannot be selectively harvested – they only regenerate in areas cleared of competition, where harvesting residue is burnt and an ash bed created. Evidence shows that wet forests can be grown sustainably (probably forever) by clearfell, burn and sow methods, in harvest cycles of about 80 years.
2. Most medium to high altitude moist forests are dominated by *Eucalyptus delegatensis*. These forests can be selectively harvested and the better trees have timber quality similar to that obtained from *Eucalyptus regnans* and *Eucalyptus obliqua* forests at low altitude. Ground disturbance during harvest, or a light burn, is sufficient to induce regeneration. Partial (selective) harvest can be repeated at intervals of about 30-40 years.
3. Dry forests (mostly in the east) generally contain lower value timber trees and have lower timber yields. Dry forests can be selectively harvested but growth rates are slow and the partial harvest cycle is about 40-60 years.
4. Commercial native forests managed on long cycles have more intact ecosystems and greater biodiversity than commercial plantations.

Ecological determinants of wood quality

1. Recent technical innovations mean that second-grade native timber, with lower quality than that required for sawn products, can be rotary peeled for the manufacture of veneer products such as plywood and flooring rather than used for lower value woodchips.
2. Special species timbers (e.g. myrtle and sassafras) are used by specialist furniture makers and craftspeople. Trees providing these timbers cannot be harvested in isolation as they typically form a small percentage of the total timber harvest in clearfelled wet eucalypt forests, which require a burn before regeneration will occur.

3. Further technical research and investment is likely to lead to a higher percentage of wood from native forests being used for high value products.

Sustainable forest practices

1. All native forest harvest is governed by the Forest Practices Act and requires a Forest Practices Plan. Each plan must take into account special values relating to biodiversity, soil and water, geosciences, landscape and cultural heritage.
2. Forest Practices Plans are prepared by professional foresters, who, in addition to their training in forest management, have undertaken courses in forest practices and are accredited by the Forest Practices Authority. Many Forest Practices Plans require specialist advice from the FPA.
3. Most areas planned for harvest ('coupes') are about 50 ha or less in size, and typically about 20% of the area of each coupe is set aside in un-harvested reserves for special values, for example, to protect streams and riparian areas, to protect rare species, to provide habitat for fauna living in tree hollows, or to protect archaeological sites.
4. Foresters inspect coupes during and after harvest to check that all provisions in Forest Practices Plans have been adhered to, including provisions for adequate regeneration.
5. In any one year about 15% of coupes are inspected in detail by the Forest Practices Authority to ensure that the Forest Practices Plans for these coupes have been fully complied with. Results of these compliance checks are published annually.
6. The high standards of planning, or on-the-ground environmental checks, and public reporting provided by the Tasmanian Forest Practices system exceed the requirements of international forest certification schemes being considered for Tasmania.
7. The FSC system has no code of practice, lacks any detail tailored to Tasmanian conditions, and contains no provisions for on-ground planning, specialist supervision or compliance checks. Applied in isolation it would provide a lower level of environmental protection to Tasmanian native forests than the Forest Practices Code.

Native Forest Harvest and the Community

- Native forest harvest provides several thousand jobs for forest planners, harvesting contractors, truck drivers, sawmillers, wood processors and trained firefighters in Tasmania. Jobs are concentrated in small and large regional centres such as Huonville and Geeveston. There is potential for a catastrophic effect on regional areas of Tasmania if native forest harvest is curtailed.
- The forest road network including the associated infrastructure (bridges and culverts) not only provides for forest harvest but allows access for services important to the community, e.g. access for firefighting, tourists and beekeepers. This access is largely financed out of income gained from sales of forest products.
- Many foresters are professionally trained in firefighting in forests. In the fire

season firefighters are on call to control forest fires and, if necessary, to protect houses and lives. Forestry companies also man fire towers and patrol forests during the fire season.

- The cost of firefighting, of fire patrols and of maintaining equipment such as fleets of fire trucks is largely financed out of income by Forestry Tasmania and the other commercial companies.
- If firefighting costs were not supported out of income from the sale of wood products, the cost of maintaining the road network, bridges and fire towers, and of providing fire patrols, fire trucks and trained personnel would fall entirely to the state. In practice it would probably be financed from greatly increased fire insurance levies or taxation. Alternatively, firefighting capability would be allowed to run down, to save costs.
- Maintaining access to forests is essential if potentially catastrophic fires, capable of devastating small communities and semi-rural suburban areas around major towns and cities, are to be avoided. Without this access, community safety would be severely compromised.

Forest Management provided by the Regional Forest Agreement (RFA) and the Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act

The RFA ensures that almost half the State's native forests are not subject to timber harvesting. This is 5 times the international bench mark set by the green groups such as WWF and the IUCN and by the Convention for Biological Diversity. This outstanding environmental achievement was recently confirmed by the independent review of the EPBC Act that found:

“As a consequence of the Tasmanian RFA, 79 per cent of old growth forest and 97 per cent of high quality wilderness is in reservation. This exceeds the global target of effective conservation of 10 per cent each of the world's ecological regions, set out under the Convention for Biological Diversity.”

The reviewer noted that “These achievements, which often go overlooked or unremarked in debate, deserve greater public recognition.”

Yet the Statement of Principles and the latest green demands will place at risk these achievements.

Flaws in latest Green Demands

For the 2004 Federal election the Australian Conservation foundation and the Wilderness Society identified 240,000 ha of forests to be added to the reserves system. In a compromise the Federal Government agreed to reserve about 140,000 ha of this forest, making a total of over 1.4 million hectares of public forest reserved.

The same green groups have now found 600,000 ha of forest outside the formal reserves; apparently only 120,000 ha are in ‘informal reserves’. Despite assessments carried out under the Regional Forest Agreement process and the World Heritage commission and their management under the RFA and EPBC Act, the green groups have labelled these forests as having high conservation value and demanded their lock up so the new total to be reserved is 1.9 million ha of the 2.2 million publicly

owned native forests.

The ENGOs have failed to identify forests already reserved that could be exchanged for these new demands.

Conservation values have been defined by the Convention of Biological Diversity and were reflected in the JANIS criteria used to create a Comprehensive Adequate and representative Reserve System, together with ecological sustainable forest management under the RFA in 1997.

The HCVF concept was initially developed by the Forest Stewardship Council (FSC) for use in forest management certification and first published in 1999. The FSC International standard defines it as:

High Conservation Value Forests are those that possess one or more of the following attributes:

- a) forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance
- b) forest areas that are in or contain rare, threatened or endangered ecosystems
- c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)
- d) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

There has been no independent check of these proposed HCV forests, or "due diligence" undertaken. Calls for their reservation are also at odds with continued forest management including production outlined by Principle 9 the FSC.

The Statement of Principles process proposes that the forest industry will be allowed to harvest some of the balance 300,000 ha, mostly regrowth from past harvesting since 1960, for a short period of time, until the young plantations planted since Helsham and RFA can produce sawlogs for any remaining sawmillers!

The irony is, that plantations produce a very different product and environment than Tasmania's highly productive native forests. Our sawmills will need to convert from a specialty product to a commodity competing with plantations from the tropics and the developing world. Even the recently commissioned rotary veneer peeler plant at Southwood will not be able to use the less dense and more flexible plantation wood.

In short, a transition from native forests, an abandonment of the Regional Forest Agreement and not providing long term contracts for processors will destroy the Huon Valley forest sector.

Tasmania will also be at a disadvantage in marketing plantation wood, as even though the Statement of Principles encourages certification, the Forest Stewardship Council prohibits the certification of "Plantations established in areas converted from natural forests after November 1994".

Conclusion

The Huon Resource Development Group has unanimously supported a motion that the Commonwealth acts to reject demands for more reservation, that it sticks by the RFA and that it gives security to the sawmillers, family contractors, the workers and their families who depend upon a diverse economy that includes a native forest sector.

The Huon Resource Development Group of Timber Communities Australia will only participate in discussions with Government and members of the State and Federal Parliaments within the following:

- Ongoing supply to Tasmanian sawmills of logs from native forest, together with the ability to sell residues from these sawlog operations and sawmilling activities. This means that there will be no transition from native forest for the processing of sawlogs and special species timber
- Ongoing supply to Tasmanian rotary veneer mills and future processing plants outlined in the Tasmanian forest industry growth strategy including the approved pulp mill
- No existing contract or statutory obligation (including the Tasmanian Regional Forest Agreement) can be breached
- Prior to detailed consideration of the Statement of Principles, adopt a definition of High Conservation Value forest consistent with the JANIS criteria developed for the RFA or the International *High Conservation Value Forests: The concept in theory and practice* brochure published by the WWF International in 2007
- Once such a definition is agreed, and the forests are evaluated and a management plan developed, if the volume of resource is reduced, suitable forest currently outside the production area will be identified as an alternate harvest area

This complements the resolution adopted at a conference of TCA members in Tasmania held prior to the signing of the Statement of Principles:

“We support;

1. The Tasmanian Regional Forest Agreement.
2. The construction of a pulp mill as approved
3. No new forests to be added to the reserve system until these forests have been independently and scientifically assessed and verified for their high conservation values and an appropriate management plan determined through a comprehensive community stakeholder process.”

In summary, such a commonsense approach will see the timber industry that pioneered Tasmania continue, based on the sustainable management of our renewable forest resource. A drive along the Arve Road to the Picton and Huon rivers demonstrates just how well our wet eucalypt forest regenerates after clearfell burn and sow silviculture treatment, which was developed by our forest scientists in the 1950s and 1960's and can continue to provide both timber and environmental values forever.