



TASMANIAN FARMERS & GRAZIERS ASSOCIATION

**SUBMISSION No. 93**  
**Inquiry into the Australian forestry industry**

Submission to  
House of Representatives inquiry into  
**THE AUSTRALIAN FORESTRY INQUIRY**

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## 1. About the TFGA

The Tasmanian Farmers and Graziers Association (TFGA) is the leading representative body for Tasmanian primary producers. TFGA members are responsible for generating approximately 80% of the value created by the Tasmanian agricultural sector.

With its mission being to advance the development of Tasmanian primary industries, the TFGA is committed to ensuring that the agriculture sector in Tasmania is profitable and sustainable. The TFGA is also committed to promoting the vital contribution the agricultural sector makes to the environmental, social and economic fabric of Tasmania to all levels of government and the wider community.

Operationally, the TFGA is divided into separate Councils that deal with each of the major commodity areas. As well, we have a number of Standing Committees that deal with cross-commodity issues such as climate change, biosecurity, water and weeds. This structure enables the organisation to play an active role in championing issues affecting the agricultural sector so that they are recognised by Government, industry and the wider community.

Looking forward, the TFGA will continue its commitment to representing Tasmania's agricultural sector by presenting innovative and progressive solutions to the issues affecting the agricultural sector in Tasmania.

## 2. Background

According to the Department of Agriculture, Forestry and Fisheries, 23% of Australia's forests are privately owned<sup>1</sup>. In addition, around 45% of the native forest estate is on public land held under lease by the private sector, predominantly the pastoral industry<sup>2</sup>. This means about 70% of Australia's forests are managed privately<sup>3</sup>.

In Tasmania, the forest industry is a critical and fundamental part of the economy, and the social fabric which makes this island State unique. The industry has a long history of effective innovation and was one of the original colony's success stories. It remains an engine for advances in improved technology and management systems, and a driver of regional economies and establishing social bonds that make it a special feature of our way of life.

It needs to be noted that the primary sources of household income in Tasmania is broken up with:

- 35% of households receiving Commonwealth Government assistance;
- 35% of households receiving wages from the Government;
- 30% of households receiving income from either retail/manufacturing or construction/renovation or primary industries.

In 2008/09, the farm gate value of agriculture and fishing was \$1,683 billion – which represents 6% of the gross state product. More than 17,000 people are directly employed in farm related activities. Taking into account basic multiplier factors, this meant the farm dependent economy contributed \$5.4 billion (18%) to gross state product and 1 in 6 jobs.

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<sup>1</sup> Department of Agriculture, Fisheries and Forestry – Bureau of Rural Sciences, The Tenure of Australian Native Forests viewed at <http://www.daff.gov.au/brs/forest-veg/nfi/forest-info/tenure>

<sup>2</sup> Ibid

<sup>3</sup> Ibid

Tasmania has a landmass of 6.85 million hectares of which approximately 3.38M ha (49.5% of state's landmass) is covered by forest.<sup>4</sup> Tasmania's privately owned native forest total 885,000ha or 26.1% of total forest cover or 12.9% of the total landmass.<sup>5</sup>

Until recently, Tasmanian forest industry directly employed more than 6,000 people and over 10,000 across the supply and value chains (using a conservative employment multiplier of 1.5). The industry has focused on adding value to a diverse range of products, which contributed up to \$1.6 billion in total expenditure to Tasmania's annual economy. Of this growers and processors generate \$940 million to \$1.02 billion while contractors, consultants and nurseries generate \$480–\$580 million.<sup>6</sup>

**Table 1: Area of forest by tenure (hectares)**

Leasehold forest	0
Multiple use public forest	1,026,000
Nature conservation reserve	1,121,000
Other crown land	85,000
Private land	885,000
Unresolved tenure	0
Total Native Forest	3,116,000
Plantations	248,000
Total Forest	3,364,000

Source: Australia's State of the Forests Report, 2008

Tasmania's forest industry is experiencing ongoing change. A period of growth between 2006 and 2008, driven by expansion of hardwood plantations and investment in the processing sector, has been followed by a significant downturn.

This downturn has been driven by multiple factors, including:

- reduced demand for wood and paper products as a result of the global financial crisis
- a strong Australian dollar reducing competitiveness of exported wood and paper products
- successful campaigns by environmental non-governmental organisations to reduce demand for native forest woodchips
- reduced investment in new plantations
- closure of processing facilities

As farmers and foresters who produce food and fibre, we are very much aware of the looming pressures facing the world's population - nine billion people by 2050, a requirement to double food production in that time and an annual loss of three percent of the world's agricultural land. It is our firm belief that any changes in land use need very careful consideration especially if that land is to be lost to any form of production.

<sup>4</sup> Australia's State of the Forests Report, 2008.

<sup>5</sup> Ibid

<sup>6</sup> CRC of Forestry, Forest Industry Employment and Expenditure in Tasmania, 2005–06, viewed at <[http://www.crcforestry.com.au/publications/downloads/forest-industry-survey-report\\_download.pdf](http://www.crcforestry.com.au/publications/downloads/forest-industry-survey-report_download.pdf)>.

## 2.1 Economic impact of Tasmanian private forestry

The economic impacts of the private forestry sector have been assessed by Felmingham et al in their report 'Measuring the economic value of private forests to the Tasmanian economy'.

Their data shows:

- The private forestry sector contributes \$450 to \$650 million to Tasmanian Gross State Product (GSP).
- The private forestry sector contributes \$225 to \$290 million annually to wages income.
- The private forestry sector is responsible for the creation of 5,171 to 5,400 full time equivalent jobs directly and indirectly to all Tasmanian industries.

The direct proportion of Tasmanian GSP attributable to Tasmanian private forests is 0.4%. Tasmanian private forestry contributes 3.2% of Tasmanian GSP when the related components of GSP are included. The GSP contribution of private plantation investment is approximately 0.4% of Tasmanian GSP, Tasmanian private forestry dependent manufacturing 0.6% of GSP and multiplier effects associated with dependent manufacturing contribute 1.9% of GSP. Public forestry contributes 0.5% of GSP directly and 0.9% through public forestry dependent manufacturing. By comparison with other sectors, mining directly contributes 2.6% of GSP and accommodation, cafes and restaurants directly contributes 2.2%.<sup>7</sup>

## 2.2 Environmental value of Tasmanian private forests

Revealed preference analysis indicated that the present value of potential timber revenues foregone through non-harvesting decisions by land-owners or the Forest Practices Codes is \$439 million.<sup>8</sup> This is the implied environmental value currently protected by non-harvesting. Based on benchmark environmental values, the present value of services through biodiversity, salinity, riparian protection and aesthetic values is \$1.035 billion across the plantation and native forest estate. This value excludes carbon value. Over 50% of this environment value is associated with native private forests subject to partial harvesting regimes. The present value of timber from native forest subject to harvesting in native forests or plantations is estimated at \$2.1 billion.

The value of carbon stored in Tasmanian private forests, including subsoil was estimated based on approximate benchmarks.

- At a carbon price of \$20 (per tonne CO<sub>2</sub> equivalent) the value is estimated at \$9.7 billion.
- Over \$6 billion is associated with forest subject to harvesting and regeneration, including plantations. This value is not likely to be accessible under the currently proposed Carbon Pollution Reduction Scheme.
- The accessible value, identified with respect to Kyoto plantations, established after 1990 on cleared land is \$770 million.

Given the substantial potential value of carbon storage, as well as wide variation in sequestration estimates, further research is needed to refine the estimates of carbon value stored in Tasmanian private forests.

## 2.3 Future value opportunities for Tasmanian private forests

The Tasmanian private forestry sector is presented with opportunities and threats. Key opportunities exist, particularly for the maturing plantation saw log resource, in the following ways:

- Utilising forest residue and low-value native timber in stationary energy generation, including international export.

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<sup>7</sup> Felmingham, B. & Wadsley, A. (2008). Measuring the economic value of private forests to the Tasmanian economy.

<sup>8</sup> Ibid.

- Value-adding the plantation and native timber pulp resource through 'biorefinery' investments that can concurrently produce pulp, electricity, liquid fuels and other products.
- Improving the brand of Tasmanian private forest products to increase the brand premium accessible to forest owners and forest product manufacturers.

While the potential value of these opportunities varies significantly, it is recommended that all opportunities be pursued.

## **2.4 Lock up and leave approach**

Less than 0.1% of Australia's native forests are harvested each year, and in keeping with sustainable forest management, all of these are regenerated meaning every tree that is harvested is replanted.

The passive management, 'lock and leave' approach often used in forest reserves and national parks, results in the excessive build-up of fuel leading to more intense and destructive wildfires and greater carbon emissions.

In time, it also results in decreased biodiversity as forests senesce and as a result, biodiversity is impacted.

This is in line with the recommendations of the international scientists on the Intergovernmental Panel on Climate Change 2007 which stated the largest carbon sequestration benefit from forests is produced by the long term sustainable management of forests for timber, fibre and energy production.

This active management mimics the natural state of the forest and helps to protect the forest against bush-fires, which can have a devastating effect on wildlife as well as emitting millions of tonnes of carbon into the atmosphere.

## **3. Private Forestry**

The Australian community has traditionally sought to achieve its forest conservation goals through the management of public forests and it has been reluctant to interfere with the rights of private forest owners. In recent years, it has become increasingly evident that forest conservation goals can no longer be achieved from the public estate alone. As a result, governments have imposed increased restrictions and reservations requirements on private forests. It is likely that private forests will make an increasing contribution to the conservation of forest values; the challenge will be to achieve an equitable sharing of costs and benefits. An over-reliance on reservation and restrictions will impose unreasonable burdens on individual forest owners and on the community as a whole. Fair and effective regulation of forest use delivers a balance of public and private benefits, which can offset the cost of conservation management.<sup>9</sup>

Farmers rely on a diversity of activities to sustain commercial viability in a competitive environment. Individual farm enterprises must be able to access the widest possible range of land use options to maximise profitability including forest production – native or plantation harvesting.

Trees are an intrinsic part of the Australian landscape and farmers have and continue to manage trees as part of their farm's assets. Subsequently, such farmers are likely to have business models that include integrated plantation and native forest management, which may also include these resources as part of their capital and supporting lending arrangements.

Therefore, farmers are supportive of the active and sustainable management of this resource, i.e. not a lock up and leave approach, that will allow not just harvesting of the wood products but also their use in terms of bioenergy and biofuels into the future.

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<sup>9</sup> Wilkinson, G.R. (2006). Managing private forests for public benefit – the challenge for forest conservation in Australia.

Farm forestry enhances other forms of agriculture – it enhances local and regional land use sustainability, for example it reduces soil loss, offsets greenhouse gas emissions, provides livestock shelter and may reduce stock losses during periods of critical exposure e.g. during and following lambing. There is a need to increase mutual understanding of the production needs and benefits of agriculture and forestry, as complementary rather than competing enterprises.

#### **4. Conservation Values of Private Forestry**

The TFGA supports the triple bottom line approach for managing a sustainable forestry industry – social, economic and environmental outcomes. The main points for each outcome include:

##### **Environmental:**

- Active management of native forests is necessary for these forests to survive
- Active management of native forests enhances the biodiversity in the drier native forests when compared to similar forests that are not managed
- Active management of our forests enables greater carbon to be sequestered compared to the forests not being managed
- Active management enables the State to contribute to carbon sequestration and, when added to the contribution farmers really make, it may well mean that the state is now carbon negative
- The capture of solar energy by our forests may enable the State to produce liquid fuels to replace petrol and diesel currently derived from oil

##### **Economic:**

- Active management of our native forests provides a platform for innovation that may lead to a range of new industries capable of replacing or substantially replacing the traditional industries. (We cannot think of a better platform for innovation than to be able to say our State is carbon positive.)
- Industries based on our native forests are the most sustainable industries we can think of.
- Our native forests are one of, if not the, major competitive economic opportunity the State has.

##### **Socially:**

- Active management of our native forest requires a lot of labour, offering the opportunity of maintaining the diversified demographic in the State, offering the opportunity of worthwhile jobs for people who want to work out-of-doors and in the industry
- The discussion of these opportunities may provide a mechanism to heal the social divide that has racked the State for the past decades

#### **4.1 Duty of Care**

Farmers are already required under law to commit time, dollars and land resource to a range of conservation activities.

There is no financial recompense for these activities, even though significant cost may be involved.

In most cases little or no benefit accrues to the landholder; the benefit is garnered by the community as a whole. This is what is commonly referred to as a 'duty of care'.

In the Tasmanian private forest industry this commitment accounts to a conservative \$25 million per annum (based on \$500M GVP at 5%). Felmington's report 'Measuring the economic value of private forests to the Tasmanian economy' calculates this as a net present value of \$439M.

In the context of land ownership and/or management, 'duty of care' is based on the principle that individuals ought to have responsibility for the good environmental management of land and resources (eg water, flora and fauna) under their control.

A good example in the forestry context is the definition as contained in the Forest Practices Code 2000. It states that the fundamental contribution of the landowner to the conservation of national and cultural values that are deemed to be significant under the forest practices system. The landowners duty of care includes:

- All measures that are necessary to protect soil and water values as detailed in this Code; and
- The reservation of other significant natural and cultural values. This will be at a level of up to 5% of the existing and proposed forest on the property for areas totalled excluded from operations. In circumstances where partial harvesting of the reserve area is compatible with the protection of the values, the level will be up to 10%. The conservation of values beyond the duty of care is deemed to be for the community benefit and should be achieved on a voluntary basis or through recompense mechanisms where available.

There is no doubt in this example what farmers need to do to abide to the duty of care under the Forest Practice Code 2000. However, if private landowners are required to contribute to the "common good" the cost of that contribution, above their duty of care, must be borne by those who impose such a requirement whether it be Commonwealth, State or Local Government.

#### 4.2 Private landholders are the biggest contributors to conservation

- Australian farmers spent \$3 billion on natural resource Management (NRM) over 2006-07, managing or preventing weed, pest, land and soil, native vegetation or water-related issues on their properties. More than \$2.3 billion was spent on weed and pest management, while land and soil-related activities accounted for \$649 million of total expenditure.<sup>10</sup>
- Natural resource management is a fundamental activity on Australian farms. In fact, 94.3% of Australian farms actively undertake natural resource management.<sup>11</sup>
- 52% of farmers undertake activities to protect native vegetation, 45% wetland protection and 49% river or creek bank protection.<sup>12</sup>
- Farmers improving their Natural Resource Management practices reported doing so to increase productivity (88.6%), farm sustainability (88.4%) and better environmental protection (74.5%).<sup>13</sup>

#### 4.3 Environmental value of Tasmanian private forests

The value of carbon stored in Tasmanian private forests, including subsoil was estimated based on approximate benchmarks.

- At a carbon price of \$20 (per tonne CO2 equivalent) the value is estimated at \$9.7 billion<sup>14</sup>

<sup>10</sup>Australian Bureau of Statistics, *Natural Resource Management on Australian Farms 2006-07*

<sup>11</sup> Ibid

<sup>12</sup> Australian Bureau of Statistics, *Year Book Australia*, 2009-10

<sup>13</sup> Ibid

<sup>14</sup> Felmingham, B (2008) *Measuring the Economic Value of Private Forests to the Tasmanian Economy*, IMC-Link.

- Over \$6 billion is associated with forest subject to harvesting and regeneration, including plantations. This value is not likely to be accessible under the proposed Carbon Pollution Reduction Scheme.<sup>15</sup>
- The accessible value, identified with respect to Kyoto plantations, established after 1990 on cleared land, is \$770 million.<sup>16</sup>

#### 4.4 Environmental services = Cost

Farmers plant trees and manage native forests for a myriad of reasons, including for positive landscape health outcomes.

A well-designed and managed farm forestry enterprise generates environmental and socio-economic benefits that flow through to the wider community. These environmental services are public goods and it is imperative that more direct ways be found of communicating the value to the community.

Farmers are often subject to regulations that impose significant forest management and conservation restrictions, which have increased costs and reduced the working capital value of farms. While obligated to adhere to legislative restrictions, the ongoing management of these values are largely voluntary and requires the good will of the land manager to fund conservation through commercial activities, which include wood harvesting.

Farmers should not be expected to manage their assets for community outcomes, unless the community contributes. There is a clear indication that most forest owners can only afford to maintain biodiversity values within forests that also provide some level of commercial return. The removal of capital value within forests is likely to remove incentives to maintain such services. This is likely to increase the rate of degradation within such forests through increased weed infestation, increased fire regimes, cessation of 'policing' in regards to firewood collection, hunting or other recreational activities.

#### 4.5 Example: Comparison of native forest management options – Conserve or Harvest

A 299 hectare parcel of predominately forested land has the following land management options, the implications of which are detailed below. This study is based on real costs and returns of historical, current and proposed forestry and agricultural operations on part of a property in north-east Tasmania.

These operations are conducted according to the whole farm plan prepared for the whole of the property. The plantation and pasture development and retained native forest are integrated into the farm to meet environmental, landscape and agricultural objectives. This option increases the long term economic, social and environmental sustainability of the property.

**Table 2: Management Options**

Option	Activity	
1	Set 205 ha of native forest for protection under Private Forest Reserve Program (CAR) and receive one off negotiated payment.*	\$61,500
2	Harvest native forest	\$5,042,740
3	Establish and manage 102ha hardwood and softwood plantation	\$8,092,201

\*\$300/ha is the target price understood to be established by the Private Forest Reserve Program.

<sup>15</sup> Ibid

<sup>16</sup> Ibid



**Table 3: Option 2 – Harvest 205ha of native forest: mill door price, costs and stumpage**

Timber Sales	Volume	Costs (\$)					Product price wood chips \$78/t fob & sawn timber \$350/green m3 of log
		Roading, Compliance & Mgt Fees* (\$7/t)	Harvest (\$15/t & \$17/m3)	Transport \$8.17/t	Processing (\$36/t & \$294/m3)	Stumpage (\$13/t & \$26/m3)	
Pulpwood (t)	53,104	371,728	796,560	433,860	1,913,040	690,352	4,142,112
Sawlog (m3)	2,392	16,744	40,664	14,352	703,248	62,192	837,200
<b>TOTAL</b>		<b>388,472</b>	<b>837,224</b>	<b>448,212</b>	<b>2,616,288</b>	<b>752,544</b>	<b>5,042,740</b>
% Product Price		7.70%	16.60%	8.90%	51.90%	14.90%	100%

\* Includes planning, roading, industry fees and levies, and supervision. NB. Native forestry harvesting provides 10 man years employment.

**Table 4: Option 3 - Establish and manage 102ha of hardwood & softwood plantations**

Activity	Cost (\$)	%	Employment (man-years)
Plantation establishment	174,790	2	1
Management (pruning)	252,000	3	1
Harvesting & transport	1,138,000	14	8
Stumpage	1,483,210	18	
Export wood chips (fob)	2,515,201	31	
Primary manufacturing	5,577,000	69	
Gross Product Value	8,092,201	100	

NB. The average annual of the gross product value is \$231,200 per year over 35 years.

- Option 1 results in reservation of the native forest. The landowner receives a \$61,500 one-off payment.
- Option 2 provides increased farm income adding value and export opportunities, employment and unrealized environmental services.
- Option 3 is based on the native forest being harvested and then the plantation enterprise be ongoing – every 35 years the plantation enterprise would provide stumpages of about \$1,910,000, about 10 man-years employment and over \$13,071,000 worth of manufactured wood products.

## 5. Future of Private Forestry

The current Tasmanian outlook sees private native forest owners in a situation of having to manage and maintain a forest estate with no commercial value in order to meet community expectations about landscape and amenity values, which need to be considered by the Committee so it won't be replicated nationally. Ultimately, this would be untenable and the forests will, one way or another, degrade, lose their environmental value and gradually disappear.

But none of this needs to happen; the asset value of our private native forests can easily be maintained and as a consequence these forests can continue to assist underpinning the viability of our rural communities and contributing significantly to the State from an economic, social and environmental perspective.

The solution is to:

- Recognise that in Tasmania we have a distinct natural advantage – we can grow trees very well – and native forest management and utilisation is the most environmentally benign method of growing trees that can produce a wide range of truly sustainable products for our community while providing employment opportunities and sound environmental outcomes.

- Recognise that, considering Tasmania's demographics, we do not have the capacity to fund the management and maintenance of large areas of our landscape from the public purse and recognise that 27% of our important forest landscape is managed "free of charge" by 1,600 on-site managers.
- Recognise that the private forest estate does not have the capacity to replace the production from State owned forests from a volume, product mix or product quality perspective and that the ongoing existence of a viable, private native forest estate is dependent upon a continuation of active management of State owned native forests.
- Recognise that active forest management provides opportunities to maintain, and on occasions enhance, the ecological diversity and regeneration capacity of native forests.
- Recognise that Tasmanian farmers are committed to sequestering more carbon through their agricultural and forest management activities and understand that should their native forests become worthless, and hence a liability, that the inevitable progressive demise of these forests will potentially expose government to considerable deforestation linked carbon imposts.
- Recognise that through the imposition of the Permanent Native Forest Estate Policy private forests owners have been locked into the ongoing commercial management of their native forests with severe restrictions on their capacity to convert these forests to plantations and that any reduction in their capacity to commercially manage these forests could expose government to considerable claims for compensation.
- Realise that the active management of all our native forests, private and State owned, has contributed significantly to the well-being of all Tasmanians in the past in ways that many in the community don't appreciate (forest products – wood, honey, water; recreation – drives in the forest, bush walking and other active recreation pursuits; employment; wealth generation; environmental protection – control of weeds, pests, wild fire) because these forests have a commercial value.
- Understand that if we destroy or even impair the commercial value of our native forest estate all the benefits we have derived in the past will be lost and, importantly, significant additional benefits that will accrue from new and emerging industries will never be realised.
- Accept that there is a need to update our forestry industry operating model and acknowledge that the old model is out of date and needs updating and rejuvenating but that this must be done without destroying the opportunities that the sustainable, commercial management of our native forest estate can continue to realise for Tasmania.

Private forests can be managed to produce substantial private and public benefits. Forests need to be actively managed to produce the balance of social, economic and environmental benefits sought by forest owners and the broader community.

### **5.1 Better business models**

Systems must be developed which provide certainty to support farmers in diversifying on-farm income by integrating new plantations as part of their farm management plans. They must also provide confidence to existing private and family forest growers, many of whom rely on forestry to increase farm capital to support further on-farm investments to increase food production capability.

To attract ongoing capital into plantations investments will require current structures, policies and systems to be enhanced to address failures associated with the management of past investment schemes. To achieve this it will require innovative approaches to plantation ownership and investment structures.

Incentives must provide real financial returns to family farmers to offset current regulatory costs associated with the commercial management of private native and plantation forests that may limit potential carbon capture opportunities.

## **5.2 Carbon debate**

Private forest management should be supported to enhance on-farm capital growth by changing farming practices to reduce emissions or increase sequestration. Opportunities for innovative approaches to plantation ownership and investment structures will assist Tasmanian family farmers to integrate trees into the farming landscape and address many of the on-farm issues associated with agricultural practices.

For example it is likely that traditional agriculture activities will become subject to increased scrutiny in terms of their on-farm carbon footprint. The development of productive on-farm forests may provide opportunities for farmers to offset carbon produced through other activities. The expansion of either on-farm plantations, which farmers are considering as a strategic tool, or improved management of existing native forests may become an option. This will provide benefits for the whole industry by increasing the value and volume of commercial forests resources.

This approach may provide for the development of an integrated state-wide system which brings production of agricultural and forest-based products within a carbon neutral state. In effect such an approach could provide 'branding' opportunities by increasing the value of recognition by the consumer, particularly where this can be associated with the origin of the product – Tasmania.

## **Conclusion**

Private forestry is a major contributor to the long term development of regional Tasmania and mainland Australia, and provides vital jobs and income in most rural communities.

Farmers have been managing native forests and smaller plantations and woodlots for many generations and believe that continuing management of all these forests will be vital to the future of wood processing in Tasmania. Managed native forests have recently received Forest Stewardship certification and this confirms our belief that well managed native forests and carefully planned plantation investments are the way forward.

The uncertainty created in the Tasmanian forestry industry is the result of entrenched and often ill informed opinions – on both sides.

This uncertainty has had (and continues to have) significant impacts on individuals, businesses, rural communities and the overall state economy.

The Federal Government has commissioned the Kelty report to seek ways forward.

Of the many industry restructures that have taken place over the years, Tasmanian farmers have been forced to bear the costs.

There is no doubt Mr Kelty's report realizes the depth and complexity of the dispute over forest use in Tasmania, and that views on all sides are strongly held, evidence-based and, to each party, that view is compelling.

The private forest industry's position is strengthened by our perception of the state of play as explained in the Kelty Report and it is clear Mr Kelty has doubts that peace is at hand.

The private forest industry view remains that:

- Though omitted from the negotiations, private forests and private forest owners will be impacted by the outcomes of the initiative. It is impossible to quarantine the private estate from the outcomes of this initiative because the impact cannot be restricted by land tenure boundaries.
- Any implementation of the Statement of Principles will have inevitable and significant impacts on private native forest owners and managers.
- Inter alia, it will place pressure on private forests to provide additional resources necessary to maintain the productivity and competitiveness of the forest products processing sector. That could involve an immediate increase in harvesting of private native forests.
- An intensification of activity in response to increased sawlog demand from native forests will undoubtedly generate additional pulpwood over and above that generated by harvesting operations in the more sawlog-rich State forests.

They have done this with no recompense and no recognition of the alienation of the basic landholder rights.

Whatever happens in the future farmers will not accept any outcome which once again forces them to bear the cost of community expectations and government decisions.

Through all this, farmers have quietly gone about their business delivering triple bottom line outcomes that benefits all Australia.

Farmers strongly believe there is a bright future for a restructured forestry industry in Tasmania. We urge the government to balance competing expectations in a way that enables us to continue to deliver the positive environmental, economic and social outcomes we have done in the past.