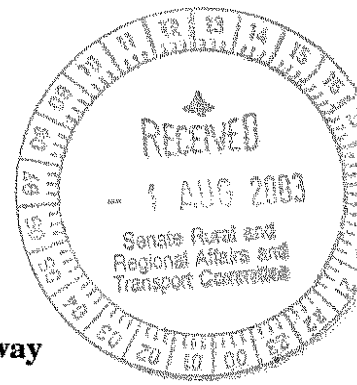


Paul and Geraldine de Burgh-Day

Postal address: P.O. BOX 132, SHEFFIELD, TAS. 7306.
TELEPHONE (03) 6363 5063 FAX (03) 6363 5065



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TO: THE AUSTRALIAN SENATE
Rural and Regional Affairs and Transport
References Committee

Attention: Senator Aden Ridgeway
Chairman

Reference: Plantations forests industry

FINAL SUBMISSION FOLLOWING COMMITTEE'S VISIT

EXECUTIVE SUMMARY

The effect of the Government Policy Strategy "Plantations for Australia – The 2020 Vision" has been **profoundly negative for Tasmania**. The results of its impact are summarised below.

Regardless of any possible carbon credits that this strategy might garner for Australia, the **environmental damage, waste of native forests, massive land clearing, loss of specialty timbers and loss of prime agricultural land** in Tasmania, all point to the inappropriateness of applying this Policy Strategy to Tasmania.

I would like to know,

"How is the review going to properly address these issues? Are there going to be changes made? And if so, what changes? And when?"

Things cannot continue the way they are. This policy runs the risk of **driving the destruction of Australia's last great "food basket"**. With the Murray/Darling system in the dire state that it is now, this would seem a most shortsighted policy.

May I suggest an urgent consideration of the effects of The 2020 Vision as it is unfolding in Tasmania, and some rapid Policy changes for this State.

WATER QUANTITY WILL BE SERIOUSLY DIMINISHED IN THE FUTURE

There is a **REAL DANGER** that Tasmania will be another "Murray River Disaster" in the next 50 years. See report by Dr. David Leaman. *Attachment 1*.

WATER EQUITY IS DESTROYED

Timber plantations, and 'same age' regeneration forests, are taking ground water for their trees, that has traditionally supported many other farms, towns and householders. They are making no provision for compensation. See response to question at Gunns AGM (31st October 2002) *Attachment 2*

AGRICULTURAL LAND IS DESTROYED

"Armitstead" is a prime example. See notice of 1080 poisoning, and map showing the extent. See also photographs of rich river flats and prime agricultural land suitable for cropping or fattening cattle, now planted to trees. *Attachment 3*

NATIVE FORESTS ARE DESTROYED

In order to feed the cashflow of Gunns, and to provide land for the establishment of plantations, many of which have been provided to Gunns for the "first rotation", (For example coupe MI005A and MI007A – See *Attachment 4*) there has been a massive land clearing exercise conducted right across Tasmania.

The Committee has seen graphic examples of this in the North East of Tasmania, and at coupe LA028A. Not only are forests being destroyed, but extremely valuable special timber is being 'chipped' instead of being used for furniture, building, or being left in the forest for future generations.

See further picture of typical forest loss at LA028A *Attachment 5*.

Furthermore, this land clearing and poisoning, is destroying bio-diversity on a massive scale. See poison laid on LA028A. *Attachment 6*

(This 'prophylactic' poisoning was laid 2 weeks after written communication from the head of FT Mersey, Mr. Alan Watson, saying that poison would likely take place in the following year when seedlings were evident! – copy available)

COMMUNITY IS DESTROYED

The Committee has heard evidence of this, from a number of witnesses. These people are only the "tip of the iceberg". For example Staverton, across the Forth River from us has lost its school bus along with many farms. Paradise is now largely planted to trees – the list goes on.

A CULTURE OF CRONYISM AND CORRUPTION HAS DEVELOPED

Fear to speak out, and intimidation of those who do, both within the industry and in the general public, is apparent everywhere. If you want to live in this State and conduct business in this State – you don't speak out against Forestry, Gunns, or the Government.

State Legislation **TOTALLY PROTECTS** the industry and its excesses, from any form of normal control, or review. Information is very hard to obtain.

For example:

- State Policy on the protection of Agricultural Land 2000, defines Agricultural uses as follows " 'agricultural uses' means animal and crop production and includes intensive tree farming and plantation forestry". *Attachment 7*
- Class 1 Agricultural land (the very best) allows a choice of any crop, including plantations as defined above. *Attachment 8*
- Forestry and PTR's (Private Timber Reserves) are specifically exempted from LUPA (Land Use and Planning Act)
- Forest practices board hears complaints, and the only appeal avenue is to the Forest Practices Tribunal, who **only consider material to support approval** of any PTR, and disregard any evidence to the contrary. NOTE: This has recently been challenged in the Supreme Court of Tasmania, in June 2003, (*Hayward vs Forest Practices Tribunal and Private Forests Tasmania M375/2002*), where Justice Slicer found that "the Tribunal was not entitled to disregard the effect of timber operations on the value of the applicant's [adjoining] land." And that, "The applicants were entitled to have that material considered by the Tribunal and a decision made which took that material into account." (Copy of judgement available.)
- Efforts towards law reform are **ignored** – EDO conference 23rd August 2002. *Attachment 9*
- Forestry Tasmania is **exempt from Freedom of Information enquiry**.
- Gunns **decline to provide information** to the Bureau of Census and Statistics (Their privilege as a monopoly – I am told!)

TASMANIA RISKS LOSING ITS PEOPLE'S ASSETS TO FOREIGN CONTROL

What is happening here is not sustainable – physically, economically, environmentally or politically.

When the peak of extraction is reached, it is inevitable that the key players will develop, and execute a 'bail out' strategy.

I believe that Gunns will/is being set up to attract an overseas buyer. The 'sweetener' to the deal would be the sale of part, or all, of Forestry Tasmania, as part, or adjunct to the sale.

Vast areas of land (much of it Crown land) controlled by Forestry Tasmania have been recently placed on 'Freehold Title'. (I understand that the enquiry has been forwarded some 48 of these titles, by Mr J Hayward, in the last few weeks as part of his submission.)

The Government, via FT has 'floated' the idea of a sale, to the public, via some press comments earlier this year, and yet when questioned on the issue are very coy. Note Senator Murphy's questions to Penny Warren (CFO Forestry) in Hobart, earlier this year.

Indeed, my "Audit" coupe LA028A, that was inspected by members of the Committee on Thursday 8th May this year, and all the land around it, are now on freehold title with Forestry Tasmania being the owner. Attachment 10

Following this shift to freehold title – many are dated in 2000 - The Government has enacted legislation to ensure that this land can be sold at bargain prices, and that for valuation purposes "the value of the trees growing on the land is not to be included." [Valuation of land Act 2001 (No. 102 of 2001)] Attachment 11

This seems at odds with the comments of sworn land valuer Mr Clive Eastough, when asked to value a block near LA028A for me on 28th July 2003. "Timber has a high value and people who want to purchase for amenity have in effect to pay for the timber". Another sworn valuer, Mr Garry Hearps, when asked the same question on the same day said "The value of the timber is usually greater than the value of the land"

Gunns are showing signs of cashflow issues, despite having a fully subscribed "Woodlot" offer bringing in \$48 million. Attachment 12

And yet I am told on Tuesday 29th July 2003 that "Over the last two months Gunns have not paid their contractors on the contracted date 21 days after the end of the month following invoice and have grabbed an extra week to 10 days grace. Some of the contractors they let know others they didn't. For an average harvesting contractor this would represent \$40,000 for a cartage contractor \$30,000. Quite a few contractors cheques have bounced. Pretty nice seeing as contractors must pay for their fuel by 21st to get their settlement discount and their employee tax by 21st.(name can be supplied 'in camera') has stated that Gunns are desperate to buy land for their plantations and hence no cashflow and their gearing has increased to nearly 100%. Gunns are knocking down existing plantations early to replant new plantations for investors as they cannot afford the royalties and don't have land to replant. The ATO has not ruled on their non conforming forestry schemes for the 2002 year as yet." (Source confidential, will confirm to Committee 'in camera' if required.)

Gunns 'Prospectus' for 2003 is designed to get cash in now, and out compete other offerings in the marketplace with a low entry cost and guaranteed minimum return at the end of 13 or 20 years! Attachment 13.

One has to ask, "Does the current management expect to be there when this promise has to be delivered?"

Meanwhile it seems that the 'Chief' John Gay) is planning retirement. He has exercised all his share options at the end of the last Financial year (June 2003). He has increased his 'cash' take from the business substantially in the last two years.

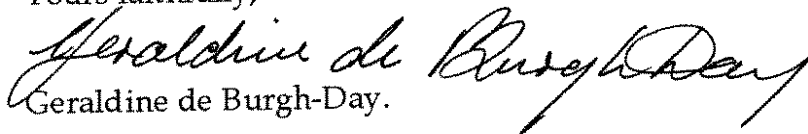
I am told that within business circles in Tasmania, "*Common consensus is John Gay will exit in 12 months*" (Source confidential, will confirm 'in camera' if required.)

IN CONCLUSION

I look forward to hearing the Committees recommendations following this enquiry, and stand ready to provide any further information that the Committee may seek from me. Some individuals who originally agreed to supply information to support my assertions are unwilling to do so, mostly due to the culture here, and concerns that speaking up may affect their lives or businesses.

Thank you for considering my submissions.

Yours faithfully,


Geraldine de Burgh-Day.

FURTHER NOTE TO BE ADDED TO MY FINAL SUBMISSION.

There are two measures that would have an IMMEDIATE impact on curtailing the rapid and progressive destruction of our water supply here in Tasmania. No doubt these should also be applied to the issue of tree plantation roll-out right across the Country.

1. There should be an **immediate cessation** of the practice of clear felling native forest for the purpose of establishing tree plantations. This may best be implemented by eliminating any tax advantage for plantations planted immediately after native forest is cleared, regardless of the reason for clearing the forest.

2. Fast growing trees should **only be established** where there is sufficient EXCESS water to support their rapid growth. Dr. Leaman advises me that this would only be possible in rainfalls in excess of 1500 mm per annum, and **where the catchment has no other users**. Again this can be implemented by elimination of any tax advantages for plantations unless this criteria is met.

3. It is essential that these two measures are implemented **in conjunction with each other**. Together, they would have the net effect of preserving water yield, and water availability, for all other users, and would have the effect of protecting prime agricultural land.

4. In areas of Australia that are degraded and salt affected, mono-culture plantations are inappropriate land use, because by definition, they are a crop to be harvested, no doubt by clear felling. Every clear fell cycle drives the water availability further down, and will lead eventually to desertification.

In essence, I BELIEVE THE KEY FINDINGS SHOULD HINGE ON THE ISSUE OF WATER - PARTICULARLY GROUND WATER. Only by understanding and preserving this finite resource will we have any hope for the future. It is clear that the 2020 Vision was conceived without taking any account of the issues of water. Now that there is irrefutable evidence of the vast damage being done to our water availability by this policy, I believe it is incumbent upon the Senators looking into this matter, to urgently advise the Government to withdraw this policy in the interests of good governance of the nation's essential resource - WATER.

Geraldine de Burgh-Day