

1<sup>st</sup> June 2007

Ms Jeanette Radcliffe  
Committee Secretary  
Senate Rural and Regional Affairs and Transport Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email transmission to: [rrat@aph.gov.au](mailto:rrat@aph.gov.au).

Dear Ms Radcliffe,

**Inquiry into the Forestry Marketing and Research and Development Services Bill 2007 and the Forestry Marketing and Development Services (Transitional and Consequential Provisions) Bill 2007.**

Australian Forest Growers (AFG) is the national association representing private forest growers. AFG has been involved in the development of a proposal, ballot and the implementation of Forest and Wood Products Australia from the outset. As a member of the initial steering committee and now the implementation committee, AFG has progressed its view and priorities within the process.

During the course of the development of the FWPA, AFG have developed a policy which has been endorsed by our policy forum. The AFG policy forum brings together representatives of our 23 regional and special interest branches to consider amend and develop policy for the Association. The relevant component of the policy is reproduced below.

**Australian Forest Growers:**

- *supports the introduction of a levy on growers for the purposes of research and development and marketing and promotion of 5 cents per cubic metre, subject to the following conditions being met:*
  - i. *State-owned growers commit, in writing prior to AFG's final commitment, to voluntarily contribute the same levy for at least five years;*
  - ii. *the constitution and legislation reflect the capacity of private growers to reconsider their position should any State grower withdraw its contribution;*
  - iii. *if the new company structure continues to have industry representative organisations, AFG must be an industry representative organisation;*
  - iv. *AFG is part of the negotiating team from industry in the development and negotiation of the initial company constitution and enabling legislation; and*
  - v. *the AFG Board agrees to the final model.*

It is AFGs view that our core policy objectives have been, or are being met. More broadly, AFG have been interested for some years in ensuring that there is a clear recognition of the forest growers in the research and development complex. This is best achieved by the introduction of a direct grower levy rather than a reliance on other sectors recognising the importance of silvicultural and related research and

development. Additionally, AFG acknowledges that the industry requires greater recognition on the broader community of the intrinsic value of forest and wood products to society, industry funded generic marketing and promotion is essential to achieving this outcome.

The structure of the FWPA has been very closely considered to ensure the most efficient and effective model for its smooth transition and operation is put in place. The final draft constitution of the FWPA allows for a skills based board and advisory groups. In AFGs view, this is the most appropriate model for the company and is consistent with Government policy and practice elsewhere.

AFG notes that the submission from A3P has included a range of documents that have been developed to inform the process and to finalise the development of the company. These documents have been developed in full consultation with either the steering or implementation committees of which AFG has part of, and they have AFGs support. We don't seek to resubmit the same documents.

In the context of the two Bills under consideration, AFG has only one minor concern. Part 4, section 13 deals with **Ministerial Directions to industry services body in an emergency**. Whilst we understand there is a consistency across legislation for similar bodies, it is AFGs view that the powers of direction should be limited to those funds that the Australian Government has a direct stake in; i.e. the research and development component to which the Government provides matching funds. As such we believe consideration should be given to limiting the scope of Part 4, Section 13 to research and development funds only.

In conclusion AFG, having been involved in this process from the outset, agrees with the principles and direction of the legislation and related documents. Thus we commend it to the Rural and Regional Affairs and Transport subcommittee. AFG looks forward to discussing these matters in evidence before the committee.

Please do not hesitate to contact the undersigned should you wish to discuss further.

Yours sincerely,



Warwick Ragg  
**Chief Executive.**