

# FIAT oppose bill

Hoon News 22/3/2017

Tasmania's peak forest industry representative body has announced that it cannot support the Forestry Bill that passed through the lower house in the Tasmanian Parliament last week.

Forest Industries Association of Tasmania (FIAT) chief executive, Terry Edwards said, "We have advised the government that we are unable to support the bill in the form that was tabled in the Lower House last week as it will create unnecessary sovereign risk in log supply and problems in our markets, and a return to the 'forestry wars'.

"We do not accept the characterisation made by the minister over the weekend that these changes are required to avoid 700 job losses, due to Forestry Tasmania reporting that approximately 25 per cent of its proposed harvest within the Permanent Timber Production Zone Land (PTPZL) to meet its current contracts, is uneconomic.

"FIAT simply do not accept this simplified view and have repeatedly requested the opportunity to review the work done by Forestry Tasmania to assist in finding more practical solutions but have been repeatedly refused by the minister."

FIAT, who undertook to work with the government in the implementation of its forestry policy, have been advised by Forestry Tasmania that the report to its shareholder minister did not constitute a strategic view of the production forest estate, rather it was a simple snapshot without regard to any remedial activity that could lead to a better result, and as such is not a solid commercial basis upon which to found new legislation.

"Mr Barnett talks about saving \$25 million per annum in subsidies to Forestry Tasmania but that ignores the clear fact that all subsidy to Forestry Tasmania ceased two years ago and any future losses are to be met from the

sale of the pulpwood plantations," said Terry Edwards.

In his ministerial statement delivered on October 26 last year, Mr Barnett said that there would be no more subsidies to Forestry Tasmania, the shortfall in operating income would be met from the sale of plantations.

In his address Mr Barnett said, "The previous subsidy of Forestry Tasmania's commercial operations at the expense of front line services has been discontinued."

Forestry Tasmania was to be restructured removing non-commercial activities, reducing staff further and creating a non-commercial division.

The government has absorbed a considerable proportion of the unfunded superannuation liability and some amelioration of road costs where the roads are multi-purpose.

Continued on page 4

# Forest industry body to oppose government forestry bill

Continued from front page

"Why then is the government suggesting that the choice is between Forestry Tasmania and health when this is simply not the case?" said Mr Edwards.

"The clear fact is that whilst Mr Barnett talks up the unlocking of 356,000 hectares of Future Potential Production Forest, Forestry Tasmania in the Government Business Enterprises (GBE) estimates process made clear that there is only approximately 64,000 hectares of production forest and an additional 20,000 hectares of special species timbers zone within the proposed area.

"Why then are the government intent on seeking to take on a massive fight over 356,000 hectares when the vast bulk of that area (272,000 ha) is not suitable for production forestry."

Forestry Tasmania also advised the government that only approximately 12,000 cubic metres of high quality sawlog would be derived annually from this area on a sustainable basis.

Mr Edwards said that this volume would not generate \$25 million.

FIAT remains positive and willing to work with the state government to try to identify an appropriate practical way forward that does not entail a return to supply uncertainty and unnecessary conflict and that continues to provide the industry a pathway for a return to prosperity.

Mr Barnett responded on behalf of the government that they had received the "overwhelming endorsement of the Tasmanian people three years ago to rip up the job destroying forest deal, and this legislation is the final step in that process."

"FIAT's reported intervention today is perplexing given that the government and FIAT have been having constructive discussions about some of the detail of the legislation.

"But I want to be very clear: we will not be reneging on our election commitment to tear up the peace deal.

"We understand that FIAT needs to represent the commercial interests of its members, but we have a duty to represent the public interest, and the Tasmanian taxpayer, and that is what we are doing," said Mr Barnett.

The state opposition believes that while Forestry Tasmania has determined that 25 per cent of its coupes are non-commercial, private sector operators should be given the opportunity to access the land.

In this way, it may be possible to continue to satisfy the legislative requirement to deliver 137,000 cubic metres of high quality sawlogs in partnership with the private sector without the need to reopen contentious areas.

Shadow Resources Minister, David Llewellyn said that existing legislation already allows for land swaps between Future Potential Production Forest and Permanent Timber Production Zone.

"The Minister administering the Forest Management Act 2013 may request the Crown Lands Minister to consider the exchange of future potential production forest land for permanent timber production zone land."

"If it is determined that alternative sources of timber are required, the provisions of the existing act should be used to gain access to the land," said Mr Llewellyn.