

The Institute of Foresters of Australia

ABN 48 083 197 586



Timber Industry Strategy
C/- Department of Primary Industries
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9 June 2009

Dear Sir/Madam

The Institute of Foresters of Australia is a professional body with 1350 members engaged in all branches of forest management and conservation in Australia. The Institute is strongly committed to the principles of sustainable forest management and the processes and practices which translate these principles into outcomes.

The Institute notes that this strategy takes very close interest in the activities of its members as workers in the timber industry. Professional foresters have carried the industry now through decades of extraordinarily close scrutiny, and will continue to do so through the application of good forest science and sustained by values of sustainable forestry.

The Institute welcomes the opportunity to comment on the Public Consultation Draft of the 2009 Timber Industry Strategy.

Please contact me should you have queries regarding this submission.

Yours Sincerely

Michael Ryan
Victorian Chair
Institute of Foresters of Australia
0411-285568

Priority 1 - FACILITATE PRODUCTIVE, COMPETITIVE AND SUSTAINABLE TIMBER INDUSTRIES

Action 01 - Provide greater certainty of access to public native forest timber resources

1.1. Maintain and enhance sustainable forest management framework

Action endorsed, although it is difficult to see how such an already comprehensive certified framework can be further enhanced.

1.2. Allocation order in terms of Working Forest Areas.

Action endorsed if it streamlines and strengthens arrangements

1.3. Working Forest Plans

Action endorsed in the absence of detail. Working Forest Areas must replace and not be in addition to the current Timber Release Plan. VicForests must be given clear title to coupes with the approved Working Forest Area. The reserve system should be sufficiently robust enough by now, that later withdrawals of coupes from harvesting or further restrictions on harvesting should not be needed.

1.4. Long term tenure to Working Forest Areas

Action endorsed

1.5. 20 year sales commitments

Action endorsed

1.6. State government policy not force Majeure

Action endorsed. Removal of state sovereign risk is a good sign of confidence in the industry.

Action 02 - Improve estimation and communication of sustainable yield from public native forests

2.1. Improvements to sustainable yield estimation methodology

Action endorsed. A significant part of the SFTA in 2004 was the move from sustainable yield by nebulous volume to indisputable area. This satisfied community concerns re potential over-harvesting of forests. The concept was lost in the detail design of the Allocation Order, which is derived from model volumes converted to area, complex to monitor, and gives VicForests little flexibility.

2.2. Resource outlook briefings

Action endorsed

Action 03 - Improve the sales system for native hardwood logs from public native forests

3.1. Improvements to VicForests Price Allocation Model

Action not endorsed. The heart of the Price Allocation Model is sale of timber by auction, which has not been popular with processors used to administered price systems. The auction system

has been subject to much review and emerged intact. The detailed recommendations reflect frustration of processors with sale by auction.

3.2. National consistency in market based mechanisms for log sales, governance and cost recovery

Action endorsed. It is acknowledged that this may take time, but should not be avoided.

Action 04 - Sustainably develop timber plantations and private native forests

4.1. Timber plantations “as of right” farming activity

Action endorsed. This makes plantations consistent with other agricultural crops and is consistent with the Government’s strategy not to “pick winners” in land use. The requirement for planning permits is currently inequitable, has added unnecessary cost, delays and “red tape” and has been a disincentive to development of new timber resources for the processing industries. The timber industry is the only broadscale land use to have a legislated Code of Practices to direct the quality of its operations and it should not be burdened with further layers of control.

4.2. Assistance to local government to monitor Code of Practice compliance on private land.

Action endorsed. The IFA offers its Registered Professional Forester® scheme as a formal registration system that offers quality assurance on forestry expertise. RPF Registrants use broadly interpreted, demonstrated knowledge relevant to forest management. They continually update that knowledge, and apply it with skill. For employers and clients of forestry professionals, the RPF scheme guarantees that the Registered Professional Forester they are engaging has been assessed by expert practitioners and deemed to possess the experience, skills and knowledge identified by the RPF Registration Committee for that forester’s area/s of expertise. The IFA also offers its assistance in developing any specialized modules in Code of Practice compliance monitoring.

4.3 National approach to market based logsales, governance and cost recovery for plantations.

Action endorsed. It is acknowledged that this may take time, but should not be avoided.

4.4. Taxation arrangements that support comparative neutrality of plantation forestry irrespective of rotation length.

Action endorsed. The conversion of sawlog rotation plantations to shorter term pulp rotation plantations needs to be addressed.

4.5. Sustainable timber production from private native forests.

Action endorsed. Although the extent of privately owned native forests with commercial potential in Victoria is limited, the reduction in obstructions at local government level would assist.

Action 05 - Assist the timber industry to adapt to climate change

5.1. Implement Action 2.20 of Securing Our Water Together regarding impact of plantations on water.

Action endorsed with qualification. The principles to manage any impact of land-use change are strongly supported. Water quality must be considered along with water quantity issues from

land use change. . There is a lack of detail on how and with whom the “agreed outcomes” will arise. From this the National Water Initiative should only be implemented as written, that is, constrained to consideration of land use change (for example new plantations) not existing land uses.

5.2. Implement Action 2.21 of Securing Our Water Together regarding harvesting in Melbourne’s water catchments.

Action not endorsed. The Wood Water Study arising from Action 2.21 must be completely reassessed following the 2009 fires as it assumed that wildfire can be excluded from the catchments. Aggressive thinning is now required to avoid substantial decline in water production in Melbourne’s water catchments. The challenge is to use harvesting techniques that do not impact on water quality.

5.3. Respond to climate change risks in management of public native forests and in research and development in the plantation sector.

Action endorsed. While some effects may be gradual and subtle, increased risk of fire is already apparent, not just to the forest resource, but to business and jobs in regional Victoria.

5.4. Implement fire prevention strategies in light of Royal Commission outcomes.

Action endorsed. The role of timber industry harvest contractors and grower staff are recognised in fire suppression, but as their numbers decline, is maximum value being made of this resource by an expanding fire suppression bureaucracy?

Priority 2 - ENSURE THE DEVELOPMENT AND OPERATION OF EFFICIENT TIMBER MARKETS

Action 06 - Improve freight infrastructure and logistics to support the timber supply chain

6.1. New infrastructure that facilitates timber industry development.

Action endorsed.

Action 07 - Facilitate the development and commercialisation of new and emerging markets for timber and timber-related products

7.1. Implications of Carbon Pollution Reduction Scheme.

Action endorsed. There are opportunities for plantation industries which sequester carbon however there are risks to Energy Intensive Trade Exposed (EITE) industries such as panel producers and pulp and paper. The potential role of native forests is not well understood. All sections of the timber industry are interconnected and any impacts of a CPRS scheme on one group of industries is likely to have impacts on the others. This uncertainty will have an impact on investment. Issues such as carbon balance accounting and carbon property rights need to be addressed as a priority.

7.2. Inclusion of carbon stored in timber products in the international climate change framework.

Action endorsed.

7.3. Use of native forests for energy production.

Action endorsed. This could enable domestic processing of harvest residue, particularly in East Gippsland where markets do not exist currently. It also has the potential to open up new opportunities for pooling of resources from plantation growers and native forest producers to achieve critical mass for bio-energy investments and assist in developing economies of scale for competitive green energy.

7.4. Research into the potential use of wood for bio-energy production.

Action endorsed.

Action 08 - Support market access and improve biosecurity for sustainable timber production

8.1. Recognition of third party certification in government procurement.

Action endorsed. Government leadership in recognition that third party certification unambiguously demonstrates sustainable forest management is very positive and can be used to clarify and simplify the certification concept in the minds of consumers.

8.2. Forests and Timber biosecurity framework

Action endorsed.

Action 09 - Strengthen governance arrangements for forests and timber production

9.1. Governance and administration of VicForests.

Action endorsed. As a commercial entity VicForests is subject to a range of conditions that impeded its ability to be economically viable. These conditions require review.

9.2. Forest Practices Unit within DSE to streamline implementation of the Code of Practice on public and private land.

Action not endorsed. This action appears ill conceived. It does not streamline but adds another layer to Code of Practice implementation. It takes a concept from Tasmania, where there are many fundamental differences. There is a conflict of interest for DSE in that it manages timber production in Western Victoria and has recently taken responsibility back from EPA for conduct of audits. What is the reason for a FPU? Audit performance continues to be at very high level for the major growers Hancocks and VicForests, which may reflect their commitment to maintaining third party certification. Is this Action a response to a need for more public prosecution of Code of Practice non-compliance? There is a role though for a body to assist local government with consistent monitoring of compliance on private land.

9.3. Minister of Agriculture responsible for commercial forest policy.

Action endorsed. We are not sure what has been revised, as this is probably the first statement of governance arrangements for the timber industry in Victoria. The clarity is appreciated.

Priority 3 - DRIVE INNOVATION IN FORESTRY SCIENCE, TECHNOLOGY AND PRACTICE CHANGE

Action 10 - Encourage industry innovation and research and development (R&D)

10.1. Prioritise R & D in climate change, biosecurity, socio-economic impacts and productivity innovation.

Action endorsed. Forest industry R&D has had a chequered history in Victoria in recent times. The long term nature of this work and the time lapse until valuable returns are made on research investment need to be appreciated by government in sponsoring forest and forest products R&D.

10.2. Co funding with industry of national R & D programs.

Action endorsed.

Action 11 - Improve industry occupational health and safety

11.1. Improved OHS compliance through adoption of best practice

Action endorsed. The standard of safety management systems employed by processors and contractors in this industry has come along in recent years assisted by Worksafe. It is appropriate that the major growers: Hancocks and VicForests, have taken responsibility for the industry stakeholders forum originally established by Worksafe.

11.2. Forest Industry Council role in ensuring best practice OHS standards in forest contracts

Action endorsed.

Priority 4 - FOSTER STRONG COMMUNITIES

Action 12 - Build a safe and skilled workforce

12.1. Improve ForestWorks coordination of training skills and development

Action endorsed.

12.2. Training courses to adopt best practice OHS standards

Action endorsed.

Action 13 - Enhance community understanding of the benefits of Victoria's forests

13.1. Explore options for research into forestry and land use change

Action endorsed.

13.2. Farm Forestry Plan

Action endorsed. While farm wood lots suffer from lack of scale of the large growers, they have a role to play in the industry, and an improved understanding of that role needs to be achieved.

13.3. Community understanding of the timber industry

Action endorsed. No matter how relevant, accurate and up to date information is placed in the public domain, the timber industry will continue to be demonised. The IFA would like to see emphasis and funding given to schools programs such as were run out of the Toolangi Forest Discovery Centre.

13.4. Firewood

Action endorsed. Provision should be made for domestic firewood collection as a valid forest use. Commercial firewood operations have been deeply affected by the creation of national parks in the box-ironbark and red gum forests in Western Victoria. If commercial firewood operations cannot be safe and viable on their own or as part of conventional harvest operations in Eastern Victoria, then they can only continue if recognised as a community service obligation.