



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

Reference: Plantation forests industry

WEDNESDAY, 8 OCTOBER 2003

CANBERRA

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES COMMITTEE

Wednesday, 8 October 2003

Members: Senator Ridgeway (*Chair*), Senators Buckland, Heffernan, McGauran, O'Brien and Stephens

Participating members: Senators Abetz, Boswell, Brown, Carr, Chapman, Colbeck, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Harradine, Harris, Hutchins, Knowles, Lees, Lightfoot, Mackay, Mason, Sandy Macdonald, Murphy, Payne, Santoro, Tchen, Tierney and Watson

Senators in attendance: Senators Brown, Colbeck, Heffernan, Murphy, O'Brien and Ridgeway

Terms of reference for the inquiry:

To inquire into and report on:

The findings of the Private Forests Consultative Committee's review of the 'Plantations for Australia: The 2020 Vision' which is due to report to the Primary Industries Ministerial Council in November 2002:

- (a) whether there are impediments to the achievement of the aims of 'Plantations for Australia: The 2020 Vision' strategy;
- (b) whether there are elements of the strategy which should be altered in light of any impediments identified;
- (c) whether there are further opportunities to maximise the benefits from plantations in respect of their potential to contribute environmental benefits, including whether there are opportunities to:
 - (i) better integrate plantations into achieving salinity and water quality objectives and targets,
 - (ii) optimise the environmental benefits of plantations in low rainfall areas, and
 - (iii) address the provision of public good services (environmental benefits) at the cost of private plantation growers;
- (d) whether there is the need for government action to encourage longer rotation plantations, particularly in order to supply sawlogs; and
- (e) whether other action is desirable to maintain and expand a viable and sustainable plantation forest sector, including the expansion of processing industries to enhance the contribution to regional economic development.

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Committee met at 4.31 p.m.

CHAIR—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport References Committee to continue its inquiry into plantation forestry and the 2020 vision strategy. Before reading into *Hansard* some formal statements which are made before all public hearings of the committee, I will make a specific comment. Following the committee's hearing in Launceston on this reference on 6 August 2003, the committee resolved that today's hearing is to be a public hearing.

As with all public hearings by a Senate committee, today's is conducted subject to the limits prescribed by the Senate privileges resolutions. Under those resolutions, the committee holds any public hearing subject to constraints put in place by the Senate to afford protection to witnesses and other individuals from unjustified and irrelevant adverse reflection, and to ensure that witnesses make submissions and provide evidence which is relevant to the inquiry's terms of reference. These resolutions also make provision for a committee to consider a request from a witness or, in certain circumstances, to resolve to take evidence in camera. In applying the privileges resolutions in practice, Senate committees are always mindful of the need to ensure that, unless there is compelling reason to do so, all evidence taken by the committee is heard in public.

Having noted these matters, I will now proceed to making the formal statements that are usually made at the opening of all public hearings. Again, today's hearing is open to all. A *Hansard* transcript of the proceedings is being made. A hard copy of the *Hansard* will be available from the committee secretariat next week or via the Parliament House Internet home page. It should be noted that the committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the order of the Senate of 23 August 1990 concerning the broadcasting of committee proceedings.

Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee and any evidence given before it. Any act by any person which may operate to the disadvantage of a witness, on account of evidence given by him or her before the Senate or any committee of the Senate, is treated as a breach of privilege. While the committee prefers to hear all evidence in public, if requested by a witness, the committee may agree to take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Senate. The Senate also has the power to order production and/or publication of such evidence. In addition, any senator wishing to draw upon in camera evidence in a dissenting report may do so subject to certain conditions. Any decision regarding publication of in camera evidence or confidential submissions is not to be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

Before we commence today, I want to draw attention to the program for today's hearing. The committee intends taking evidence from Mr Bill Manning, a former auditor with the Tasmanian Forestry Practices Board, commonly known as the FPB. Mr Manning's submission to the committee addresses matters arising from his personal and professional experience with the FPB. In order that the committee could be in a position to address matters raised during evidence to this inquiry that is relevant to the statutory role and work of the FPB, the committee invited

the CEO and the chair of the FPB also to give evidence to the committee. The committee has been advised, following an exchange of correspondence, by the Deputy Premier of Tasmania and Minister for Economic Development, Energy and Resources, the Hon. Paul Lennon, that the FPB officers invited are not available to assist the committee today. Whilst the committee regrets that FPB officers could not be available today, I should point out that, whilst the Senate and its committees have a long experience of cooperation by state agencies and departments, committees cannot oblige officers of state agencies such as the FPB to appear before them.

[4.36 p.m.]

MANNING, Mr William John, (Private Capacity)

CHAIR—Welcome, Mr Manning. Is there anything you wish to say about the capacity in which you appear?

Mr Manning—I am no longer employed with the forest industry. I left the industry 12 months ago. I am still working as a public servant in another agency.

CHAIR—I understand that you have spoken to the committee secretary and that he has provided you with a copy of the guidelines for witnesses appearing at Senate committee hearings for you to read. I just want you to affirm for the record that that is correct?

Mr Manning—Yes, that is correct.

CHAIR—And you have read those and understood them?

Mr Manning—Yes.

CHAIR—I am now going to ask you to proceed and at the conclusion of your opening remarks I will invite members of the committee to submit questions to you.

Mr Manning—Fine.

Senator MURPHY—We have not published yet the written evidence that we have received from Mr Manning. I would propose that, before we proceed to questions, we publish the evidence that we have received and the documentation.

Senator O'BRIEN—In relation to that, there are a number of matters that appear not to relate to the issue of plantation forestry. I would seek a ruling that those matters that do not relate to plantation forestry, particularly evidence of forest coupes that were not the subject of either pre-existing plantations or conversion to plantations, should not form part of the evidence before the committee.

Senator MURPHY—With regard to that, the evidence before the committee is evidence presented by a witness. As far as I am aware, it has never been the case that a witness's evidence, without other evidence to suggest to the contrary, has been refused publication. It has been the case in the past that evidence that may provide adverse reflection on another person or persons has sometimes not been allowed publication. But in this case we have no evidence, and the Forest Practices Board has been refused right of appearance before this committee to inform this committee whether forest coupes as referred to by Senator O'Brien have or have not been turned into plantation. We have no evidence before the committee that suggests that the coupes referred to by Senator O'Brien have not been turned into plantations.

You may remember a question I put to Forestry Tasmania at the Hobart hearing. I asked, in regard to the harvesting activities they had conducted on public forests, what percentage of them had not been turned into plantations. Mr Paul Smith replied that he could not identify which ones had not, but I think he indicated—I stand to be corrected—that the great bulk of them in most recent times have been turned into plantations.

CHAIR—What I am going to suggest is that, in order to assist the process of the hearing continuing, we may want to resolve some of those issues at the end of the meeting here today. This issue has been discussed a number of times and it is my understanding that there was at least a general understanding that there would be publication of that material that is relevant to the terms of reference. If there is any difficulty about that, I am happy to discuss that at the end, but I recall from committee meetings that that is what was agreed to. I propose that we deal with it at the end in order not to delay Mr Manning any further. We have delayed him already.

Senator MURPHY—I do not want to be difficult about this but I intend to ask questions about all of the evidence provided by Mr Manning. I have no evidence before me that suggests that some of these coupes have not been converted into plantations. I will ask questions on those and I need to know whether you will rule out of order questions I might ask about information contained in Mr Manning's evidence that it is alleged—no proof; alleged—that some of those coupes have not been converted into plantations.

CHAIR—What I am going to rule on that is that, based on the committee meetings that have been held so far, where there has been a general understanding that what will be published are those documents relevant to the terms of reference, you need to make a judgment as to whether your questions fall within the terms of reference. If not, obviously that will be challenged at the appropriate time.

Senator HEFFERNAN—This is a longstanding inquiry. My experience of other inquiries I have participated in is that we have thrown on the table a whole lot of evidence that was well removed from the direct terms of reference but was very helpful to the trail of discovery. I pick up Senator O'Brien's point that I am well outside the terms of reference, but I would have thought that we should try to make this as wide as possible without getting into outrageously offbeat areas and that we should just test it by the questions. If the questions seem to be outrageous, you will have the opportunity to call Senator Murphy into gear.

CHAIR—That is what I am suggesting. Senator Murphy, you will need to make a judgment. I do not know what questions you are going to ask. I presume you have made a judgment as to whether they will fall within the terms of reference and we will deal with those at the appropriate time.

Senator MURPHY—Of course. It is a curious situation that we do not publish evidence that we are going to ask questions on; that is all. I thank you for your time.

Mr Manning—I have a paper that I would like to present and I will read through it fairly quickly. It is headed 'Senate Rural and Regional Affairs Transport References Committee— inquiry into plantation forestry—submission by William Manning'. My background is that I was employed as a forester for 32 years with the Forestry Commission, Forestry Tasmania and the Forest Practices Board as a qualified forest practices officer.

I was the author of a statewide report in 1991 that focused on recommendations for the implementation of forest practices on private property, of which you have a copy. In 1992 and 1993, as part of the Forest Industry Council review of the forest practices system, I sat on a subcommittee with industry representatives. You also have a copy of that report. Senator Murphy was also on that committee.

I completed a police prosecution course at Rokeby Police Academy and, in the course of my employment with the Forest Practices Board as a forest practices officer, I had responsibility for laying complaints under the Forest Practices Act. I was an investigator under the Environmental Management and Pollution Control Act 1993 and was charged with investigations related to land clearing.

I was the only forest practices officer employed by the Forest Practices Board from 1990 to 1999 as an enforcement officer other than the Chief Forest Practices Officer. I have completed Forest Practices Board courses in zoology, botany, archaeology and in the area of private timber reserves. I was responsible for the auditing of forest practices between 1999 and 2002, initially for the Forest Practices Board's annual report. Later, I conducted a statewide zoology audit. Documents can be provided on request.

Since the introduction of the regional forest agreement and 2020 vision, and particularly in the last five years, I have witnessed the most appalling deterioration in management of Tasmania's forests, especially state owned forests. This has been driven by the forest industry's professional foresters through their total dominance of representation on the Forest Practices Board and the Forest Practices Advisory Council. This domination of the regulatory bodies has led to the Forest Practices Board being simply a rubber stamp to be used by industry and government and for it to be doubly abused as the mouthpiece for defending the most appalling forest practices.

Particularly over the last five years, the forest industry has become so woefully negligent in its practices that it has been forced to be exempted from all other state environmental, planning and land management legislation for the simple reason that were it to be judged by the legislation that other Tasmanians have to abide by, it would be found to be comprehensively in breach of Tasmanian law. From my extensive experience in the forestry industry, I believe that the implementation of the regional forest agreement and 2020 vision have led, first, to the weakening of the Forest Practices Code by making a lie of the claim that it is world's best practice; secondly, to corruption of forest management in Tasmania such that there is no enforcement of this weakened code of forest practice and no silvicultural outcome other than the clear felling of native forest for plantation establishment of exotic introduced plantation species; thirdly, to the RFA and 2020 vision manipulating the development of an internal auditing system which has led to the misleading of the Tasmanian parliament; fourthly, to the decimation of habitat for endangered species in Tasmania, in particular the giant freshwater crayfish and other engaeus species of burrowing crayfish, not to mention many other rare examples of Tasmanian flora and fauna; and, finally, to a culture within the Tasmanian forestry industry of bullying, cronyism, secrecy and lies.

I will now elaborate on each of those points before concluding with an in-depth analysis of two plantation coupes; one is a second rotation pine plantation at Oonah in the Murchison State Forest and the other is a eucalypt plantation in Bass State Forest. Both these areas are managed

under the guise of self-regulation by the state owned government business enterprise Forestry Tasmania.

Forestry Tasmania and the forest industry claim that the Forest Practices Code is world's best practice. The claim that the code and the self-regulated industry it monitors operate using world's best practice is untrue and deceptive in the extreme. The Forest Practices Act was introduced in 1985 and was followed by the first forest practices code in 1987. Both the act and the code were developed by foresters now employed in the industry. The Forest Practices Code was introduced as a minimum standard for the industry and it states:

... designed for ongoing review and improvement through scientific assessment.

Instead, science has largely been ignored due to the influence and dominance of the woodchip industry foresters on the Forest Practices Board and the Forest Practices Advisory Council. The erosion of best practice has been compounded by the self-regulation of the industry which has been so ineffectual as to render it virtually non-existent. This has meant that standards of forest practice have actually dropped markedly and the industry is in virtual regulatory free fall.

One example that highlights that is streamside reserves. In the early nineties, following scientific research, we in the industry were informed that the minimum streamside reserve for any stream should be set at 30 metres. This riparian strip is especially important not only for rare and threatened species but also for the maintenance of water quality et cetera. The problem was that the industry was operating with lesser reserves. For instance, class 3 streams were 20 metres either side and class 4 streams were 10 metres either side. The evidence was ignored and the industry continued to operate with the lesser reserves in place, which led to the degradation of waterways and the destruction of habitat of rare and endangered flora and fauna, especially in classes 3 and 4 streams.

However, the situation became even worse with the change of culture that followed the corporatisation of Forestry Tasmania and the implementation of the regional forest agreement and the 2020 vision. In 2000 the latest Forest Practices Code was released. Streamside reserves were again reduced on plantation sites for economic reasons. For class 4 streams the reserves were reduced from 10 to two metres. Essentially, the reduction of streamside reserves enabled Forestry Tasmania to gain greater land use area, which facilitated the industrial scale establishment of introduced plantation species, funded by the \$300 million, in round figures, which flowed into the industry thanks to the regional forest agreement.

At the time of the Forest Practices Code review in April 1999, I pointed out in correspondence to the forest practices adviser to the code review that there was no scientific basis for the reduction in streamside reserves—in fact, quite the reverse. You have those letters in folder No. 2, pages 241 to 243. This advice was ignored. The code retained the unjustifiably inadequate reserves and, worse, Forestry Tasmania clear-felled and planted through these streams with plantation species. There is no scientific evidence to justify these practices—in fact, they fly in the face of contemporary attitudes to biodiversity and water management. The current system is not world's best practice, and any such claim is hollow. The community may well ask how it is that streamside reserves, as inadequate as they are under the 2000 code, are often cleared and planted through. The answer is that contractors are often directed to do this or allowed to do so in the full knowledge that there will be no repercussions.

The Forest Practices Code is simply a set of guidelines and is an unenforceable document with no legal standing. The guidelines become legally enforceable only when they are specifically stated in a forest practices plan, which has to be drawn up and approved by a qualified forest practices officer. The problem is that forest practices officers are often faced with a conflict of interest, as virtually all of them work for the commercial forest industry. There are between 150 and 170 forest practices officers. Only three work for the Forest Practices Board. Forest practices officers are not independent. The Chief Forest Practices Officer must explain to the Tasmanian and Australian public why the Forest Practices Board has allowed the widespread destruction of Tasmanian streams, in particular the vital class 4 streams, in the name of world's best practice. This brings me to my next point: corruption in forest management in Tasmania and the abject failure of self-regulation in enforcing the Forest Practices Code under the Forest Practices Act.

On enforcement, the fact that forest practices officers are so hopelessly compromised leads to forest practices plans that are drawn up to maximise the area of land to be logged and that ensure the maximum volume of woodchips. This is not in the interest of long-term, sustainable silviculture. It is important to stress the following glaring obstacle to best practice regulation: forest practices officers draw up and approve their own plans. This means that there is no independent assessment of the silvicultural merit of a proposal. In fact, there is no stipulation to follow any type of sustainable silvicultural regime at all in the Forest Practices Code. This is clearly not world's best practice. This lack of accountability leads to logging beginning without planning or with very poor planning, as at Lebrinna State Forest—Forest Practices Plan No. MJS 0041, which I will refer to later with overheads—and the illegal alteration of plans after the event, as shown in Murchison State Forest, which I will also detail.

It is relatively easy for a forest practices plan to be altered after being approved due to the fact that only the cover page of the forest practices plan is sent to the Forest Practices Board. Is this world's best practice? The full forest practices plan is held by the person—usually in the logging company—who drew it up and approved it. That is why, contrary to the assertions of Forestry Tasmania, it is difficult for members of the public to get copies of forest practices plans.

I have been advised of other practices within Forestry Tasmania which would cast doubt on the claims of world's best practice. Sources inside Forestry Tasmania have informed me that, since corporatisation, senior staff involved in management of the plantation industry have been paid bonuses relative to maximum areas logged and thus woodchip generated. Bonuses are apparently paid on this basis and not on the basis of sound forest management, which is what one would hope for in the case of managing a state asset such as the taxpayer owned forests of Tasmania.

When the community complains about any breaches of code, nothing happens. This is my experience working within the system. The Forest Practices Board may inspect the coupe, but no prosecutions occur. No action is taken other than maybe a slap on the wrist. I have personally consulted with the Solicitor-General about the interpretation of the Forest Practices Act, and the advice is clear, as is the act. It says:

The Board must –

(a) monitor the degree of compliance with this Act and the Forest Practices Code; and

(b) through the chief forest practices officer and other persons whom it authorizes for the purpose—cause complaints to be made in respect of offences under this Act.

When I issued section 41 notices on a plantation establishment site against Forestry Tasmania for non-compliance with the Threatened Species Protection Act, the Forest Practices Act and the Environmental Management and Pollution Control Act, the section 41 notices were overridden by the board after conferring with the district forester from Bass district, without any inspection of the site. I was accused of being heavy handed even though serious environmental damage was being carried out on-site by Forestry Tasmania. I was the only forest practices officer employed by the Forest Practices Board operating in the field, yet I had my authority to lay complaints and issue notices withdrawn for daring to issue notices against Forestry Tasmania. I had never before issued notices against Forestry Tasmania prior to this action. Within two weeks, the Chief Forest Practices Officer had demanded my notice books withdrawn. My authority to lay complaints under the Forest Practices Act was withdrawn as well.

These actions clearly fall into the category of an alleged perversion of the course of justice. Forestry Tasmania has never been prosecuted for any alleged offence under the Forest Practices Act. This is despite my reporting to the Chief Forest Practices Officer nearly 100 separate serious alleged breaches from my auditing between 1999 and 2002. Forestry Tasmania was exempt from prosecution for the first 10 years of the Forest Practices Act until 1995, which in my opinion was unfair on the rest of the industry on private land. The Chief Forest Practices Officer and the Forest Practices Board must be called to account for this appalling dereliction of duty in failing to enforce the provisions of the Forest Practices Act as required by parliament.

Having worked within the industry and in particular having been involved with the regulatory body, it is my conclusion that the Forest Practices Board is not independent of the forest industry but rather is hopelessly compromised by being dominated by members of the industry and that it fails to enforce the provisions of the forest practices plan, code and act itself. Instead it delivers what the industry wants, which is the wholesale clear-felling of native forests for conversion to plantation. If the intent of the regional forest agreement and the 2020 vision was to oversee the widespread destruction of native forests and the attendant unique flora and fauna by an unsupervised and negligent industry, then it has succeeded. If, however, the RFA and the 2020 vision were designed to ensure resource security managed with integrity and sustainability, the process has failed in Tasmania.

Turning to the audit system, the annual Forest Practices Board audit is delivered to the Tasmanian parliament each year. The system under which the Forest Practices Board is audited is, I believe, fraudulent and designed to give a glowing report which misleads the parliament and public alike. There are 13 sections in the audit form and points are allotted to each section such that the total equals 100 points or 100 per cent. However, the form is designed in such a way that one could have an operation which clear-felled the streamside reserves of the Franklin River for a kilometre but, as long as the forest practices plan was clear in other areas, could still maintain an audited rate of 90 per cent. In other words, there is no negative weighting for environmental damage. The system is designed to produce favourable results for the Forest Practices Board to such an extent that it could be argued that it is, in effect, designed to mislead. Compounding this biased system is the inherent lack of integrity within the culture of the Forest Practices Board. An example of this was seen when I audited the Murchison and Bass districts in 1999 and 2000. My results reflected very badly on Forestry Tasmania and were altered under the instruction of

the Chief Forest Practices Officer to reflect better on the government business enterprise. Forestry Tasmania was not to be embarrassed by an accurate report of the Forest Practices Board to the parliament and people of Tasmania, as I was instructed.

Again, as was the case when I issued the section 41 notices, following my attempts to accurately audit the activities of Forestry Tasmania, I was relieved of my duties as auditor by the Chief Forest Practices Officer. I was accused of bias at the Forest Practices Board level with no possibility of redress or defence. I was not permitted an audience with the Forest Practices Board to defend my audits. It needs to be said that the audit system is designed by the Forest Practices Advisory Council, which is answerable to the Forest Practices Board; thus, the Forest Practices Board, which under the act oversees forest practices in Tasmania, has complete control over its own audit, using compromised, industry friendly forestry practices officers who have no qualifications in environmental auditing—that was certainly the case when I left the Forest Practices Board one year ago. I would just add there that I did apply several years ago to do an environmental auditing course but was refused because it was deemed not to be necessary. As far as I am aware, not one of the auditors who helped compile the audit of the Forest Practices Board has any qualifications in environmental auditing.

The next section is under the heading of ‘An ecological disaster’. The accelerated and unaccountable logging industry which is overseeing the wholesale destruction of native forests for the establishment of the 2020 vision is doing so in many cases in areas which are unique in the world for their flora and fauna. Despite the extraordinary biological wealth of many state forest areas available for clear-felling, the Chief Forest Practices Officer has instructed the zoologist of the Forest Practices Board to delay reports of alleged breaches to allow logging activity to go ahead. In 2000-01 I carried out a statewide audit of the forest practices plans for compliance with fauna protection provisions. Across the state I found 80-plus breaches in the 40 per cent of the coupes which I audited. Sixty per cent of the coupes were not audited because they did not have endangered species within their boundaries.

These fauna provisions are vital as they are meant to protect the unique creatures of Tasmanian forests—creatures such as the giant freshwater crayfish, the largest invertebrate on earth; wedge-tail eagles, the spotted tail quoll—as well as many other vulnerable or endangered species. The Chief Forest Practices Officer must explain why, when breaches were found in time to be prosecuted, he failed to take action. Despite the extraordinary amount of breaches revealed by my statewide audit I know of no action taken by the Forest Practices Board nor by the senior zoologist, who was also aware of them.

I draw your attention to a letter of Heather Hesterman, a PhD student, regarding the Huntsman coupe, in which she alerted the Chief Forest Practices Officer to the destruction of fauna and ensuing failure by the industry to ensure animals were recolonised—see my folder 1, pages 288-290. Heather Hesterman is a private individual who wrote to the Forest Practices Board. Despite her informed scientific observations, the Forest Practices Board dismissed her evidence. Interestingly, when the Resource Management and Planning Appeal Tribunal was ruling on a case in the state’s north involving the protection of a threatened species, the giant velvet worm—see folder 1, page 292, decision J115/2001—the tribunal preferred the independent scientific evidence to that supplied by Forestry Tasmania and the Forest Practices Board.

The complete failure to adequately and responsibly assess and protect the flora and fauna of Tasmanian forests by the Forest Practices Board is of grave concern, particularly in view of the huge gamble of an ambitious plantation establishment regime that we have here and the valuable and complex ecosystems which are currently being clear-felled and therefore destroyed. It is of particular concern to me and to others in the community due to the Forest Practices Board having responsibility for the enforcement of the Threatened Species Act in Tasmania. Again I must reiterate the question: why did the Chief Forest Practices Officer instruct his subordinates not to make him aware of the breaches which occurred in 80-plus forest practices plans until time had elapsed for their prosecution?

This brings me to my final point: the culture of cronyism, intimidation and deception. The culture of the forest industry and the regulatory bodies who are supposed to govern it is one of intimidation, deception and lack of transparency, one which will vilify and exclude those who attempt to bring it to account. There are many foresters who would like to do the right thing but are too afraid to do anything. In the Bass and Murchison forest districts, I took action by issuing notices on a plantation site because other forest practices officers were too afraid to take action against their employer and asked me to do so. What has subsequently happened to me, and my treatment by my employer, is a stark warning to others who may wish to attempt to bring integrity to the forest industry. I have been intimidated and harassed with full knowledge of the Forest Practices Board and the secretary of the Department of Infrastructure, Energy and Resources who is the governing authority. This culture of lack of accountability and lack of transparency is endemic at the highest levels.

I took all relevant documentation concerning my case about breaches of the Forest Practices Act to the Attorney-General. I expected him to uphold the Forest Practices Act and refer the failures of the Forest Practices Board to the Department of Public Prosecution. Instead, he held on to the documents for six months and took no action other than to hand them to the former chief executive officer of the Forest Industries Association of Tasmania and now secretary of the Department of Infrastructure, Energy and the Resources—the same department overseen by the deputy premier and minister for forests. The only action taken by the department secretary was to remove me from my role. The Ombudsman, whom I also took my case to, failed to investigate.

Overhead transparencies were then shown—

I would now like to take the example of the two coupes I mentioned earlier and explain in greater detail the practical evidence of the breakdown of the regulation of the forest industry in Tasmania. The first coupe is DCGO 130, a second rotation plantation coupe, and it was part of my audit in 1999. You can see from the overhead that there is a class 3 stream reserve. There is a road in front of the pine trees which are in the background. You can see some clearing. These were second rotation pines so the pines in the background were similar to what was standing on the site. When I went to audit this particular site, the forest practices plan for the district stated that the when the pines were removed—which was quite okay under the code—the streamside reserve would be replanted with native species. When I went onto the site, this is what I saw.

What occurred on the site was extremely distressing to me because, interestingly enough, for the previous eight years my role had been one of enforcement mainly on private property state wide. I had spent a lot of time with the neighbouring company, North Forest Products in Burnie,

and their standards had lifted dramatically in relation to the preservation of streamside reserves on second rotation. I audited 32 coupes on that audit and only one coupe was breached. It was severely breached but it was only one out of 32. Compared to what I had seen on independent private property state wide, where there are no forest practices officers to supervise, it was a good result for all the years that I had spent with them. To go next door onto state forest, which I had never audited and never issued a notice on, and see this sort of practice horrified me. I could not believe what was going on. The next overheads are follow-ups of the same coupe.

Pine trees were felled in and the practices were different; on private property they did not broadcast burn. Forestry Tasmania was broadcast burning. In other words, the coupe was clear felled and they fired it. On commercial private, they pulled the debris away from the streamside reserve boundaries which they had retained with vegetation. They pushed it into heaps so that the streamside reserve would not be fired. That was in complete compliance with the code. You can see on this overhead the pine trees which were planted through the streamside reserve. That was contrary to the plan and to the code at the time. You can see the clearing that had been done basically in compliance with the plan. The clearing has been done in the lighter coloured area and they cleared to what they expected to be the streamside reserve that was going to be planted with native species. However, that did not occur and they were instructed by the district forester to plant through the streamside reserve. This overhead shows what I found when I audited the site.

The rest of the slides are similar. You can see on the slide I am showing that the stream was flowing and the logging debris was left in it. I had spent years with the private companies convincing them that this was the wrong way to go. I assumed in all the court cases that I was involved in prosecuting—there were 32-odd; private companies and private individuals—that state forest was far better. That was the message that we were getting. As videos came into court in defence of private operators on private property, I began to see that this sort of thing was happening, but I could not comment on it. I think we only lost two of the 32-odd prosecutions, but Forestry Tasmania was never prosecuted.

The concern that I had was not only that they had this broadcast burning practice, which was going to kill everything on the site, but also that this was the habitat of a threatened species, the giant freshwater crayfish. There is no possibility of the thing surviving the firing of these streamside reserves. The private companies had taken a different attitude to it and, especially in Burnie, they had taken the approach that they would climb over the bar, not try and get under it, and they would lead the way. That was what I expected to see from state forests, but it was not happening.

The slide I am showing does not leave much to the imagination. You can see on it the cleared boundary where the contractors, who were employed by the people in the district, expected to plant to with plantation species on the second rotation. All of the area down the bottom of the slide would have been planted with native species. They had it wrong from the start because they were broadcast burning the total site, which was not happening on industrial private sites. I will go through the rest of the slides, which show the same sort of thing. There was no chance of anything surviving that burning.

You can see again on the slide I am showing where the boundaries had been cleared to for the planting of pine. I think some of the green dots on the current slide are planted trees. I corralled

the forest practices officer in the district and said, 'This is a breach of the act; I'm going to issue you with a notice.' He said: 'Please do. It wasn't under our instruction. This was Forestry Tasmania's policy.' That will come up later. You can read the notice that I issued. I also sent a complaint to the Chief Forest Practices Officer detailing the problem. There is a fair amount of detail, which I do not know whether you want me to go into. Probably this explains what Forestry Tasmania was doing.

Senator MURPHY—Is that in the papers?

Mr Manning—Yes.

Senator MURPHY—From the point of view of asking questions, it is best that we deal with that.

Mr Manning—Firstly, this was an instruction to plant through these streams, which was contrary to the plan and the code at the time. There is a lot of correspondence, which is also in the—

Senator O'BRIEN—The Forestry Tasmania instruction, class 3 and class 4 streams.

Mr Manning—This was issued by the district forester on 26 February 1999. It is signed at the bottom by the district forester. We had already received this type of instruction from the Solicitor-General that there was no option and that, if a forest practices officer came across a breach—especially someone in my circumstances who in a prior role had been charged with prosecuting offenders—the board had no choice. The Solicitor-General said that the act states:

The Board must—

- (a) monitor the degree of compliance with this Act and the Forest Practices Code; and
- (b) through the chief forest practices officer and other persons whom it authorises for the purpose—

I was one of those—

... cause complaints to be made in respect of offences ...

The Solicitor-General stated:

The use of the word 'must' in a statutory provision usually indicates that the provision is mandatory and directory—

which it was. The following information was obtained in relation to the Threatened Species Act. The act:

... forbids a person from knowingly taking, without a permit, 'any listed flora and fauna'. The word 'take' in this provision obviously includes the harvesting of any such flora and fauna, but is defined in s.3(1) to include the meanings of 'damage' or 'destroy'.

In that instance, 'damage' or 'destroy' meant burned and that was another reason why I issued notices. Finally, the Solicitor-General stated:

The simple point is that it is in the public interest for all threatened species to be protected from harm or potential harm, both because of their intrinsic value, and the potential advantages to humanity of genetic diversity. Where the establishment of forests on land, or the growing and harvesting of timber on land, would necessarily have an adverse affect on that public interest, that land would not be suitable for declaration as a private timber reserve.

This advice was in relation to private timber reserves, but the meaning is the same.

I will put up another slide in relation to that, which I obtained prior to my leaving the board. It is satellite imagery, which is available, and it shows on this particular site the extent to which the streamside reserve was obliterated. You can see others in the photo. The green is vegetation. In these patches it is regenerating or replanted vegetation. But on this site, it was clear-felled vegetation. That technology can be used at any time by the federal government to check up on any of the coupes within Tasmania.

Senator O'BRIEN—Or anywhere else.

Mr Manning—There is a point I want to make in relation to another coupe and then I am done—like a dinner! The next district I went to was the Bass district. There was a similar circumstance there. I came across a coupe where harvesting had ceased. The streamside reserves were intact. The site was being prepared for a first rotation eucalypt plantation. I was again in the same situation where the forest practices officers requested that I issue notices for the practices that were occurring. But what was particularly concerning to me was that these breaches had occurred in these streams—this was giant freshwater crayfish habitat, and it had absolutely been obliterated. It was not done by the logging contractors; it was done by Forestry Tasmania.

First of all I refused to audit the site. I said, 'There are far too many breaches here; I'm not going to be involved with this.' Then I went back later and did audit it. At the time I audited it, I was particularly distressed because there was a gang of Forestry Tasmania employees clear-felling streamside reserves. I had employed two of these fellows myself when I was in charge of harvesting operations in the Launceston district, so I knew them well. I was particularly distressed about what they were doing. They said, 'We're just doing what we have been instructed to do.' Again, the forest practices officers in the Bass district asked me to issue notices, and I did.

But the streamside reserve on that site—the coupe that I was auditing was only a small portion of it—was all clear-felled and burnt. It was done after the fact—after the logging contractors had been there, left the streamside reserve, done the right thing and moved out. I could not get over it, actually. I could not see the logic of it. You can see in this slide that the logging debris has been pushed by Forestry Tasmania contractors into the streamside reserve so that it will be fired. That is exactly what happened.

During the process of auditing this, I also looked through their files and I came across this email. It is fairly self-explanatory. It was from a district forester to Senior Team in relation to logging and plantation development. It says:

I must admit that I was a little embarrassed yesterday as I had anticipated all the coupes for planting this coming winter would be completed or very near completion.

At the moment there seems to be far too many coupes opened but no priority on the coupes such as SI102 E.

Tomorrow I will be sitting down with the Japanese and Boral and agreeing to a very specific works program. I will not be able to change or swap coupes at my whim. The Management Committee have been looking at specific coupes over the past two days and they will be wanting to see those coupes planted in 12 months time.

As the project manager we will be expected to perform to a high standard to lords and masters other than FT Exec.

And that is fairly clear that is the Japanese and Boral.

Given the weather, the sales conditions and the large amount of wood on many of these coupes—

that is, remaining wood that they may or may not have had sales for—

I would like to see a concentrated effort in planning scheduling and clearing of these coupes asap.

The issue applies to all 2000 age class coupes including pine and eucalypts.

Further, Paul Smith—

who is the regional manager for the whole north of the state of Tasmania for Forestry Tasmania—

and I are agreed on the need to ensure that we plant across/through all class 4s as appropriate. As such, THPs may need to be amended to address this issue.

This is clearly contrary to the code at the time and all advice that we had from the Solicitor-General.

This is just after I issued notices on the site—and this is the notice that I issued. Then I wrote a covering letter with a complaint form to the Chief Forest Practices Officer. There is probably no need to go into the rest of it but, as I was an officer under these acts, I felt that I had a responsibility to ensure that Forestry Tasmania complied back then in 1999 the same as anybody else had to comply on private property. It was not the case and I had my authority withdrawn and was the only forest practices officer in the entire state to have his notice books withdrawn, even though I had never issued Forestry Tasmania with any notice prior to that. I found myself in a situation where I could not operate. After these audits, as I stated in my evidence, the audits were adjusted so that a better result would be brought forward, and I was moved into the auditing of fauna state wide where I also discovered numerous breaches. This is the satellite imagery for that particular coupe. It shows the streams. I have some copies of this to hand out to the committee if you wish. I will finish on that point.

CHAIR—The first thing that I probably should ask about before I go into specific questions concerns one of the things that is not clear to me. I am aware that you have worked as a Forest Practices Board officer, but what is your background in terms of academic qualifications and years of experience in this industry, either for your previous employer or prior to that?

Mr Manning—That was in my opening statement. I was employed for 32 years with the Forestry Commission, Forestry Tasmania and the Forest Practices Board so I had continuous service from 1970. I was a technical forester not a professional forester. As such, I was a field operator for many years in charge of harvesting operations, grading, acquiring, regeneration, replanting, silvicultural treatments in various districts around the state but in particular in the north-east in the Deloraine district where I spent six years. I spent a long time in the Launceston district.

CHAIR—After those 30-odd years, are you able to speak about what you see as a changing trend and, if there has been a changing trend—you talk about the current system not being world's best practice—what has changed in that time and what things have come onto the legislative or regulatory landscape, if you like, in terms of the RFA prior to and after then?

Mr Manning—I will just talk about the culture, if you like. When I started in 1970 there was no woodchipping industry as such, and the harvesting operations were selected for sawlog only. I worked with a lot of very senior foresters as a boy straight out of school. The course that we went through was like a cadetship. Over six years we had examinations in schools. We were stationed all around the state during that period to pick up first-hand knowledge of all types of forestry so that we would be able to instruct contractors and people who worked in the industry, and know what we were talking about in the field type implementation of general forestry. The thing that was particularly ingrained in my early years at forestry was the fact that the forest was a very special place. It was there for people to work in and to have a continuing sustainable type industry as long as we did it properly. That was the type of initial impression that I had and that I still have.

What has changed is that our forest management and silvicultural skills for the retention of potential sawlogs, minor species—you name it—just went out of the window with the regional forest agreement. We really had the best opportunity in the early nineties to make the industry credible through the Forests and Forest Industry Council process where we all agreed on the type of forest practice system that should be implemented and how it should be implemented. That is in those earlier reports that I provided for you. However, with the incoming investment through the regional forest agreement and the money that flowed into the industry, the sustainability of the industry changed and the emphasis changed. It was all about volume: 'Get it out. We have a sale for it now. Put it into plantation. We have this money; we have to use it.' The specifics of looking at a particular forest coupe and what was the best treatment for this coupe—saying whether we would retain all the potential sawlogs or the regrowth, or whether we would have over-wood removal or shelter wood, or whatever—never came into it. It just became a total clear-fall scenario from then on, and even more so now. The rate of clear-felling is just incredible. It is really sad because the people in the industry were the people that I had allegiance to—the contractors and the people that work in the industry. Most of those people wanted to be able to continue but even those who work in the industry can see that the end is coming very quickly because the forests have not been managed and they have just been clear-felled and put into plantation. I feel very sorry about that.

CHAIR—I want to go on to the question of world's best practice. No doubt you would be familiar with an independent report prepared in 2000 about the audit procedures undertaken by the Forest Practices Board. That was prepared by a Queensland based consultant and it is known as the Wells report.

Mr Manning—Yes.

CHAIR—In that report, the auditing and reporting procedures of the Forest Practice Board were reviewed, particularly in relation to compliance auditing, and they found that in terms of credibility, transparency and reliability of the processes, the FPB has a comprehensive system for managing self-regulation. Given what you have said today in your presentation, how do you account for that?

Mr Manning—I was instructed to go out with Mr Wells on one occasion. It was very interesting, because we went to about three or four coupes and every one of them had severe breaches on them. I did not know what coupes they were going to select. They were plans that were brought up from Hobart of state forest and private property. My main concern with the Wells report is that it was done by a forester. It is like police investigating police. I told him straight out, ‘I don’t think your report will have any credibility because it is a peer review, it is a forester’s review of foresters.’ If there is going to be any credibility in the system, it needs to be reviewed by people with science other than forestry and law. That is the sort of system that should be operating, in my view. Wells could not ignore some of the things he reported on, but the actual audit system itself has to be a laughing stock. It is absolute lunacy to have people who are not qualified in any way, shape or form wandering around the forest saying: ‘This is a good operation. That one is a bad one.’ There are no real parameters; it is very subjective.

CHAIR—I want to take you to another report that was done in 2002, as I understand it, by the Tasmanian Resource Planning and Development Commission and the inquiry that they conducted into the Tasmanian RFA. It has been described to me that the final report of this commission was a very soft one, but it makes a number of recommendations in relation to compliance audits, transparency of process, self-regulation and so on, and comments that they do not appear to be up to best practice standards. I presume you are familiar with this report?

Mr Manning—No, I have not seen it. The problem in Tasmania is that the forest industry has its people on just about every board or head of agency and controls the direction—even to the Department of Primary Industries, Water and Environment (DPIWE)—and people are not able to express themselves freely. They cannot give independent assessments. The control over them is extremely severe. You cannot get them along to hearings of any nature without a subpoena, and it is the same with me.

CHAIR—You would not be surprised, then, that one of the key recommendations from that commission was that the state improves the accountability of the forest practices system and that the issues they needed to consider included improving transparency in communication, improving on-the-ground implementation of forest practice plans, improving public understanding of the forest practice system and so on?

Mr Manning—No, I would not be surprised at all.

Senator HEFFERNAN—Congratulations on having the guts to do what you see as the right thing from a lifetime commitment to best practice in employment and in the health of the forest et cetera. I am curious about the three offices employed by the state, as I understand it, and the 150 offices employed by the people they inspect.

Mr Manning—The industry, yes.

Senator HEFFERNAN—Where did you fit into that? What part of that were you overseeing?

Mr Manning—There were three people on the Forest Practices Board who were paid for out of consolidated revenue—the Chief Forest Practices Officer, the office manager and me. All the rest are industry people employed by either Gunns or Forestry Tasmania.

Senator HEFFERNAN—Do they directly inspect and report on the person who pays their weekly bill?

Mr Manning—Yes.

Senator HEFFERNAN—I would have thought it was blindingly bloody obvious that, if you do not have independence of means, you certainly are not going to have independence of mind. Would a lot of those people be quietly smiling today because you are up here blowing the whistle, as it were?

Mr Manning—There would be a lot of them. The problem is that foresters have an extremely bad name in Tasmania—and rightly so—not because of individual forester's performance but because of the direction that they have been forced to take, and that has come from the top down.

Senator HEFFERNAN—Have any of these 150 non-independent officers attempted to report on their own employer's mismanagement?

Mr Manning—They have to me—when I was in that role, when I was employed. That is when I took action and suffered the consequences myself.

Senator HEFFERNAN—When you say that part of the operation was that you sent the cover—which I think is kind of folksy—but not the contents, what were those reports?

Mr Manning—It was the plan of the logging operation—the whole plan. All that the Forest Practices Board gets in Hobart is one page. That plan might have 20 pages, but they only get the cover page, which says where it is and which is a box ticking exercise.

Senator HEFFERNAN—Why do you think that is? Do you think that it is because they are not interested or they do not want to know? Why would that be? That is curious. It is quaint but fraught with danger.

Mr Manning—It is crazy, isn't it? I will give you an example. You would get a member of the public ring up and complain about a particular coupe or something that was happening on private property, state forest or wherever. In Launceston, where I was, I would ring them up in Hobart and say, 'Have you got a cover page for this coupe?' I would say where it was. One of the secretaries there would hunt around through the pile of a thousand plan face pages that we get a year—there are about 1,000 coupes logged—and might find that particular one. Then I would say, 'Oh, it's Gunns at Long Reach, Gunns at Burnie' or whoever who drafted the plan. Then I would have to ring them and try and locate the forest practices officer who wrote the

plan, who may be on leave or who may be in Timbuktu or wherever, and ask him, cap in hand, for a copy of the plan. We never had—

Senator HEFFERNAN—For someone who lives in a pretty black-and-white world, it seems to me that all is not in order. I have a couple of other things. Were the first rotations on those second rotation streams you showed planted right through the streams before the science was applied?

Mr Manning—Yes. They were planted between 20 and 30 years ago. There was no science considered then. It was just a matter of ‘This is what you do.’

Senator HEFFERNAN—I have heard that there has been some retrospective legislation to clean the slate, shall I say, from some misgivings of the past. Are you familiar with that?

Mr Manning—I think that is to do with private timber reserves, but I do not know. No, I am not familiar.

Senator HEFFERNAN—We can investigate that. That just seemed quaint.

Senator O’BRIEN—Are the plans that you supplied to the committee a representative sample of the industry’s performance? Sorry, that is not the way I wanted to phrase it; I will rephrase it. Is that representative of the sorts of activities the industry has undertaken? Does it cover a range of coupes that do different things—harvesting for native forest regeneration, harvesting for plantation, harvesting plantation for plantation and other purposes? I just wanted to get a feel for whether it was a representative sample or drawn on some other basis.

Mr Manning—On the Forest Practices Board audit it is a 15 per cent random sample. The audits that I was given to undertake were generated in Hobart; they would apparently randomly pick out of the facing sheets every whatever number. I would be given the numbers in that audit. In the other audit, the fauna audit, 100 per cent of the plans were looked at state wide.

Senator O’BRIEN—I was referring to the plans that have been supplied to the committee. I assumed that you had something to do with that, but perhaps I should not assume that.

Mr Manning—All the plans that I supplied were ones that I audited, but they are not all there. There are a lot more. There was Derwent district. You only have some of the ones for Bass district. Most of them I sent back to Hobart, but I did keep copies of some that I thought were going to be of concern and might be raised later.

Senator O’BRIEN—I will get you to have a look at a summary of those plans that I have had done. You will see that it shows a plan number, what the current land use was and what the proposed land use was, just breaking it down. I think there are six pages there.

Mr Manning—I would have to go through this to identify the coupes that I did. I must have done all these coupes, I assume.

Senator O’BRIEN—I am assuming that too—if that is how you got the harvest plans.

Mr Manning—Yes, it looks pretty much like it. I would have to read back through the plans to give you a comment on whether or not they went into plantation or remained in native forest, but just because the plans stated that it was to be converted to native forest does not mean that it was later amended. That is a particular process that has happened consistently. I would suggest that if the majority of these coupes had good soil and good rainfall they would be converted to plantation even though they might indicate on the front cover page of the plan that they were to stay as native forest.

Senator O'BRIEN—Can you tell us, either now or on notice, which of those proposed land uses is inaccurate in this document?

Mr Manning—The only way I could do that is to go and revisit the sites. But there is another way, and this would be available to the committee as well. That is to obtain the aerial photos which Forestry Tasmania does have of all coupes and all of these. They are taken after harvesting. You could see whether or not it has been converted to plantation.

Senator O'BRIEN—So it is ascertainable?

Mr Manning—Yes.

Senator O'BRIEN—I am just looking at the breakdown on the last page. From my understanding, of the 156 plans you will see a numerical breakdown, and I think 104 of those plans refer to plantations—either full or partial conversion or restoration of existing plantation.

Mr Manning—Yes.

Senator O'BRIEN—And 52 plans did not refer to plantations. Are you suggesting that more than two-thirds of these plans were likely to have been converted to plantation?

Mr Manning—It is quite possible. It is only a stroke of the pen to amend the plan to do it. If the district wants extra land area, that is all that is necessary.

Senator O'BRIEN—In terms of these particular plans, whose advice should we rely upon to understand whether there was actual conversion to plantation?

Mr Manning—I hope that you make your own assessment. I have—

Senator O'BRIEN—So there are plans to assess?

Mr Manning—I have supplied all the coupes that I audited as requested. Some of them were native forest. The majority were plantation. But, as I said, it would be very easy for one of the federal departments to obtain the aerial photos for all these coupes and give you the answers.

Senator O'BRIEN—So AFFA could check this—Agriculture, Fisheries and Forestry Australia?

Mr Manning—They could do it, yes.

Senator MURPHY—With the permission of Forestry Tasmania.

Senator O'BRIEN—I am not sure whether that is true.

Senator MURPHY—It is.

Mr Manning—They would not have to. They would just get the photos.

Senator O'BRIEN—You said in your evidence in relation to the Ombudsman that the Ombudsman who you took your case to failed to investigate it.

Mr Manning—Yes.

Senator O'BRIEN—You maintain that is the case?

Mr Manning—Yes.

Senator O'BRIEN—My recollection of the material that you supplied to the committee indicated that you asked the Ombudsman to investigate your case in relation to matters that were on a television program. Is that right?

Mr Manning—No. I had taken my case to the Ombudsman—it seems a long time ago now; it must have been two years ago—in the period before I left the Forest Practices Board. It was about August last year. What actually occurred was that I handed the documents, most of which were these files, to them. They rang me a week later and said, 'This is really good. We'll have a look at this.' Nothing happened for a couple of weeks. Then I got another phone call and they said, 'We want you to put a complaint in writing.' I said, 'I can't do that because I'm not protected.' I said, 'What will happen if I put in a complaint in writing?' I was told that the Forest Practices Board would deny everything and that it would all be over in a fortnight. So I did not continue with it.

What happened after that television program was that the Ombudsman recontacted me and asked me to go and see her, which I did with my solicitor. We had a meeting and she still wanted me to put in a complaint in writing. But, as a public servant, I was not protected and I could not do that. The documentation, as you have seen, is very sensitive. The whistleblower legislation, for want of a better name, was in parliament—had been through—and I expected that that would be enacted. But a year later, even though it has been through both houses of parliament, it is still waiting for the governor's signature.

Senator HEFFERNAN—Do you think they were trying to set you up?

Mr Manning—They were trying to set me up, yes.

Senator O'BRIEN—In the material that has been supplied to the committee, the Ombudsman appears to have written to you and said it has not been able to begin an investigation because it needs to have a written request in terms of the Ombudsman Act 1978.

Mr Manning—Yes, but the act says that the Ombudsman ‘may’ require complaint in writing. She does not have to. That was my solicitor’s advice, and I was taking his advice in preference to her advice: if she was going to conduct an investigation, she could do it at any time she wanted. She had the documentation.

Senator O’BRIEN—So your refusal was based on advice from your solicitor—

Mr Manning—Yes.

Senator O’BRIEN—not to make a written request?

Mr Manning—Yes.

Senator O’BRIEN—I am reluctant to ask questions about matters which pertain to the relationship between you and your lawyer, but it goes to the question of why these matters did not ultimately lead to an investigation. Have you communicated with the Ombudsman about your concerns with regard to making a written request for an investigation?

Mr Manning—Yes. There is quite a bit more documentation in relation to that that you have not got.

Senator HEFFERNAN—If you had put it on the record, would you have got the sack under the Public Service Act?

Senator O’BRIEN—Hang on. Can we complete my questions, and perhaps we can come back to further questions later. You have got further material relating to that?

Mr Manning—Yes, there is correspondence between my solicitor and the Ombudsman. I did not know how much of that stuff you wanted, so I did not put it in.

Senator O’BRIEN—I was asking about whether you had communicated. Are you saying the communication was between your solicitor and the Ombudsman, or was some of it between yourself and the Ombudsman?

Mr Manning—The last letter I wrote to her. Over 12 months, at no time was I requiring her to conduct an investigation, because I was not going to make a written complaint. After 12 months, if she had not sorted something out, it was never going to happen. So I wrote to her.

Senator O’BRIEN—Are you happy to supply us a copy of that correspondence?

Mr Manning—Yes.

Senator O’BRIEN—Thank you; I would appreciate that. What is the difference between ocular and regeneration surveys?

Mr Manning—A regeneration survey, under technical instruction 6 that the Forestry Commission operated under and that most of the private companies operate under, is a survey conducted, between particular parameters, of land to look for seedlings. After a regeneration

burn, for instance, the next year you go back to see if there are any seedlings there. You conduct a regulated survey. Every so many metres you put in plots and so forth. It is based on a formula that has been put together for natural regeneration, and does not take account of the three-metre spacing, for instance, that you get for plantation species that are planted in a row. You can see from aerial photos that every tree is there.

An ocular assessment is where you just go and have a look at it, walk around and say, 'Yes, they're all there.' Combined with that, if you are going to do an ocular assessment these days, if you go to the company, you ask them for their aerial photos. If you go to Forestry Tasmania, you ask them for their aerial photos. Then you go to the site armed with those photos. So if there is a patch in the middle where two trees are not, you can see it. But mostly because they are investor based plantations the requirement is for every tree to be there. If they are not, they go back and replant them. An ocular assessment is something you do, obviously, with your eyes.

Just to expand that a little bit further, I will talk to you about ocular assessments that we used to conduct in planning forest coupes. Over the years you would know, for instance, that in a particular area at a particular site you would get 300 cubic metres of sawlog and 600 tonnes of pulpwood off that particular type of forest. You would not have to go and assess it, because you would have two or three years of the figures off the similar coupes in the same area. You would go and look at it using an ocular based assessment. It is a craft that you develop over the years. You walk through a forest and you know exactly what the volume is, how much sawlog is there and how much pulpwood.

Senator HEFFERNAN—Like wool classing.

Mr Manning—Yes, exactly.

Senator HEFFERNAN—It is all done by eye.

Mr Manning—Yes.

Senator O'BRIEN—So, as I understand it, you asked Graham Wilkinson to provide you with a letter of introduction in order to explain to landowners why a regeneration survey was required?

Mr Manning—Yes.

Senator O'BRIEN—I take it that that is because you felt that it was inappropriate in the terms you have just explained to us. Is that right?

Mr Manning—No. They were all getting shitty with me when I went out there. They said: 'What are you here for? This is bullshit. Go back to the company and get aerial photos. Here they are; we've got a copy.' I was getting stuffed about and most of the landowners knew it. Because Tasmania is a small place, a lot of them knew me too. They objected to me going onto their private property for this sort of assessment—and it was all private property that I was assessing. They were private timber reserves where plantation establishment had been conducted. As I said, the reality is that I know most of those landowners. They would take the time to drive me around. Most of them were proud of the plantations that they had and the

investment that they had made. They would soon tell you if the company had not provided them with adequate stock or had fallen down on some part of the arrangement. My argument with Wilkinson was that there was no need for a systematic assessment. The assessment that he wanted me to do was not designed for plantations. In fact, it was lunacy, because they are systematically planted every three metres. However, I did do some before I left.

Senator O'BRIEN—So this was a disagreement about whether you should be doing this sort of work, I take it?

Mr Manning—It was just a disagreement. He was doing anything to get me away from auditing forest operations. This was the last straw—you know, 'What have we got?' before you start cleaning the toilets.

Senator HEFFERNAN—Was this before or after they took the book off you?

Mr Manning—After. It was in July and August last year.

Senator HEFFERNAN—Why did they take the book off you?

Mr Manning—Because I issued notices against Forestry Tasmania.

Senator HEFFERNAN—Why did you leave?

Senator O'BRIEN—What you are telling us is your perception. I am presuming that no-one said to you that that was the case.

Mr Manning—No, it is in correspondence that you have. There are letters from me and from Wilkinson.

Senator O'BRIEN—Does Wilkinson say that is why you were removed from that area?

Mr Manning—No, he goes around it slightly, but if you give this to the Federal Solicitor-General to interpret, I think you will get a very clear answer.

Senator O'BRIEN—Forgive me, I have not brought all the folders with me. Can you direct me to the particular correspondence that I should look at to understand that properly?

Mr Manning—Yes. I was going to put it up.

Senator O'BRIEN—If it is in the folders, if you could tell us who author of the correspondence is, whose letterhead it is on and the date, that will be sufficient.

Mr Manning—I could probably give you the page numbers. It is pages 120 to 129. The others are in that same area. Perhaps it will help if I tell you the coupes. The two coupes where I issued notices were the ones that I put up on the board. They were coupe 0030 in Murchison district and Forest Practices Plan MJS 0041 in Bass district.

Senator O'BRIEN—Thank you. I just wanted to find the particular correspondence you were relying on for the statements you have made.

Mr Manning—The instruction was clear that I was not to issue notices and that I was to return the notice books, if that is what you are asking.

Senator O'BRIEN—Sure. You have given evidence about what you believe was the basis for Mr Wilkinson's claim.

Mr Manning—Yes.

Senator O'BRIEN—I asked you whether he said that or whether it was contained in correspondence—

Mr Manning—It was in correspondence.

Senator O'BRIEN—or whether that was your interpretation. You are referring me to that correspondence.

Mr Manning—Yes, it is correspondence.

Senator O'BRIEN—If I have understood your evidence correctly, you believe that clear-felling is inappropriate as a harvesting method on the basis of sustainability.

Mr Manning—No, on the basis of silvicultural treatment. From my early experience in forestry, in 1970, it was drilled into me that you assess the forest first and then apply the silvicultural treatment that is best for the forest. Clear-felling does not do that. On the scale that has occurred over the last five or six years, the forest is being clear-felled more for plantation. Assessment of whether or not that forest can be grown on for future generations—for future logging and harvesting—has not occurred. In the 1980s, for instance, very few coupes were clear-felled. It was more about the silvicultural treatment, in which you assess what is the best you can get out of a forest by growing on the regrowth—that is, the potential sawlogs for other generations of foresters to come back and harvest—and take out what we then called 'rubbish' but which we now know were habitat trees and other things. But that was the way we were trained, if you like.

That does not occur now. There is a new generation of foresters—a lot of young people. There are foresters in Tasmania from all over the world. There are a lot from South Africa and a lot from New Zealand. In fact, Forestry Tasmania recruited 20-odd foresters from South Africa. A lot of them come here not knowing the best practices for silvicultural regimes in Tasmania and they are instructed from on high to come up with these areas and these volumes. The only way you can do that is to clear-fell.

Senator O'BRIEN—It seems to me a bit of a contradiction to selectively log an area which you want to convert to a plantation. Never mind whether you think that is the right thing to do, but it seems to me to be a bit of a contradiction to argue for selective logging if the ultimate aim of the harvest plan is to create an area in which a plantation is to be planted.

Mr Manning—That is exactly the problem. I am saying that Tasmania's forests should be managed on a sustainable basis to allow future generations to go back. By making a judgment to clear-fell and introduce species, you do not allow people, in years to come, to make any judgment on the forest, because the forest has gone. Whereas, if you make a decision based on the best silvicultural practice—not on whether you want 1,000 acres in plantation—you identify those areas that cannot give you the best outcomes for silvicultural practice and you clear-fell and plant them. But you do not say, across the board, that you are going to clear-fell everything.

There are skills involved and a lot of them have been lost in the way people work in the industry these days. A lot of the young guys coming in, whether they be foresters, tree fellers or whatever, have only ever known clear-felling. They have not learnt the skills involved in retaining mature vegetation for seed tree retention or for over wood removal, regrowth retention or whatever; they have just learnt that you come in at a face. A lot of these skills have been lost because of the rapid expansion of plantations. That is really sad because, in my view, the forest industry should be managed on a sustainable basis for everyone.

Senator O'BRIEN—In terms of selective logging, I have heard it said that there are some potentially significant safety issues for forest workers in certain types of forest. Is that so?

Mr Manning—You can expand what I just said to you about the skills being lost by the younger guys coming into the industry. Those people are then put in a situation where they are not used to retaining large standing trees, for instance, that might grow on to be sawlogs in 10 to 20 years. The amount of pressure that the industry has on them to produce large volume—that is where the danger comes in. There is pressure to produce large volumes of timber very quickly.

Senator O'BRIEN—This is the fallers you are talking about?

Mr Manning—Yes—and everybody who works in the forest. And they are getting paid bugger-all for it, I might add. They are the ones getting squeezed—people who work in the forest as well.

Senator O'BRIEN—Is it true that particular species are more dangerous from a selective logging point of view? I have heard it said, for example, that *Eucalyptus regnans* is one of the less predictable species in those circumstances.

Mr Manning—Probably the worst species would be myrtle forest. Once you open up myrtle forest, you get myrtle wilt. The roots in myrtles interlock. If you kill one, you kill many. Once you fall a myrtle tree it will most likely kill the entire area over a period of years. If you are going to fall a myrtle tree in, for instance, myrtle rainforest, the best ones are the ones that have been selected for their quality. The lesser ones are being left and, in the end, you have got nothing but habitat trees, as I know they are now.

Senator O'BRIEN—What are habitat trees?

Mr Manning—Trees with holes in them.

Senator O'BRIEN—Trees with no commercial value—is that another way of putting it?

Mr Manning—That is right. They are what we used to call culled trees before I was re-educated.

Senator O'BRIEN—So you would clear-fell the myrtles. Is that how I should understand it?

Mr Manning—In years gone by, yes. I would not do it now.

Senator O'BRIEN—Thank you.

Senator BROWN—Thank you, Mr Manning, for coming back to the committee and for your helpful evidence. I have got a few questions. I will follow the pattern of your evidence and ask them in that sort of order, so it will be a bit random. You mentioned very early on that there was deception of parliament, and I think you were referring to the state parliament. Could you just say how you see that as having arisen in Tasmania?

Mr Manning—It is based on the audit system. As I explained, the audit system has no weighting for a major offence. If you cause some major breach in the harvesting area of the code of practice, you are still able to get 90 per cent if your road is fine and your plan is good and other issues are okay. So the result of that audit does not give a true response of what actually occurred on the site. In the annual report of the Forest Practices Board, you constantly see very high figures—in the 80s and 90s—which are the results of all aspects of the harvesting, planning and so forth.

Senator BROWN—That is 80 or 90 per cent compliance?

Mr Manning—Yes.

Senator BROWN—But major breaches as such are not reported specifically in that report?

Mr Manning—No, they are not. For years there was not even a question in the audit whether or not the plan was breached. When you consider that the act was introduced in 1985 and the first code was introduced in 1987, and we have had 18 years of that operation, Forestry Tasmania having never committed an offence in 18 years is bullshit.

Senator BROWN—Right. But you said words to the effect that people were influenced not to report things because it might embarrass Forestry Tasmania—or was it the Forestry Practices Board—before the public and the parliament.

Mr Manning—It was more Forestry Tasmania. Reporting on private property was a lot harder than reporting on state forests.

Senator BROWN—So the Forestry Practices Board officers were encouraged not to report on Forestry Tasmania because it would embarrass Forestry Tasmania when the report came out and went to parliament?

Mr Manning—That is right.

Senator BROWN—Was that specifically conveyed to you or was it a feeling around the place?

Mr Manning—No. It was specifically conveyed to me when I was auditing state forests. I will just go back a step. As I said, when I was auditing North Forest before Gunns purchased that company up at Burnie, I had spent a lot of time with the foresters in that area. As a matter of fact, there is one here today. I feel that their efforts in getting above the bar was a commercial decision that the company made. They wanted to comply with the code because it was the best thing to do. It took a lot of years of working with people to get to that level.

I did not work on state forests. When I went from the private property to the state forests I was horrified because I just assumed that they were at a much higher level than where I had been. I guess I probably drove with blinkers on when I did go through forested areas. I do not know, I just never looked because I was going to do specific audits. But when I did do them—for instance, in the Derwent district—I found that their plans were exemplary. They were probably the best plans that were ever done in the state. But the actions on the ground were the worst.

Senator BROWN—So the plans were breached or were not on it?

Mr Manning—Yes. The plans were breached. There were numerous breaches. For instance, there were plans that I went to look at where there was supposed to be regrowth retention and there was no retention. Places were clear-felled. There were class 2 streams that were clear-felled. Wildlife habitat strips were taken out. There was absolutely no control whatsoever.

Senator BROWN—You have told the committee, I think, that these plans were legal documents. But, once they were written, it was a breach of the law not to comply with them?

Mr Manning—Yes.

Senator BROWN—That is right?

Mr Manning—Yes.

Senator BROWN—And yet you are saying that frequently they were not complied with. In other words, the law was breached.

Mr Manning—That is right.

Senator BROWN—You have given some specific accounts of that. I will just deal with the relationship between the Forest Practices Code and the forest practices plan. The code is a direction but it is not a legally binding document.

Mr Manning—That is right.

Senator BROWN—It directs how the plan is drawn up. The plan is then legally binding.

Mr Manning—Yes.

Senator BROWN—You are saying to the committee that frequently the plans, which were legally binding, were broken?

Mr Manning—Yes.

Senator BROWN—And that in at least some cases the plans were altered afterwards—

Mr Manning—That is right.

Senator BROWN—to allow for the breaches which had occurred. So in effect we have here a breach of the law being covered up by change to documentation in Tasmania.

Mr Manning—That is right.

Senator BROWN—Do you think that happened often?

Mr Manning—I am sure it did.

Senator BROWN—Do you think it is still happening?

Mr Manning—Yes. I would assume it is still happening; I have not been employed for 12 months in that area.

Senator BROWN—You went to the Murchison, and you have shown us the pictures of the streamside reserve being replanted with pines, but it should have been replanted with native species—amongst other things, I presume, to protect the habitat of the crayfish that you showed us.

Mr Manning—Yes.

Senator BROWN—Did the plans there provide for the replanting with native species?

Mr Manning—Yes.

Senator BROWN—In effect, we are seeing here another breach of the law because the plans which provided for native spaces specifically to protect the ecology, including the habitat of the crayfish, have been breached by the planting of introduced pine afterwards.

Mr Manning—Yes.

Senator BROWN—What is the situation now? There is a standing breach of the law there, isn't there, as those pine trees are growing?

Mr Manning—I issued a notice to have them removed, and the district forester refused. The Chief Forest Practices Officer, after consultation with the district forester, agreed that the plan should be amended to allow the pines to remain.

Senator BROWN—I am interested in that. You are telling the committee that there is a document here that was legally binding—this is the plan—which said that native trees should be replanted to keep faith with the code and for ecological reasons. They were not. Pines are planted—by Forestry Tasmania?

Mr Manning—Yes.

Senator BROWN—And then an officer of Forestry Tasmania, rather than following your direction that the code should be upheld by removing the pines and planting natives species, says, ‘No, we’ll change the document.’

Mr Manning—After he had conferred with the Chief Forest Practices Officer. There is correspondence in those files that I have given you that shows that the district forester wrote to the Chief Forest Practices Officer. There is that note on the file where the Chief Forest Practices Officer says: ‘Instruct Bill not to issue notices. Instruct the district forester to amend the plan to allow the breach.’

Senator BROWN—Who is the Chief Forest Practices Officer?

Mr Manning—Graham Wilkinson.

Senator BROWN—I am getting here, though, that that change of the plan, whether it is instructed by him or not, is not legal. Or is it legal, once it comes from the Chief Forest Practices Officer?

Mr Manning—You cannot, from the Solicitor-General’s opinions that we have obtained—

Senator BROWN—Which are here?

Mr Manning—Yes—backdate approval. In other words, following an illegal action you cannot approve it.

Senator BROWN—You cannot make it right by changing the paperwork?

Mr Manning—No.

Senator BROWN—You also told the committee about the reduction in the class 4 streamside reserves. I have got the Forest Practices Code here, and these are streams that do not necessarily run all the year round but they are nevertheless important streams in the order of things. This size of streamside reserves was reduced from what to two metres?

Mr Manning—From 10 metres, in the class 4 streams, to two on one side. Prior to that you had a 10-metre reserve on either side that machinery was not allowed into. They could take timber out of it, but the code said that it should be retained. What happened in the new code was that all of that was removed and, where plantations were being established, the 10-metre machinery exclusion zone was reduced to two metres. So ploughing and establishment of plantations was allowed within two metres of the stream.

Senator BROWN—Thank you. You talked about corporatisation of Forestry Tasmania and how things have changed since then, with bonuses going to foresters if they performed by getting more out—on a volume or an area basis?

Mr Manning—I had been instructed that it was on an area and volume basis—an area basis for hundreds or thousands of hectares of plantation and a volume basis for the large volume of pulpwood that would be taken off. So, in other words, the encouragement to clear-fell and plant the plantations was there for senior officers to get a bonus.

Senator BROWN—Do you know what the bonus is?

Mr Manning—No, but it would be very easy to check through their group certificates and how the variations in volume applied to increased pay packets.

Senator BROWN—Were there any bonuses issued for people who were successful in applying or sticking within the Forest Practices Code or abiding with the forest plans when they were printed?

Mr Manning—No.

Senator BROWN—So you have here a system which gives you a bonus for increasing clear-felling and woodchipping, but no incentive for protecting the environment or abiding by the Forest Practices Code, beyond doing your job?

Mr Manning—That is right.

CHAIR—Just on that question, are you aware of the bonuses at first hand?

Mr Manning—I am aware of them from a number of officers in various districts. I have no written confirmation of that, but, with the number of people who have complained to me about it, there must be something in it.

Senator BROWN—Looking at the 150 to 170 forest practices officers who work with Forestry Tasmania or in the industry—and I presume that is mainly with Gunns these days, but there are various companies—do you know of any who have had trouble because they have done their job?

Mr Manning—Yes, I do. There are numerous people. A lot of them have left the industry and the state—particularly the state—because of problems that they have had. A large number have left Forestry Tasmania as well.

Senator BROWN—But have you got a specific concern that this was because they were wanting to implement the Forest Practices Code as such and were being told that they should not or were being encouraged to cut corners?

Mr Manning—Yes, that is right.

Senator BROWN—You consulted the Solicitor-General about the matter of complying with the Forest Practices Code and the forest plans. Was that in relation to just timber harvesting plans on private land or was that in relation to timber harvesting both on private land and in state forests?

Mr Manning—Both.

Senator BROWN—I will come back to that in a moment. You then went on to say that the advice you got was that the board must monitor compliance with the Forest Practices Code and cause complaints to be made, and you gave that legal ruling to the Forest Practices Board in Tasmania.

Mr Manning—Yes.

Senator BROWN—So they were aware of it?

Mr Manning—Yes.

Senator BROWN—What about Forestry Tasmania?

Mr Manning—No, I did not give it to them.

Senator BROWN—You went on to issue a ticket—a section 41 notice, as you have called it. What is a section 41 notice?

Mr Manning—A section 41 notice is merely, if you like, a first call. It does not precipitate prosecution. It is a notice to advise of an alleged breach and it generally calls for remedial action. If action is not taken then a section 41(2) notice can be issued and, if that is not complied with, you can then go on to prosecution. However, you do not need either notice to proceed with a prosecution for breaches. If the evidence is there then a case can be formed.

Senator BROWN—You have the implication—to say the least, from the legal advice that you have—that once the breach is noticed then action could be taken.

Mr Manning—Yes.

Senator BROWN—But you said, if I got it right, that your section 41 notices were overridden by the board without inspection of the site.

Mr Manning—That is right.

Senator BROWN—When you say ‘the board’ here, do you mean the board or the Chief Forest Practices Officer or both?

Mr Manning—No, it was the Chief Forest Practices Officer, Graham Wilkinson, who conferred with the District Forester at the time, who was Brian Farmer.

Senator HEFFERNAN—Whose payroll was he on?

Mr Manning—The district forester was on Forestry Tasmania's payroll. They conferred and there was correspondence between them, which you have. Wilkinson agreed to cancel my notice and that is in writing, prior to him inspecting the site at a later date, which was also in the same letter.

Senator BROWN—And your authority to issue more notices was withdrawn?

Mr Manning—Yes, and my authority to lay complaints as well. This is speculation but in the notice I issued I also mentioned that there had been a breach of the Environmental Management and Pollution Control Act as an investigating officer under that act as well and there had been a breach of the Threatened Species Act as well as the Forest Practices Act. In correspondence, I mentioned that there was no evidence that should suggest that lesser streamside reserves should be used. My particular view is that the board cancelled my authority to lay complaints because they were afraid that I might lay a complaint and that the issue of the streamside reserves and no scientific evidence for less than 30 would come out in court. That is the only reason that I can think of.

Senator BROWN—The scientific evidence for what?

Mr Manning—For lesser streamside reserves than 30 metres.

Senator BROWN—And that would come out in a prosecution case?

Mr Manning—Yes.

Senator HEFFERNAN—So what class of stream is that?

Mr Manning—The only scientific evidence at that time that we had was based on class 2 streams. In the early nineties, a scientist by the name of Peter Davies did a lot of research on class 2 streams. When I was working with the Forestry Commission, he instructed a whole lot of other foresters and me. At a meeting in Hobart, he put out a paper, which would be available, stating that a minimum streamside reserve should be 30 metres. I questioned him on that particular day in the nineties—I remember it well. I said, 'What about the other streamside reserves that we have—the class 3s and 4s?' He said, 'I have no scientific evidence to be able to comment on a lesser streamside reserve than 30 metres.' But we had these streamside reserves. We did not have any scientific evidence to justify them and that was never obtained—there has been some research in the last couple of years.

Senator BROWN—And then your authority was withdrawn?

Mr Manning—Yes.

Senator BROWN—Who withdrew it?

Mr Manning—Ken Felton, who was chair of the Forest Practices Board.

Senator BROWN—Do you know what other posts he has or had?

Mr Manning—He was one of the executive directors of Forestry Tasmania.

Senator BROWN—Was that at the time or beforehand?

Mr Manning—I think it was at the time.

Senator BROWN—And what did you do?

Mr Manning—There wasn't much I could do, was there?

Senator BROWN—I guess not.

Mr Manning—I argued in writing with Wilkinson about the withdrawal of my notice books. That was ignored and I was hauled to Hobart, along with my notice books, which I duly handed over.

Senator BROWN—Mr Manning, I just want to encapsulate this: you are a forest practices inspector, effectively. You see Forestry Tasmania breaching not only the Forest Practices Code but also the legal document which says, 'This is a plan which must be upheld.' You issue a notice to Forestry Tasmania about that. Your boss at the Forest Practices Board overrides that when consulting with Forestry Tasmania. Then the chair of the Forest Practices Board, which is supposed to be overseeing forest practices and the implementation of the code in Tasmania, but who also happens to be an officer with Forestry Tasmania—the organisation you had issued a ticket against— withdraws your ability to issue further tickets?

Mr Manning—That is right.

Senator BROWN—You said that Forestry Tasmania had never been prosecuted, but I seem to have read that recently they have been.

Mr Manning—They have been dealt with under section 47B, which is the imposition of a fine, and there may have been one or two occasions since I left, but they have never had the public embarrassment of being dragged through court, as I did to numerous contractors and companies in the private sector.

Senator BROWN—Why was that? How were they issued with a fine but not taken to court? What is the difference?

Mr Manning—There was an amendment to the act about four or five years ago to allow fines to be imposed without dragging people into court. So people would be given the option of either paying the fine or, if they did not pay the fine, being taken to court, and the least amount of publicity was to pay the fine.

Senator BROWN—And these are fines of the order of \$1,500?

Mr Manning—There was one very stiff donation—

Senator HEFFERNAN—\$3,000.

Senator MURPHY—\$10,000; \$25,000.

Mr Manning—I do not know exactly how much they are.

Senator BROWN—You have talked about the form of the assessment, that the forest practices officer does not go in before or during the process of logging the plantations but goes in afterwards to make the assessment.

Mr Manning—Yes, the audit is conducted after the site has been logged.

Senator BROWN—After the horses have bolted?

Mr Manning—Yes. There is no audit while the operation is in progress.

Senator BROWN—I am jumping around here, but I am trying to take things in order, if you will bear with me. After you had your job terminated, effectively, by the Forest Practices Board, you were refused an appearance before the board.

Mr Manning—That is right. It is very interesting that I tried to get to speak to the board on a number of occasions in the 13 years that I worked for them, but I never actually got to meet them. There was only ever a maximum of 15 of us employed in the unit—the others were zoologists, botanists and archaeologists—but I was never given an audience with the board on anything.

Senator BROWN—Who is on the board?

Mr Manning—Very shadowy figures—I have forgotten their names.

Senator BROWN—It does not matter; we can find that out.

Mr Manning—It is in the annual report—Ross Waining, an ex-manager of the Boral woodchip company; Roger Chalk, a private forester, investor and mayor of Wynyard council; Peter Volker, a forest consultant and forester—

Senator HEFFERNAN—They might have a slight conflict of interest.

Mr Manning—They are all foresters, basically.

Senator BROWN—Maybe we should not pursue you to give opinions on that and we can find out for ourselves exactly what their employment was and who else they were employed by at the time of being on the Forest Practices Board. I think that when you said they were shadowy figures you were meaning that the staff that they employed to do their work, as you have said, did not have access to them and did not meet them.

Mr Manning—I never did but I was always in a difficult area for them because I was prosecuting a lot of them.

Senator BROWN—Yes, we have established that already. But besides Forestry Tasmania, it may have been that in the past when you were prosecuting people in the private enterprise you were also prosecuting people who had connections with people on the Forest Practices Board.

Mr Manning—Definitely.

Senator BROWN—But they did not intervene on those occasions—or the board did not.

Mr Manning—I was named a lot in parliament and I was dragged to Hobart on numerous occasions to explain—

Senator BROWN—By whom?

Mr Manning—why I had started proceedings against certain companies and contractors. In the end I just said that every time somebody raised something or there was a critical issue in relation to a prosecution, the Department of Public Prosecutions did the prosecutions and they would not accept a case that I had prepared unless it was going to be a winner, basically.

Senator HEFFERNAN—Did they threaten you?

Mr Manning—Yes, I was threatened on numerous occasions.

Senator BROWN—In what way?

Mr Manning—Bodily. A lot of the times you have the matches rattled and people just say, ‘We know where you live,’ and that sort of thing. I remember one specific occasion that frightened the pants off the chair of the Forest Practices Board at the time, Ken Felton, and Evan Rolley. They did not believe that the industry had a handle on where I was and what I was doing. I had to meet them to go and look at a breach in the field. I picked them up at the International Hotel in Launceston and we drove down the road and a log truck passed me about 100 metres from the hotel. It happened to be the same contractor whose site we were going to see about 150 kilometres away. I said, ‘They will be on the two-way and they will know that I have you guys in with me and that we are going somewhere.’ Then we passed another truck about a hundred kilometres away and we went to the site, which we had to walk about a kilometre to get to, and about half an hour later out of the bush came a sawmiller, who shall remain unnamed, abusing the living daylights out of us and threatening all of us. They could not believe that this had actually occurred.

It happened all the time in pubs. There was a prosecution that was called, in the magistrates decision, the ‘Newstead hotel affair’. I had met a fellow on a Friday night when I went to the bottle department to get a bottle of red after work and he said, ‘Come in and have a beer.’ I am not a pub drinker but I went in with him and there were a couple of contractors in there. I had issued them notices on private land for their performance and they came over and wanted to argue. I said, ‘All you have to do is comply with the code and you will not have a problem.’ But they got really heated about it and I said, ‘I have already warned you a couple of times and I am

not going to stay here and argue,' so I left. That came up in a prosecution where the same guys were prosecuted for offending and were convicted. The magistrate called it the 'Newstead hotel affair'.

There was another occasion on the west coast where I had issued notices on private land and I thought I would go to the Marrawah pub. I did not want to stay in Smithton, because every contractor in Smithton would know I was there. I went down the coast and came back about an hour later after I had booked into the Marrawah pub—which is the most flea-bitten dive you would ever want to stay in, but at the time I thought it was the best place to be—and there were half-a-dozen contractors waiting for me. They said, 'We knew you were here.' I said, 'How did you know?' and they said, 'How many trucks did you pass when you came down this way?' That sort of thing happened all the time—constantly.

Senator BROWN—So there is a fair deal of stress on a forest practices officer.

Mr Manning—Yes.

Senator HEFFERNAN—Does it still happen?

Mr Manning—No, as a matter of fact, I ran into a very large contractor this morning at Melbourne airport. He figured that I was coming up here and said he had been following the progress. He said, 'I hope you do well. We should have sorted this out years ago.'

Senator BROWN—Why do you think that change has occurred?

Mr Manning—People can see that the writing is on the wall—they have not got a long life.

Senator BROWN—Going back to your evidence, you said that the zoologist had been ordered to delay reports so that clear-felling could proceed. By whom?

Mr Manning—Graham Wilkinson.

Senator BROWN—So the process there is that a coupe is about to be logged, a zoologist has a report to do with rare and endangered species which might interfere with that logging and the Forest Practices Board says to the zoologist, also in their employ, 'Delay the issue of that report.'

Mr Manning—That is the type of thing. What specifically happened in this situation was that, as I was finding breaches through the fauna audit, I knew that there was a time period of within 12 months in which they had to be dealt with. I instructed the senior zoologist to report them to Wilkinson. I said, 'For God's sake, get them off your desk. You don't want them on your desk. You don't want to be caught up with this if somebody reports and want to know what's happened.' So she reported them and was instructed not to make any further individual reports by Wilkinson until such time as the audit had been completed. The audit took about two years, which meant that all of them were out of time.

CHAIR—Senator Brown, I am mindful that we have witnesses waiting on the other end of the phone line, and Senator Murphy also needs to ask some questions.

Senator BROWN—Yes. I am getting close to the end, but I will need another 10 minutes.

CHAIR—Try to keep it to the 10 minutes, or less if possible.

Senator BROWN—The Hesterman report came from zoologist Heather Hesterman. She wrote to the Forest Practices Board's Graham Wilkinson, saying that both devils and rare spotted-tailed quolls were protected under the Tasmanian threatened species. She went on to say:

... after an area is clear-felled, the continued absence of scat and other signs during a trip—

only last March she went back to this clear-felled area—

affirms that this area remains uninhabitable now one-year post harvest, and clearly the effects of logging have also been far-reaching in terms of native animal species lost, including that of the rare spotted-tailed quoll.

That speaks for itself. She got a rather 'we will look at further studies' response from Mr Wilkinson. We now know that the Tasmanian devil is under extreme pressure due to a disease which has broken out and is wiping out up to 90 per cent of them—working from the north-east of the state towards the west. But what she is saying is that, where clear-felling occurred, at least in the year follow-up after that, the devils which were in that area were eradicated. Is that how you read that?

Mr Manning—That is what I would read into it, yes.

Senator BROWN—And the spotted-tailed quoll, which is the tiger quoll, the biggest of the other carnivorous marsupials—

Mr Manning—Once you clear-fell a site, the animals that lived on that site are going to try to get out and inhabit the adjoining areas. You might have a wildlife habitat strip, but that is only going to be 100 metres wide at the maximum. There are going to be other animals that live in there and they are not going to want intruders. Any animal that lives on a site that is clear-felled is basically killed. If it is not killed in the initial falling, it is later killed by poisoning.

Senator BROWN—The advice you got in 1997 from Simon Allston, principal Crown Counsel, was that to interfere with such rare and endangered animals, whether for harvesting or replanting trees—or in the process of—is effectively a breach of Tasmanian law.

Mr Manning—That is right.

Senator BROWN—But it has continued to happen.

Mr Manning—The clear-felling is out of control.

Senator BROWN—Before clear-felling happens, do you know whether there is a rigorous look by anyone besides the zoologist—whose reports may be delayed—in these areas of plantation forestry for rare and endangered species?

Mr Manning—There is a program called the Threatened Fauna Adviser, which is a computer program that the Forest Practices Board are trained in the use of. That is merely a guide to setting up approval for the harvesting of these sites. It is a difficult process to explain. The reality is that I do not care who you are; you cannot say that a 100-metre-wide strip between clear-felled coupes, whether it is a streamside reserve or whatever, is going to retain the habitat or the water quality or anything on those sites. The scale of clear-felling in Tasmania is huge.

Senator BROWN—Thank you. I may have some other questions about that, which I will put on notice. The last matter I want to come to is that you went to the then Tasmanian Attorney-General, Dr Patmore. You said:

I took all ... to the then Attorney General ... I expected him to uphold the Forest Practices Act ...

You expected prosecutions but nothing happened. Did he indicate that he would take action?

Mr Manning—He indicated to me that the government would eat me alive for making those sorts of accusations, that he was introducing a public disclosure act and that I should wait until such time as that act went through parliament before making a disclosure about all these issues. He resigned six months later. The act went through parliament, but the week before he left he took my issues to the secretary of the Department of Infrastructure, Energy and Resources. So Patmore basically did nothing apart from pass it on to someone else who dealt with the problem by getting rid of me.

Senator BROWN—Who is the secretary of the department?

Mr Manning—Mark Addis.

Senator BROWN—Is that the same Mark Addis who comes from the Forest Industries Association of Tasmania?

Mr Manning—Yes. He was chair of the Forest Industries Association of Tasmania for many years.

Senator MURPHY—Chief executive.

Mr Manning—Sorry, chief executive.

Senator BROWN—He is now secretary of the department that looks after forest issues. Why did Dr Patmore give him your brief?

Mr Manning—Because the Forest Practices Board comes under that agency.

Senator BROWN—Who is the minister?

Mr Manning—Lennon.

Senator BROWN—Mr Lennon, who is the Deputy Premier and Minister for Forests. What was the response from Mr Addis to you? Did you get a personal response or a written response?

Mr Manning—I got some responses that were the usual spin that you expect from bureaucrats.

Senator BROWN—Did you get a written response?

Mr Manning—Yes.

Senator BROWN—Do we have a copy of that?

Mr Manning—Yes.

Senator BROWN—I just want to recap. You went to the Attorney-General of Tasmania with a series of documents which, on the face of it, showed illegal logging activities in Tasmania. The Attorney-General handed them across to the head of the department under the Minister for Forests, who comes from the forest industry himself, and no action was taken.

Mr Manning—That is right.

Senator BROWN—How did you feel about that?

Mr Manning—To tell you the truth, I was starting to get used to it. In fact, I was not starting to get used to it; I had been used to it for years.

Senator BROWN—This is despite the advice you had from Mr Mark Miller, Crown Counsel in the office of the Solicitor-General that, where a breach of the forest plan is shown, a prosecution should follow?

Mr Manning—That is right. The evidence in most of these situations is very clear. You have to remember that harvesting operations do not hide the fact that they have been there. In Tasmania, they are very large scale and have a very large impact, so it is pretty easy to get a prosecution up or to collect evidence.

Senator BROWN—Finally, you mentioned that you went out to inspect a coupe with Mr Rolley, the forestry commissioner in Tasmania. At that coupe, were there breaches of the Forest Practices Code?

Mr Manning—Yes, it was on private property.

Senator BROWN—Were they prosecuted?

Mr Manning—Yes.

Senator BROWN—Did you talk to Mr Rolley then or at any other time about breaches of the code by Forestry Tasmania?

Mr Manning—Yes, I did on a number of occasions.

Senator BROWN—What was his response?

Mr Manning—His response was that he did not want policemen in his forest.

Senator BROWN—Did you talk to him about the two particular cases we have been dealing with mostly today?

Mr Manning—I sent copies of one of them to him but did not get a response.

Senator BROWN—Which one was that?

Mr Manning—I cannot recall without looking at it.

Senator HEFFERNAN—What do you do now?

Mr Manning—I was transferred into Workplace Standards Tasmania.

Senator HEFFERNAN—Is that a warehouse for worn-out public servants?

Mr Manning—Yes. No, I should not say that. They are a very nice group of people.

Senator HEFFERNAN—I should not have said it either.

Mr Manning—They have to put up with me. They have done that for over a year and have been very good to me.

Senator HEFFERNAN—What do you actually do?

Mr Manning—OH&S investigations, industrial relations, dangerous goods—that sort of area. I am investigating, if you like, in another field.

Senator MURPHY—Chair, I have one question for you before I proceed to ask questions of the witness. Are you going to allocate time equally for senators to question witnesses during the remaining part of this hearing or is it going to be on the basis that whoever jumps in first gets the longest time? How are we going to work this? I want to know whether I am going to have three-quarters of an hour to ask Mr Manning some questions.

CHAIR—I was hoping to complete the hearing of the evidence of the witness Mr Manning by 7.30 p.m. I know that we have another person waiting on the line and that we have AFFA. It was requested that additional time be made available for Mr Manning because of extensive questioning. I would not want to deny you the opportunity to ask the questions you need to ask, but I think we need to apply both flexibility and commonsense in how that is achieved.

Senator MURPHY—Chair, I thank you and I appreciate the fact that you have given me a sufficient amount of time. Mr Manning, I will firstly go to the question of the Forest Practices Act and the statutory requirements placed upon the officers of the Tasmanian Forest Practices

Board and its employees. Paragraph 1.3 of the Forest Practices Board annual report 2001-02—and this would be in all the annual reports—says:

The Chief Forest Practices Officer (CFPO) is responsible for overseeing the day to day administration of the forest practices system and is appointed under s.4J of the *Forest Practices Act* as a person who must have:

- (a) extensive expertise in forestry; and
- (b) extensive experience in forest operations; and
- (c) knowledge of the sustainable management of forests; and
- (d) management skills.

During the course of the process that you were involved in as a forest practices officer, did Mr Wilkinson ever attend a site where you had reported an alleged breach of the timber harvesting plan?

Mr Manning—Where I had reported?

Senator MURPHY—Yes.

Mr Manning—No.

Senator MURPHY—So at no stage during your career as an officer employed by the Forest Practices Board did Mr Wilkinson ever attend a field visit with you?

Mr Manning—Not that I recall.

Senator MURPHY—It is important for me to know that with regard to the process that is applied to the Forest Practices Board and its officers. If you could give some thought to that and take that on notice, I would appreciate it if you could advise us, at least as well as you can recall, whether Mr Wilkinson ever attended any of the sites on which you reported alleged breaches of the timber harvesting plan applicable to that site.

Mr Manning—In relation to the audits that I sent to the committee, I can answer quite clearly no. He never inspected with me any site on any of the 80 to 100 breaches that I have reported.

Senator MURPHY—The letter at page 9 of your submission to you from the Solicitor-General goes to the question of interpretation of the Forest Practices Act, specifically sections 47B and 4G of the act and the advice contained therein. I understand that you forwarded that advice to Mr Wilkinson.

Mr Manning—Yes.

Senator MURPHY—Did Mr Wilkinson respond to you?

Mr Manning—Yes, he did. He responded that he did not agree with it. He did not write to me.

Senator MURPHY—You have not received any written response?

Mr Manning—No. He just said, ‘Look, I don’t agree with it,’ which I could not deal with because—

Senator MURPHY—Are you aware of any peer review process for forest practices officers under the act that is to be applied?

Mr Manning—No.

Senator MURPHY—You say no. Obviously, then, there was not a peer review process applied during your term as a forest practices officer?

Mr Manning—No.

Senator MURPHY—I understood you to say earlier that you and at least other forest practices officers that you are aware of never met with the board.

Mr Manning—Yes.

Senator MURPHY—There is also an advisory council of the Forest Practices Board. Did you at any time meet with the Forest Practices Advisory Council?

Mr Manning—No.

Senator MURPHY—Isn’t the responsibility of the Forest Practices Advisory Council to have a look at the whole process as to how the Forest Practices Board is working and whether or not any changes ought to be made to the administration?

Mr Manning—The Forest Practices Advisory Council advises the board on issues of the code, the act and the auditing—that sort of area.

Senator MURPHY—To your knowledge, have the Forest Practices Advisory Council ever advised the board—and you may not know this—with regard to changes to the Forest Practices Code?

Mr Manning—Yes, they have, in relation to the 2000 code where the strengths of reserves were reduced on sites where plantation establishment was to occur from 10 metres on class 4s down to two metres.

Senator MURPHY—With regard to streamside reserves, you also provided to the committee in your submission at section 4 of folder 2—I do not have a page number—the new guidelines for the protection of class 4 streams. We highlighted earlier, at least in your response to questions, that the Forest Practices Code is a guide for determining silvicultural applications and environmental applications in timber harvesting plants; is that correct?

Mr Manning—The answer is basically yes, although not so much for silvicultural applications. There is only one page on silvicultural techniques.

Senator MURPHY—But it certainly applies to environmental management.

Mr Manning—Yes.

Senator MURPHY—Going back to the pine plantations, the document contained at section 4, ‘Class 4 streams’, sets out a range of options. I guess I could describe them as options, although they are described as measures here. If I read that section correctly—and I would ask you to correct me if I am reading it incorrectly—those applications would depend on the slope type and soil type.

Mr Manning—This is the new guide?

Senator MURPHY—Yes, the one you provided at section 4.

Mr Manning—That is right.

Senator MURPHY—In timber harvesting plans that you audited, did you find that there were still breaches of this particular application?

Mr Manning—No, that was only introduced this year.

Senator MURPHY—Yes, I understand that. But if you used this application in the audits that you did, would there still have been breaches of this application?

Mr Manning—There probably would have been a 99 per cent breach of that particular application, in state forests at least.

Senator MURPHY—I go back to the question I asked you about the peer review process. Was there or is there any seniority amongst FPOs?

Mr Manning—Yes, there are basically two types of forest practices officer. The first one is inspecting and the second one is planning. The planning one is the most senior.

Senator MURPHY—In your role, you were an inspecting officer?

Mr Manning—I was a planning officer.

Senator MURPHY—So you were one of the most senior officers.

Mr Manning—Yes, but I had that removed—

Senator MURPHY—I understand that. This is just for the purposes of letting the committee understand what the process of appointment and the seniority are. Can you explain briefly for the committee the points system that is used in the field audit?

Mr Manning—There is a system of one to five points that are allocated for each particular question.

Senator MURPHY—Could you take this on notice? Can you put an explanation together with respect to the audit point system and can you draw a view that has been expressed to me that it is very difficult to get a bad outcome on the basis of the existing points system?

Mr Manning—Yes.

Senator MURPHY—I now take you to the letter at page 124 of folder 1, which is a letter from a Forestry Tasmania officer, Mr Islay Robertson of the Murchison district. The letter is to Mr Graham Wilkinson. He acknowledges that they had received a section 41(1) notice from you. He wrote:

The notice correctly identified that FT had not complied with the following statement in the THP—

and the statement is in part represented here—

“... locally occurring native species will be established on Class 3 streams”.

Can you briefly explain the handwritten notes. Are they your handwritten notes on page 2 of the letter?

Mr Manning—No, they are Graham Wilkinson's.

Senator MURPHY—They say:

Advise Matt to vary THP DCG0130.

Mr Manning—That is right.

Senator MURPHY—It goes on:

Advise Bill not to issue s.41 notices unless there is no responsible F—

Mr Manning—FPO.

Senator MURPHY—Does that imply that you were not a responsible FPO at that time?

Mr Manning—No, I was a responsible FPO at the time. What he is referring to is that, if there was no-one within the district to write a ticket, then I was to write one.

Senator MURPHY—The Forest Practices Code, as it is applied, is pretty much a visual application. There are some technical aspects to it but, essentially, it is a measurement and visual application. Is that right?

Mr Manning—Yes.

Senator MURPHY—So it is reasonably obvious when a breach occurs?

Mr Manning—Yes.

Senator MURPHY—In respect of this particular instance, I assume that the timber harvesting plan was varied?

Mr Manning—I was unable to find out any further information about what occurred on the site.

Senator MURPHY—Maybe that is something we can ask Forestry.

Mr Manning—I was not allowed to visit any forest district after that, unless I arranged it through the district manager.

Senator MURPHY—You made a point earlier about timber harvesting plans being available publicly. As I understand it, Forestry Tasmania say that they are available publicly. Is that correct?

Mr Manning—That is what they say, but the reality is that, to get the full document, it is like trying to prise apart the jaws of a shark.

Senator MURPHY—Am I right to believe from your earlier statement that timber harvesting plans in the respective districts are never filed with the district office?

Mr Manning—They are filed with the district office; they are not filed with the Forest Practices Board. If I want a copy of a plan to audit, I have to ring up the district office and say, ‘I want a copy of that plan.’ I have not got a copy; the Forest Practices Board has not got a copy. The district office is supposed to retain the original, but there is very scant supervision of that sort of thing.

Senator MURPHY—I would like you to elaborate on that, because it is a very important issue with respect to transparency. If Forestry Tasmania say, ‘We make these publicly available’—it is my understanding, and certainly they have told me, that you can go to the district office and get them—I am curious as to why a forest practices officer within the district would not be able to do that and, indeed, as to why the forest practice officers in the district would not be supplied with them or at least a list of them. Were they ever supplied with a list?

Mr Manning—The Forest Practices Board?

Senator MURPHY—Forest practices officers. Is it the case that forest practices officers are appointed to districts?

Mr Manning—Yes.

Senator MURPHY—What I am saying is that, in respect of the role they play within districts, are they advised of the various coupes that are being harvested and the numbers of the timber harvesting plans that are applicable to those coupes?

Mr Manning—Yes.

Senator MURPHY—So as a forest practices officer did you get a list of numbers and locations?

Mr Manning—I did not; certainly not.

Senator MURPHY—Who did?

Mr Manning—The Forest Practices Board would get the cover page.

Senator MURPHY—Yes, I understand that.

Mr Manning—Remember that forest practices officers in the district are employees of Forestry Tasmania. They would have their own planning regime where these coupe numbers would be bandied about, and they would work out how much volume they needed and what was going to be harvested. There would be a planning officer or an individual forest practices officer who would design and draft the plan and approve it. He should keep the original of that plan but, from my experience in auditing the districts, it is very difficult to get through their systems or to find things. Because of that process, it makes it very easy to make any amendment that you like and to justify basically anything.

Senator MURPHY—I want to be very clear on this. You say the Forest Practices Board gets the cover sheet of the proposed timber harvesting plans.

Mr Manning—Yes, and it has the number of the coupe and the plan.

Senator MURPHY—Yes. And the forest practices officers, putting aside those that were probably involved in the drafting of the plan, do not get a list or advice as to the coupes within the district that are being harvested.

Mr Manning—They would, depending on their function.

Senator MURPHY—How do they get that information?

Mr Manning—They get it through their district meetings and planning meetings. If I could just explain that. If you have a forester in the district who is involved with plantation establishment, he will get a copy of the plan insofar as the area he has to establish the plantation in. If he is a harvesting forester, he will probably get the whole plan. However, there should be a planning forester somewhere in the district who would have control of the plans. Generally, that is the person the public gets referred to to ask for a copy.

Senator MURPHY—The Forest Practices Code was essentially developed, at least as I understand it from Forestry Tasmania and the Forest Practices Board, on the basis of science.

Mr Manning—Yes.

Senator MURPHY—The applications that were set down as guidelines were scientifically based.

Mr Manning—That is what it says.

Senator MURPHY—With regard to the new application to class 4 streams, it would seem that there was some review of the existing applications that led to changes for class 4 streams as provided for in the documentation of the latest version.

Mr Manning—Yes.

Senator MURPHY—In respect of other changes prior to this, are you aware of any other scientific work that was done during your time that allowed for the reduction of streamside reserves or the planting through of streamside reserves?

Mr Manning—There was no science involved with that at all. It was commercial.

Senator MURPHY—Did the Forest Practices Board ever provide you with any scientific information to suggest that changes could be made?

Mr Manning—No. There was no science involved at all.

Senator MURPHY—With regard to the pine plantations that you showed in your overheads, you referred to the problems associated with endangered species such as the giant freshwater crayfish. In the case of the second rotation, I would have thought that the poor old crayfish's habitat would have been pretty much destroyed in the first round of activity, and that the most serious breach here—unless crayfish were still to be found, and it would be good if they were—was the breach of the timber harvesting plan in relation to the planting and the harvesting.

Mr Manning—That is an interpretation you can make, but there are a number of aspects to it.

Senator MURPHY—Was there any scientific investigation in those pine plantations to determine whether or not giant freshwater crayfish actually still existed there?

Mr Manning—I am not sure about that, but I believe the senior zoologist would have some information.

Senator MURPHY—Who is that?

Mr Manning—Sarah Monks.

Senator MURPHY—The question was raised before with regard to silvicultural practice and selective harvesting over clear-felling. Senator O'Brien raised a question with regard to safety issues. I think you indicated that the most dangerous area for selective harvesting was in old myrtle forests.

Mr Manning—Yes.

Senator MURPHY—During your time, did you notice that in a lot of forests when harvesting, both old-growth eucalypt forests and myrtle forests, a lot of contractors used to leave behind what were called cull trees, and quite often significant volumes of them?

Mr Manning—Yes.

Senator MURPHY—Why did Forestry not address that as a safety issue at the time?

Mr Manning—It didn't have the money. There is a cost involved from the felling of trees to waste.

Senator MURPHY—With regard to silvicultural activities, during your time as a forest practices officer did the Forest Practices Board, through its Chief Forest Practices Officer or someone else, ever brief the forest practices officers on the regional forest agreement?

Mr Manning—No.

Senator MURPHY—There were no briefing sessions?

Mr Manning—Not that I am aware of and not that I was invited to. There may have been but I may have been excluded.

Senator MURPHY—So at least for you personally there were no briefing sessions on the sustainability issues or the environmental issues associated with the requirements of the regional forest agreement?

Mr Manning—Actually, on thinking about that, the whole thing was extremely quiet. The only information that was obtained for me personally was from the reports that came out regarding all the written information in relation to the RFA.

Senator MURPHY—When forest practices officers commence with the Forest Practices Board, what briefing are they given?

Mr Manning—They have to attend a course.

Senator MURPHY—Who conducts the course?

Mr Manning—It is an internally conducted course by employees, not board members, of the Forest Practices Board—zoologists, botanists, archaeologists and those sorts of people.

Senator MURPHY—They set out the parameters and explanations in respect of the application of the act and the code?

Mr Manning—Not the application of the act.

Senator MURPHY—What do they tell you?

Mr Manning—They just basically tell you how to prepare plans and of the issues that are the responsibility of forest practices officers in preparing plans.

Senator MURPHY—Is there any course that goes to the interpretation of the code in developing a plan?

Mr Manning—Yes, there is. That is a component.

CHAIR—Mr Manning, thank you for providing assistance to the committee. I understand that there are going to be some questions put on notice to follow up with you at some later stage and that the secretariat will be in touch with you about those. Again, my apologies for the delay. Thank you for taking the time to travel here today.

Senator MURPHY—Chair, there is one thing I would like to ask Mr Manning. Mr Manning, I think you said that we could get photographs from Forestry Tasmania in respect of clarifying whether or not the coupes that Senator O'Brien has on the list were planted as plantations or reforested as native forests.

Mr Manning—Yes.

CHAIR—Mr Manning, are you happy to do that?

Senator MURPHY—No, I just wanted to make sure that was correct.

Mr Manning—Yes, they should have them.

CHAIR—Thank you for appearing before the committee and taking the time to travel from Tasmania as I know it has been difficult getting to this point. As I said at the beginning of this hearing, a copy of the *Hansard* of your evidence will be made available to you shortly. Thank you for appearing.

Mr Manning—Thank you.

CHAIR—Before we go to the next witness, I propose we discuss the question that Senator Murphy raised earlier about publication of material. I had anticipated that there would possibly be some contention about that but, from the questions that have been asked, most of the information in areas of contention has been introduced as a result of questioning by senators themselves. So it would appear to me that, on the basis of what we know to be relevant to the terms of reference and to the line of questioning, the committee agree to publish all of the material provided by Mr Manning.

Senator O'BRIEN—As to what was agreed before the hearing, Chair, my view was that those matters which were relevant to plantations would be published. That is the purpose of the questions I asked, which was to try to see if Mr Manning could identify from the material he had produced any differences from the document that I had produced.

Senator MURPHY—Can I have a copy of that?

Senator O'BRIEN—Certainly. It indicates that probably two-thirds are all over to plantation but one-third is not. I am happy for us to seek further information but, if we are to publish information which is relevant to this inquiry at this stage, my view is that we should publish material—certainly these plans—relating to plantations and hold the others until we have further information.

CHAIR—I do not have difficulties with the suggestion that there be some clarification.

Senator MURPHY—What is relevant here is often in the eye of the beholder. If you are saying, 'Is this coupe a conversion to plantation and this one not?' that is all well and good, but there are a whole range of other matters relevant to this inquiry that go to the application of silvicultural and environmental practices. At the end of the day, whether the conversion was to plantation or not to plantation, there is an obligation that is equally important here. If you are going to say, 'If it was a conversion to a plantation then we need to look at the application of environmental practices, but we do not need to look at them if it was not converted to plantation,' I think that is a very shallow argument. In terms of these other coupes, if the practices are clear and clean then the evidence contained in the submission is of no consequence. It is just additional evidence and people want to read it.

CHAIR—Let us not get into the arguments about the merits for and against.

Senator MURPHY—I thought that was what Kerry was doing.

CHAIR—I think what we are saying is that all of the material be published, subject to clarification on those issues that Senator O'Brien has raised.

Senator HEFFERNAN—Is there something commercially sensitive about some of this?

CHAIR—No, not at all.

Senator HEFFERNAN—Why wouldn't we just put the cards on the table?

Senator BROWN—Finding a demarcation line here is going to take a lot of time and effort by the committee. It will be disputed. There is a body of evidence that Mr Manning put forward and, as with other witnesses, I think it should all be put on the public record, unless there is some specific reason—and we know of no such reason—as to why it should not. I have not seen that in this evidence.

CHAIR—As I said, I think a lot of information has already been introduced as a result of the answers to questions. I have no difficulties with full publication, but I think that, where Senator O'Brien has requested that we at least take that on board, then we agree to publish all of the material, subject to clarification on those that are relevant. If the secretariat can come back and advise us next Tuesday morning when we meet, we will make a final decision then.

Senator BROWN—Okay. I will be sticking to my position.

Senator HEFFERNAN—So it is subject to further discussion.

CHAIR—Okay, thanks for that.

[7.33 p.m.]

CHIPMAN, Mr Barry Lloyd, Tasmanian State Coordinator, Timber Communities Australia

HOWES, Mr Jim, Preolenna Mothers Group, Timber Communities Australia

PINNER, Mrs Diana, Secretary, Preolenna Mothers Group, Timber Communities Australia

SMITH, Mr Keith, Preolenna Mothers Group, Timber Communities Australia

CHAIR—We are taking evidence via telephone link. I understand that TCA requested to provide some further evidence in relation to comments that were made on the record at the Hobart hearing, to clarify some of the issues there in relation to Preolenna itself. I will hand over to you. I am not sure if there will be questions from the committee. Barry, I will leave it to you to lead for the group.

Mr Chipman—Thank you.

CHAIR—My apologies for the lateness, and thanks for being patient.

Mr Chipman—That is all right. We realise that there is an hour's difference between Tasmania and Canberra at this point in time.

CHAIR—Over to you.

Mr Chipman—Thank you for inviting TCA to speak with your committee tonight. We plan to use this opportunity to highlight the main points of our submission and provide you with new evidence that clearly shows the growing understanding by local communities of the importance of tree farming plantations. As you mention, we also wish to address and refute an example of what we see as extreme green wrongdoing at its worst that has caused great stress to the small community of Preolenna here in the north-west of Tasmania. Members of that community are here with me tonight. They wish to address these outrageous claims that have been made about them, mainly early this year, by what we see as an extreme green group, the Tasmanian Conservation Trust. Those of Preolenna that have been insulted by the Tasmanian Conservation Trust have already presented their concerns to you in writing. They want to see this extreme green wrongdoing against them put right. Has the sound dropped out?

CHAIR—No.

Senator HEFFERNAN—We are all ears.

Mr Chipman—Sorry, we get a lot of static here every couple of minutes.

Senator HEFFERNAN—That is just our excitement.

CHAIR—Keep going, Barry.

Mr Chipman—The folk of Preolenna wish to see the wrongdoing that was done against them by the Conservation Trust put right, for the benefit of your committee and also for the community. They will ask that the public record be corrected.

First, I want to speak to the submission that we submitted to you in October last year. Briefly, I will say that Timber Communities Australia is a grassroots national network of communities that depend on sustainable management of our forests, including our growing softwood and hardwood plantation estate. Our network is very much families that depend either directly or indirectly on the forest industry for their livelihoods and the sustainable future of their local communities. We share the federal government's vision for the plantation 2020 strategy and believe that the strategy will have significant economic, social and environmental benefits to Tasmania and, naturally, the nation as a whole.

Last year, when we prepared our written submission, we were concerned that there were a number of impediments to achieving the strategy, and that these were readily apparent in Tasmania, with a degree of community resistance being fuelled by what we saw as the green anti-everything campaign. Now there has been a pleasing major policy shift in the community's growing understanding of the importance and benefits of local value adding tree farming plantations. We also see the development of the 'Good Neighbour Charter' here in Tasmania as a positive step forward. It now has a record of providing good consultation. It is a path for working through the genuine issues that come up with any land use change. It has proven that, with goodwill, differences can be resolved.

TCA believes that the majority of Tasmania's rural councils are now more understanding of the issues that come with this type of agricultural activity and are following the trend in welcoming tree farming plantation development into their own local municipalities. This is mentioned in a written submission made to your committee by the Kentish Council. Part of that submission stated:

In summary, it is the view of our community that the plantation forest industry is an important industry in our region and must be able to continue to expand in a strategically planned, controlled and sustainable manner.

However, this local government's documented view provided to the committee was not reflected in a verbal presentation to your committee during the Hobart hearings earlier this year made by Kentish resident Annie Willock, who, incidentally, claimed to be making her submission on behalf of the ratepayers. As it has turned out, her extreme anti-plantation views were recently tested in this year's June elections for the new Kentish Council. That council was previously suspended. As I said, the elections for that new council were held in June this year. Ms Willock received only 59 votes and failed to be elected—she was a previous member of the council—along with another anti-plantation candidate, Geraldine de Burgh-Day. She only received 36 votes. Their anti-plantation views were rejected by the Kentish community because they did not reflect the more informed views of the 3,903 enrolled electors of the Kentish municipality.

Along with this, there are many other examples of community recognition of the value of strategically placed plantations and how they can have a great positive impact in natural resource management planning. They can have a positive contribution to water catchment management and the retention of soils for other agricultural industries, and, most importantly, they are

providing important cash flow for many farmers. I would like to just read several quotes from a story contained in the back page feature of *Tasmanian Country* of Friday, 3 October this year. It is headed 'You've herd about trees'. It was written by journalist Bruce Mounster. I will quote some of the points in this story that we feel reflect the benefits of tree farming:

At the height of the North-West tree planting boom in 2000, Wilmot farmer Ross Fairbairn sold two thirds of his farm to Forest Enterprises Australia.

Instead of downsizing his grazing enterprise, Mr Fairbairn increased stock numbers five-fold by running them among the trees. Five of his neighbours had already sold out to Forest Enterprises and, as part of an agreement to sell his property, he got grazing access to all six properties.

It enabled him to reduce debt—

as I said, providing cash flow—

and expand at the same time.

Mr Fairbairn grazes about 350 cattle plus 300 ewes and lambs among the trees.

He called it a win-win situation for himself, Forest Enterprises and the stock, because they all got the shelter they want.

Senator HEFFERNAN—How many acres, mate? How many acres are we talking about here?

Mr Chipman—Six hundred hectares. The article continues:

The trees are between 18 months and three years old.

Forest Enterprises sees grazing as a way of reducing weed and fire hazards—especially on parts of the properties where trees cannot be grown, such as 30 metre wide strips on either side of creeks and firebreaks.

Mr Fairbairn said sheep were also effective weed controllers among newly planted eucalypt trees, without harming the trees.

Cattle can be introduced once trees reach about a metre high. They are easier to manage among the trees than sheep tend to be.

There is one other important quote:

Already a common practice in his native Scotland, it is now catching on in Tasmania. In most cases graziers are negotiating lease deals with Forest Enterprises and Gunns Ltd.

Trees offer valuable shelter dividends. Shelter enhances pasture growth and enables stock to put energy into meat production and milk, instead of burning it to keep warm.

That is what we see as—

CHAIR—Can I just ask a very quick question. I am trying to get an idea of how much more you have in the additional presentation. We do not have a copy of the written submission that you are speaking from. It is unclear to me, in terms of time, how much more is going to be dealt

with by the presentation that you are currently going through and whether there is going to be time for questions as well.

Mr Chipman—What I have just read is from *Tasmanian Country*. We saw that as an important addition, as an example of where the benefits of tree farming are now becoming more evident.

Senator HEFFERNAN—What happens when the trees grow up, mate? What happens to the cows then?

Mr Chipman—Sorry?

Senator HEFFERNAN—What happens to the cows when the trees grow up?

Mr Chipman—Once the trees are established so the cattle cannot damage the tops of the trees, the cattle can live quite happily in the trees until such time as they are harvested.

Senator HEFFERNAN—But there would be no grass there, pal.

Mr Chipman—There is. The grass does grow when the trees are thinned. That will allow light in. It is happening. There are stories of a farmer who is running 350 head of cattle in a plantation that was once on his own property. It is not us saying this; it is Wilmot.

Senator HEFFERNAN—How old are the trees now, though?

Mr Chipman—I think the trees are about three years old.

Senator HEFFERNAN—Wait until they are 15 or 10 years old.

Senator O'BRIEN—They will be harvested when they are 10 years old.

CHAIR—Barry, can you continue.

Mr Chipman—Downstream processing of plantation timber and value adding are being taken up for the benefit of rural communities. With much of Tasmania's native forest estate reserved for conservation, plantations will create, and are creating, critical volumes for investment in new processing plants. Already, the Tasmanian company Forest Enterprises, which we have previously spoken about, has a huge sawmill at Georgetown. It is creating employment for the expansion of both softwood and hardwood tree farming plantations. However, we see that more still needs to be done to create certainty for local downstream processing of plantation timber within regional areas. The hopes and aspirations of many regional communities depend upon a sound plan for a broad range of diverse development opportunities. The plantation 2020 vision is a plan that will fit into that mix if rural and regional areas continue to prosper. It will bring long-term social, economic and environmental benefits to many regions throughout Australia, particularly here in our own Tasmania.

Of course, the importance of tree farming was once the war cry of the Tasmanian political greens. In parliament on Wednesday, 15 September 1993, Green member Ms Peg Putt said:

But the direction for forestry in this State is quite clearly that of forestry on a secure plantation base, and of course those plantations should be established on cleared agricultural land. Trees are a crop, just like any other crop, and they should be grown where crops are grown and the farmers should be given the opportunity to benefit from that.

The dirt farmers should be given a chance.

But then, just three years later, during the Tasmanian state election, the war cry got even stronger in support of tree farming plantations, with promises of tax breaks and other financial support for tree growing. As quoted in the Hobart *Mercury* on 15 February 1996, Ms Putt said that you cannot force farmers to plant trees but you can change the policy settings in relation to the economic incentives.

CHAIR—Barry, to quickly intervene, I am aware of the historical arguments in relation to the political debate and I am not sure whether it adds anything to where the committee is currently at in relation to its terms of reference. Most of that material is available either through the Parliamentary Library or certainly through the Tasmanian parliament. I request that you get to those points that are relevant to where the committee is currently at. I understood that you had requested to appear a second time mostly to correct some of the inaccuracy of statements that had been made previously and most particularly at the Hobart hearing. I ask you to confine the remainder of your statements to the things that are relevant to the terms of reference as they currently stand as well as correcting the record in relation to those things that you took exception to.

Mr Chipman—Yes. We are moving to that right now. We were expecting to give evidence in Hobart, but we were not scheduled to give evidence. We wanted to touch on some of the things in our written submissions because this is actually the first opportunity we have been given to make a verbal presentation to your committee. But I will now move on to the most important issue that we raised in that letter to you. As we mentioned in our opening statement, the green movement and, this time, the Tasmanian Conservation Trust are holding everyone in contempt as they are now desperately trying to justify the backflips that we mentioned previously by making untruthful, insulting and quite outlandish claims about residents of the community in Preolenna.

A short background to this is that when the Preolenna Mothers Group—and they are a branch of Timber Communities Australia—in November last year hosted a morning tea for your committee at the Preolenna Hall those community members in attendance were keen to show the increased vitality in their community. To those representatives from Preolenna in attendance it was a positive time that allowed their community to express its self-pride to a busload of Canberra visitors. There was a lot of interaction during that morning tea that we thought was mutually beneficial to the Preolenna community and our Canberra visitors.

But then at the committee's hearing in Hobart in April of this year a spokesman for the Tasmanian Conservation Trust stated that only three of the Preolenna people in attendance at that morning tea that the committee met were residents and the rest were not—they were bussed in. This spokesman for the Conservation Trust even suggested that the community of Preolenna had fallen apart and that it was all about actors. Some of the people you met are here tonight and they are here to tell you that they are not actors and they were not bussed in. They are genuine, real, live community members. I now introduce Diana Pinner, who is a long-term resident of Preolenna and was present at that morning tea.

Mrs Pinner—I would like to make a few comments in regard to some allegations that were made against our community. Most of the community have found that the establishment of the plantation has had a positive effect on our community. The morning tea that we held at Preolenna for your committee was an opportunity for us to talk to your committee and discuss issues in our area. It was not just about the plantations. It varied from the public liability issues that we face to discussions about our annual festival. I can assure you that the 13 community members that were here were not bussed in and we are certainly not play actors. The allegations that were made infuriated a lot of the community members. We would like to have the record put straight in regard to this matter. Thank you.

Mr Chipman—Also present on that day was another Preolenna resident. Keith Smith provided the committee with a working demonstration of the skills that he requires to fulfil his role in tree farming management. He was also labelled by the Tasmanian Conservation Trust as not being a real person. Keith would now like to speak with you.

Mr Smith—I was the person who actually pruned the tree there that day. I am not an actor—I do not get paid enough to do that. I think I mentioned to you that, if you did want to make a career out of the timber industry, you can. You can actually get a diploma through Hollybank TAFE college—that is a college for forestry, but it is in with TAFE now. It is closely joined with the agriculture courses at Burnie. What I am doing is Forest Growing and Management, which is basically just a management program. Stuff that we do can also be used in agriculture or anything like that, so we are not stuck to one industry. If anything happens, you can change course.

I think the best thing that has happened to the timber industry and the actual TAFE thing is that you can use your prior learning. Also, there is a grant scheme that the government set up years ago. You only pay \$1.50 an hour maximum for all your costs. Years ago, when I first looked at getting a forester's ticket at tech or doing a Forest Growing and Management course, you had to pay \$20,000 to get a diploma. This new scheme has made it a lot easier. You can actually get your diploma now for \$1.50 an hour. It works out that, if you put up \$900, basically you can get your diploma. I still have to do front-line management courses, which is basically the academic side. But all of my prior learning, like pruning, planting and management of trees, is all taken into consideration. So that gives me basically nearly the level IV certificate. Then I just go on to front-line management and all of those things that I have not had any experience with.

I think there is a chance for any person who wants to get out there and do it. They can do it—if I can do it, anyone can. I just think a lot of this sort of stuff is like anything else—if you want to do something, get out and do it. I go back to the same thing that I think we said at the hall. It is not the commodity in a community that makes the community—it is the people. If people want to get up and do something, they will do it, whether it is pineapples, pawpaws, sugarcane or growing trees in the area. That is basically all I have to say.

Mr Chipman—Jim is another member of the community who was present at the morning tea. Jim would just like to say a few words.

Mr Howes—You might say I am the senior citizen of the area. I would love to say that I am an actor and I am one of James Bond's sidekicks. But, when it comes to acting, when I do Father

Christmas I am so bad that even the babies call me Jim. I was at that meeting and I spoke to several people—you probably remember me as the old grey-haired fellow. But I can assure you there were no actors there whatsoever. The only three people I did not know who were not members of the community were local farmers who were there for the sole purpose of talking about boundary fences.

Senator HEFFERNAN—We believe you, mate.

Mr Howes—Thanks a lot—at least somebody does. There were no actors there, believe me. Everybody there was genuine. I moved down here from Queensland and I find this a wonderful area. Everybody helps each other. They started planting the trees when I came here and I cannot see that the trees have made any difference whatsoever to the community. As for all of this talk that is going on at the moment, with the greens and what have you, they are trying to upset the community. This is a very happy community. If the same thing happens where all of the plantations are, this is going to be a much better country, believe me.

Mr Chipman—That completes our verbal submission, Chair.

Senator MURPHY—Barry and your colleagues there, I read your written submission and I have a couple of queries. You say on page 2, in the third paragraph from the bottom:

These strategies have the potential to not support plantation expansions or recognize expected environmental outcomes.

You further say, in the last paragraph on that page:

Many plantation investors have been discouraged over the last 18 months due to uncertainty over taxation. This has led to job losses and plantation companies struggling to remain viable.

With regard to the point you make about recognising ‘expected environmental outcomes’, can you indicate what you think they are with respect to water?

Mr Chipman—Traditionally with agricultural land it was the common practice, as the farmer himself identified in that article in *Tasmanian Country*, that land would be cleared right up to the banks of the stream. There was no consideration for streamside protection. Now, with tree farming, trees can be used to address that matter. Those trees that are planted on the stream edges cease to be commercial trees because we must have a set-back of 40 metres, but the commercial wood that is planted 40 metres back can also have a beneficial effect in maintaining that stream bank and reducing the risk ... it has a benefit in maintaining the land. Trees are a great benefit. Landcare and Greening Australia are all about planting trees. What we see is an environmental benefit. The commercial side of tree planting by the tree-farming companies and individual farmers is an extension of that environmental work but it is also putting an economic value to that environmental work which we see as a great win-win.

Senator MURPHY—I appreciate the point you have just made, but what is the basis for your assertion that there is a 40-metre buffer zone?

Mr Chipman—The Forest Practices Code.

Senator MURPHY—I might draw to your attention that that is probably not correct, and I would suggest you might want to check that.

Mr Chipman—Keith can perhaps answer that for you, if you have a concern, Senator.

Mr Smith—Class 1s are 40 metres, class 2s are 30 metres, class 3s are 20 metres and class ... are actually 10 metres. That is either side—a buffer.

Senator MURPHY—Perhaps I might draw your attention to the most revised edition of the Forest Practices Code in respect of class 4 streams in particular, but could I also draw your attention to some correspondence that has been published tonight that is correspondence from Forestry Tasmania that would suggest that their view of the world is significantly different to yours.

Mr Smith—Well, the thing is that you might say, yes, they can plant within five metres of a class 4 stream—is that what you are saying?

Senator MURPHY—I would suggest to you the evidence presented to us tonight is that Forestry Tasmania have said that they will plant up to and through class 4 streams.

Mr Smith—I do not know but I do not work for—

Senator MURPHY—You would not accept that, would you?

Mr Smith—No, I would not accept that. It says that you can plant with five metres as long as the machine can stay out of the reserve and can actually grab the tree and take it out of the reserve. The reason why they have said a machine is not because of the code, it is because of the safety issue. It is a lot safer to fell a tree with a machine than with ...

Mr Chipman—Senator, are you talking about where trees have been planted for environmental restoration, where the trees are never going to be physically harvested? I do know of incidents where trees have been planted up to the stream bank edge for their environmental benefits but the forest practices plan means that those trees will not be harvested. As I said earlier, the commercial value of those trees ... metres or back to 10 metres, depending on the quality of the stream.

Senator MURPHY—I will ensure that the committee secretariat makes the evidence available to you because I know Timber Communities Australia would not support the view that was expressed by, I think, Keith. It would be useful for you to study that evidence and you might like to ask some questions of Forestry Tasmania in that respect.

Mr Chipman—Again, if these trees have been planted for an environmental benefit wouldn't you be applauding that? Greening Australia and Landcare do that all the time. Why cannot Forestry Tasmania or one of the companies also involve themselves in environmental management?

Senator MURPHY—I am talking about the development of plantations where the plantation trees and the forest practices code as it currently stands for class 4 streams would indicate that

you can harvest up to within two metres of the stream. That is, when these new trees grow, you can harvest up to within two metres of a class 4 stream. It is there in black and white. This is something Timber Communities Australia ought to take up with Forestry Tasmania and the Forest Practices Board.

Mr Chipman—You cannot process that tree inside that reserve. That is what you are saying.

Senator MURPHY—Up to two metres.

Mr Chipman—Two metres you can reach in.

Mr Smith—This is something we are not aware of. We will look at it within our processes. It could mean there is very sound justification for that. We are not going to say that we do not have a position now because it is new to us. Again, we will have a look at it and there possibly could be very sound reasons for justification.

CHAIR—I will get the committee secretariat to provide you with the evidence that Senator Murphy is referring to for your information and leave it to you to take it from there.

Senator MURPHY—I will provide some questions on notice to Timber Communities Australia.

CHAIR—Thank you all for being patient tonight. We have been running behind time. I also thank you again for your hospitality to the committee when we visited Preolenna. I assure you that the lamingtons and the scones were very real and, certainly, so were the people that we met there on that occasion. Thank you for your evidence tonight.

[8.08 p.m.]

DADSWELL, Mr Matthew Philip, Manager, Industry Development and Private Forestry, Forest Industries Branch, Department of Agriculture, Fisheries and Forestry

QUINLIVAN, Mr Daryl Paul, Acting Deputy Secretary, Department of Agriculture, Fisheries and Forestry

CHAIR—I welcome Mr Quinlivan and Mr Dadswell from the Department of Agriculture, Fisheries and Forestry. You have both appeared before. Parliamentary privilege continues to apply. If you do not want to present any additional information we will go straight to questions.

Mr Quinlivan—That is fine.

Senator O'BRIEN—I understand that the Commonwealth and Tasmanian governments were to respond jointly to the findings of the Resource Planning and Development Commission's inquiry into the progress with implementation of the Tasmanian RFA. The report was released in December last year. Has a joint response been made as yet?

Mr Quinlivan—No. The Commonwealth is currently formulating its response. Whether it is a joint and an agreed response with Tasmania remains to be seen. I think we are very close to finalising the Commonwealth's views on that. There has been quite a lot of discussion within the Commonwealth and with Tasmania about it. I do not have current information on whether Tasmania will agree to the Commonwealth's response. The responses might be jointly released but not agreed to by the two parties, if you know what I mean.

Senator O'BRIEN—Is there a timetable? When can we expect it?

Mr Quinlivan—I will make sure I am in a position to answer that more fully when you ask me the question again in a couple of weeks—unless you want it more urgently.

Senator O'BRIEN—I am thinking from the point of view of the timetable for the completion of this report.

Mr Quinlivan—I will get you the information tomorrow on the current state of play.

Senator O'BRIEN—Thank you. This committee has heard previously that the department regards the vision 2020 program as a success story in terms of growth of area under plantation forestry. My understanding is that, to meet the target of trebling the area under plantation by 2020, we need to plant 75,000 hectares per year. I note from the national plantation inventory annual update of March 2003 that, for the 2002 planting year, plantings had fallen to just over 50,000 hectares. Is this a drought matter, is there some lag involved or are we seeing a downward trend in the rate of plantations falling below that expected level?

Mr Dadswell—I think the BRS inventory report on the latest statistics outlines the main reasons. One of the main reasons was the change to the 12-month rule. Under the previous rule,

plantation plantings were brought forward and so there is a lag while additional investment comes in and they realign themselves with the planning schedules. And, yes, drought was a minor factor. Drought does not tend to affect trees too badly, so it is not a major factor. It is mostly a taxation, I think.

Senator O'BRIEN—So that is a one-year effect?

Mr Dadswell—Yes.

Senator O'BRIEN—Does that mean that there will be an additional amount in the next year or that it will return to what you expected—75,000 hectares?

Mr Dadswell—I think the indications from the investment companies are that their prospectuses are being very fully subscribed to, so we are expecting quite a significant level of investment. Regardless of what that specific level will be and whether you would call it a bounce-back, it is certainly going to be more than it was in the previous year. Given the level that the prospectuses have been subscribed at, it will be at a level greater than what was planted in the previous year.

Senator HEFFERNAN—What environmental planning goes into all of that?

Mr Dadswell—Plantations are managed under codes of practice managed by state regulations, and the planning would be subject to local government planning.

Senator MURPHY—Not unless state legislation precludes—

CHAIR—Sorry, Senator Murphy, but could Senator O'Brien finish and then I will give you the call.

Senator O'BRIEN—Are the planting predictions for the next two to five years expected to meet the target of 75,000 hectares per year, or has that figure been revised?

Mr Dadswell—I do not think we are in a position to know whether or not that will be the case; it will depend on the level of investor interest in plantation establishment.

Senator O'BRIEN—You may have answered questions similar to this in February, so I apologise if that is the case—I could not see anything specific in *Hansard*. What modelling did the department engage in with respect to water usage in plantations and their effect on catchments in relation to the original vision 2020 program and the review of the vision 2020 program?

Mr Quinlivan—We are not aware of any modelling in either case.

Senator HEFFERNAN—You did not think about it, I would say.

Senator O'BRIEN—Is any research currently being undertaken with regard to the effect of water usage by plantations and their effect on various catchments?

Mr Quinlivan—There is an enormous amount of research and policy development work and general analytical thinking going on about catchment hydrology and the impact of various forms of land use change, including plantation development. It is happening in a wide variety of different organisations, for different purposes. There may not have been anything specific to 2020, but, as you very well know, it is a very active area of thinking at both an academic and policy level and a practical level. The Murray-Darling Basin Commission and so on are looking at this because it is going to affect their forward operational planning. So it is a very active area at present.

Senator O'BRIEN—Given that it is an active area at present, what work is the department doing on it?

Mr Quinlivan—The department has an active involvement in a variety of Commonwealth processes. The Bureau of Rural Sciences is active, ABARE is active and of course the department is contributing to the COAG related work on water policy development. While we are not leading any particular process, we are participants in each of those areas.

Senator HEFFERNAN—The attachment to the COAG document says:

A framework will also be established to address water use where water is intercepted ... (for example, large scale plantation forestry ...

What do you think that means?

Mr Quinlivan—I think it is a reference to the need to manage water in a catchment comprehensively. Plantation forestry is mentioned specifically, but it is more generally a comment about land use change.

Senator HEFFERNAN—There are other uses, yes.

Mr Quinlivan—I think it is making the correct observation that plantations do use ground water, and that has effects downstream, both positive and negative depending on where you are in the catchment.

CHAIR—Senator Heffernan, can I just finish with Senator O'Brien and come back to you on that question.

Senator O'BRIEN—I will go to another area and come back to that. We have heard a lot of evidence during this inquiry about the plantation forest industry having an image problem. One proposed solution is an enhanced communications effort from the industry as a whole. Are you aware of a set of proposals being considered by the Forest and Wood Products Council to move to an industry service model whereby they would be able to collect a levy from industry participants, which would require, I take it, Commonwealth legislation to mandate? If so, are you aware of the models being discussed and can you summarise them for the committee?

Mr Quinlivan—There are consultations going on at present within the forest and wood products industry on the merits of adopting an industry controlled organisation for undertaking research and development and marketing along the lines of those that now exist in the

horticulture and meat and livestock industries—and there has been some analysis of those models and how they might apply in the forest and wood products industry. I think the product of that work is now the basis of consultations within the industry. When that is completed, there will be a report back to the minister, who chairs the Forest and Wood Products Council. If the case stacks up and there is general support, the minister, I assume, will take a proposition to the government. But it is pretty early days yet.

Senator O'BRIEN—Thanks for that.

Senator HEFFERNAN—Some describe a benefit of the 2020 vision as being that farm incomes are anticipated to increase by 20 per cent. That sounds bloody good to me. Further, farm forestry in higher rainfall areas could contribute up to \$664 million to annual farm incomes. In view of the thoughtlessness in the earlier planning of the impact of interception by plantation forests in high rainfall areas, do you think they will have to rethink 2020? They are talking about high rainfall areas. Certainly the science of that is coming on board now, as to what that is doing to catchments and salinity further down.

Mr Quinlivan—It is obviously a very dynamic area of public policy development at present and I think it is potentially going to affect all of our major land use—agriculture, forestry and so on. It is certainly true that the first iteration of 2020 did not reflect contemporary thinking now on water. Neither does our agriculture policy—

Senator HEFFERNAN—Neither did land clearing 100 years ago so do not feel bad about it.

Mr Quinlivan—So I think there is some catching up to be done there and I think that the COAG communique is pointing to a need to do that.

Senator HEFFERNAN—Yes, it is great.

Mr Quinlivan—I have perceived a bit of a problem though in the discussion about this. It is a bit one-dimensional because the health of our streams and river systems and the flow of water are dependent on both a good flow of quality water into the streams and also a reduction in the flow of poor quality water into those streams. It is certainly true that trees are effective in using ground water. That is perceived to be the problem in the high rainfall areas where you have got good flows of quality water into the streams. It is also the reason that they can make a big contribution in the lower rainfall areas where, to preserve the quality of the stream environments and the quality of the water that is available for other uses, you want to restrict flows—the saline water and so on—into the river systems. It could be that we end up edging our plantation developments into those areas where they are going to both produce a commercial product and deliver an environmental benefit, and I think that is where a lot of the thinking is heading.

Mr Dadswell—It depends on the needs of an individual catchment and whether the needs of a catchment or group are concerned with economic just as much as social benefits. They might say that they are prepared to have the plantations in this area and the impact on the water. So it is part of a net benefit from plantations—

Senator HEFFERNAN—I think the Murray-Darling Basin and others have established scientifically that in heavy plantations in high rainfall areas we get the bulk of the run-off to run

down the streams and that could have a serious detrimental effect on the lower streams' salinity levels.

Mr Dadswell—It may depend on the extent of the plantations.

Senator HEFFERNAN—In view of all that and the 2020 vision, could it be that in terms of going into the lower rainfall areas—for instance, the Murray-Darling Basin Commission has a view that we should be looking at 32 inches to 24 inches to get a salinity credit to speak of, and I agree with that—that the 75,000 hectares is something that might have to be rethought? Obviously there will not be the production from lower rainfall in the same way—

Mr Quinlivan—In the end this is not a controlled economy—

Senator HEFFERNAN—But is there a tonnage in mind or cubic metres or—

Mr Quinlivan—There might be a tonnage in mind for general aspirational purposes but we are not directing investment and we are not targeting this in a policy sense. We do not have instruments to actually deliver the acreage that we are talking about.

Senator HEFFERNAN—But if I am an investor and I am looking for a tax deduction and the vehicle that is going to provide that tax deduction has earmarked a lot of high rainfall country, which is going to have a detrimental effect in intercepting run-off, what do you think is going to—

Mr Quinlivan—When water policy has moved to a point where it is treating water and plantation developments in the way you have just said, the logic of that would lead us to believe that those investments will go somewhere else. They will go to a higher-return activity, and I hope they go into a similar type of investment but in the lower rainfall areas. Or it might be that they are still commercially viable and making a commercial contribution to water use.

Senator HEFFERNAN—Obviously, the other alternative, which I have suggested, is that if they are going to insist on the higher productive rates of the higher rainfall areas perhaps they might have to buy a water licence. In calculating the Murray-Darling Basin flow, it would be a serious misappropriation or miscalculation not to appreciate the 2020 impact on the high rainfall area run-off. It could be that the answer is that if they are going to insist on that we might have to insist that they buy a water licence because, sure as hell, the forests are going to take it out of the run-off in the long term.

Mr Quinlivan—If that is where public policy ends up and that is still a viable commercial investment, and if it involves simply a transfer of water, I do not see a problem with that.

Senator HEFFERNAN—Neither do I.

Mr Quinlivan—That is what we are seeing at present in the movement of water entitlements from the growing of pastures to the wine industry. The water is moving to the higher value uses, which is exactly what we want to see.

Mr Dadswell—I think BRS is indicating that there will only be about another 140,000 hectares going to the Murray-Darling Basin within the next 20 years. Most of that is going to be in the low rainfall area because the cost of land in the high rainfall area is becoming too much. Just to put this in some sort of scale, we are not talking about a planting out of the whole basin in line with the 2020 vision; it is based on available land and the cost of that land.

CHAIR—I am mindful of the fact that this committee is also conducting a water inquiry and that, more than likely, you will be required to appear under that separate terms of reference, but possibly on similar issues. Could we confine the questions to the terms of reference of the current inquiry.

Senator HEFFERNAN—Are you aware of whether the COAG agreement and the reference to the interception of water—the example of plantation forests, large-scale plantations, changes in harvesting, and water et cetera—is going to apply right across Australia or to just the Murray-Darling Basin?

Mr Quinlivan—I think the COAG communique in that particular area is pointing to a conceptual problem which has to be thought out—the level of principle and then how it is applied nationally—and that it will end up being a fairly practical matter.

Senator HEFFERNAN—So it could be applied, for instance, to tonight's discussions on Tasmania?

Mr Quinlivan—Yes, I think that what will happen is that COAG will probably end up developing some principles which will be applied wherever they are relevant and practical. As you know—and we have talked about this before—in some contexts you might want to apply it to plantation development but stop at the point of the growing of lucerne, even though the same principle applies on a much lesser scale.

Senator HEFFERNAN—I guess there is some pretty good science on the difference between a pasture and a plantation—the rainfall comparison and the run-off. As you know, at 20 inches there is a big difference between the two run-offs, but at 35 or 50 inches there is a hell of a difference.

Senator MURPHY—I will be brief in respect of the time. In the written submission by Mr Taylor there is reference, in the second last paragraph on page 2, to you commissioning a particular report. Can you tell me how much that cost?

Mr Dadswell—Not offhand.

Mr Quinlivan—We would be happy to give you that information. It was a pretty good investment. If you have seen the document, it is quite an impressive piece of work.

Senator MURPHY—I have not gone through it in detail, but I have seen a number of these documents. In your submission it says: 'investment opportunities in the Australian forest products industry'. Could you provide me with an analysis of where this document specifies investment opportunities that exist within Australia?

Mr Dadswell—It looked at the document which is available on our web site. It essentially considered the wood flows that will be coming out over the next 20 years and what type of processing, in terms of world-scale processing, could then be based on that level of supply, taking into account infrastructure needs—regional, distance to processing et cetera.

Senator MURPHY—But ABARE would have wood flow information. You would not need to pay Yaakko Poyry a significant amount of money to get that information. It is available from any number of sources. I could readily access this sort of information from state departments.

Mr Dadswell—That is true. A lot of the analysis is actually in the requirements of the mills and what is the current world's best practice in mills.

Senator MURPHY—My question is: what information has it provided to the department about investment opportunities?

Mr Quinlivan—We were not the audience for the work. The audience was the people in the timber industry and prospective investors.

Senator MURPHY—I do not care who the audience is.

Mr Quinlivan—It is important because—

Senator MURPHY—Not that I can see. I do not want to refer to Yaakko Poyry but I draw your attention to page 54, 'Opportunities for Australia in respect of MDF'. That gives me expected trends in the growth of markets around the world. It suggests that there are opportunities within Australia. This was presented, I assume, in October 2001, which was, depending on who you talk to, at the commencement of or during the housing boom in this country. In my state alone an MDF plant—the only one we have—was almost closing down. Even though housing is still rolling along pretty well, that plant closed not too long ago for a period of time because it could not sell the product. It has the capacity for a second line and yet the Japanese sold it. The department is commissioning what would be, I suspect, very expensive work that seems to be of little content insofar as investment opportunities in the Australian forest products industry are concerned. If you were not the audience for this and if the global community of Australia was the audience in respect of investment opportunities in the Australian timber industry, I want to know where they are.

Mr Dadswell—To give you an idea of how that has been used—

Senator MURPHY—I would be interested in that, Mr Dadswell.

Mr Dadswell—A lot of that information has flowed through into some further documents that we have prepared about identifying Australia as an investment potential for the forest products industry, for both domestic and international investment. That has further flowed through into a series of documents that we have prepared for Australia's investment advisers overseas to target investors in key markets. You might ask what use something like this is, but it is an initial lead in to say to people who perhaps have not thought of Australia as a potential place to invest, 'Look what we have to offer. These are potentials.' That then leads to feasibility studies et cetera. It is a

broad level of information that would not otherwise be available. It is about promoting Australia's investment credentials.

Senator MURPHY—I do not want to dwell on this but the great bulk of the information in here you probably could have sourced from the web site of the AFPO. That is what is important here. If you are about providing information for potential investors in this country, information from what would be a very expensive report—and we will get to that in due course—does not do the job. I can show you a Yaakko Poyry report from back in the 1980s that suggests the same things. In the third last paragraph of page 1 in your submission you say:

From the release of the *2020 Vision* in October 1997 the Commonwealth's policies and activities relating to the development of the plantation forest industry have been focused on achieving the *2020 Vision*; plantation growing and processing industries that are market focused, internationally competitive ...

And so on. You go on to say that the focus now has to shift to how we are going to turn this trebled plantation area—I am not sure about volume—into something that is going to make an internationally competitive, sustainable and profitable industry. You say that, as part of that, you got this. How does that all work?

Mr Quinlivan—The prize for Australia is investment in downstream processing to realise all the economic benefit available from the resource rather than having that processing done offshore.

Senator MURPHY—How many companies that are in the plantation industry in this country have indicated to you that they are in the plantation industry for the purposes of downstream processing in this country?

Mr Quinlivan—None of them. I do not think that is the question. They are not the investors that are relevant for the sorts of manufacturing facilities that we are talking about here. They are entirely different people.

Senator MURPHY—How many of the companies within the plantation industry in this country have not actively sought, and in some cases already signed, agreements for the supply of woodchips or logs to countries placed overseas?

Mr Quinlivan—I would expect all of them have. They should all be out there actively seeking markets.

Senator MURPHY—Where does that leave this strategy that you are talking about?

Mr Dadswell—It comes down to the end price of the chip. At the moment they are saying, 'There are people overseas who are willing to buy our chip at a price better than what domestic processors are willing to pay.' In some cases that is the case, but of course there is domestic chip being processed in Australia. Whenever someone thinks about investing in Australia in chips and basing their input on chips, they have to look at the price. If they cannot pay you the same price as an export chip company might pay, the mill will not be viable. It comes down to the price of the chip. You would hope that, given that the location is close to the resource, there might be some economies there. We are aware of companies that are seriously looking at large-scale

processing based on Australia's potential chip resource. Where that goes is up to those companies.

Senator MURPHY—To make them or sell them?

Senator BROWN—You say:

The revised 2020 Vision recognises the opportunities associated with the delivery of environmental services ...

In the clear-felling, burning and poisoning of old-growth forest in Tasmania for plantation, what are the environmental services that are delivered?

Mr Quinlivan—The environmental services that are referred to in the document you are talking about are principally the ones we were talking about earlier and the catchment scale effects of plantation development.

Senator BROWN—I will again put my question: can you name environmental services coming out of this process of logging old-growth forests and completely removing them to put in plantations under the 2020 vision program?

Mr Quinlivan—I do not know what the scale of that is or how relevant it is to the volumes we are talking about under 2020. The practices you are talking about are contemplated in the regional forest agreement with Tasmania. I do not have anything further to add.

Senator BROWN—But neither of you can name an environmental service that is provided in that process?

Mr Quinlivan—No, I cannot.

Senator BROWN—Have you seen any assessment of the potential cost of atrazine being used on plantations in Tasmania or elsewhere, recognising that this is a banned chemical in the United States because of its carcinogenic and other negative impacts on cellular structure, including human cellular structure?

Mr Quinlivan—I do not know anything of this chemical.

Mr Dadswell—It is a chemical registered in Australia for a registered use. As long as it is used for that, it is up to the registration authority to determine.

Senator BROWN—But not you?

Mr Dadswell—No.

Senator BROWN—One service that is provided by old-growth forest standing is tourism. Has your department or your minister asked for an assessment of the tourism value of old-growth forests, as against them being removed to put in plantations?

Mr Quinlivan—Not to my knowledge.

Senator BROWN—No work has been done on that?

Mr Quinlivan—I am not sure that we would do such work. We are not responsible for managing forests.

Senator BROWN—But you are responsible for plantation.

Mr Quinlivan—No, we are not.

Senator BROWN—You are surveying. You are here because we are looking at the 2020 vision and plantation establishment, aren't you?

Mr Quinlivan—Our role is to coordinate nationally the activities of land managers of the state governments in this area who are responsible for making decisions about plantation development. Our role has to been to try to make sure that that happens consistently on a national basis, but we are not responsible for managing forests or making decisions on any specific plantations—or any specific land uses, for that matter.

Senator BROWN—So you are looking at land management but you are not interested in good land management?

Mr Quinlivan—We do not make decisions on land management. It is not a Commonwealth responsibility in Australia.

Senator BROWN—That was not the question I asked. As you do an assessment of economic outcomes and you do talk about the delivery of environmental services, what I am asking is: how on earth do you do that if you do not look at environmental costs?

Mr Quinlivan—We have identified nationally the need for more emphasis on socioeconomic work, on more socioeconomic data on the forestry industry and on forestry activity and forestry use and to move away from biophysical data. We expect to see the monitoring and evaluation that goes on in the forestry sector moving in that direction, so I think you would find that we and most of the state governments agree with you that there needs to be more emphasis on that sort of work. I am sure the balance of our effort in monitoring and evaluation is going to head in that direction in coming years.

Senator BROWN—I am astonished to hear that matters that I have brought up here are not in your purview.

Mr Quinlivan—What I said was that we do not make decisions on these matters. I did not mean we are not interested. The Commonwealth government is not making decisions in these areas.

Senator BROWN—Yes, but what I asked for was information about the costs of environmental detriment in replacing old-growth forests with plantations. You have been able to give me no answers. I was going to move next to the value of carbon in forests. Are you aware that there is no plantation that matches old-growth forests in terms of carbon bankability in an age in which we are moving into carbon trading worldwide?

Mr Quinlivan—I have no expertise in this area.

Senator BROWN—We had evidence in February from Judy Clark from the ANU. I will quote her:

The main message is this: in three to five years, large areas of Australia's eucalypt plantations will be maturing, and the wood volumes that are projected to come onstream are likely to generate a hardwood woodchip glut if native forest resources remain in the supply equation. Australia's plantation processing capacity is falling seriously behind plantation wood supply.

I think that is a comment on downstream processing. She continues:

Australia is enjoying nowhere near the full rural employment or wealth and environmental benefits that its existing plantations offer. These problems are with us now, and planting more trees without rigorous assessment of the global and Australian wood and wood products market is likely to intensify the problem.

Isn't that a prescription for falling prices?

Mr Quinlivan—I hope it is an opportunity to expand downstream processing in Australia.

Senator BROWN—But she says that it is not happening.

Mr Quinlivan—That is right, so that suggests that there is an opportunity. There is an increasing supply and we know that the demand for wood based fibre globally is increasing, particularly in places like China. So that is the very opportunity that I think people are identifying as something that we hope Australia will be able to take advantage of.

Senator BROWN—Mr Quinlivan, where are your figures to show that there is a globally increasing demand for woodchip and wood pulp?

Mr Quinlivan—I do not have any figures available but I have seen documents and presentations which show a steady long-term increase in world wood based fibre consumption. That is particularly underwritten at present by the strong increases in demand from China.

Senator BROWN—Could you give us some of that information? I will put that on notice.

Mr Quinlivan—I am sure you have had other presentations on this point over the course of the inquiry.

Senator BROWN—Yes, we are gathering that.

CHAIR—Does that mean that, in response to a question that Senator O'Brien asked about AFFA's response to the inquiry into the Tasmanian RFA—and, if I am correct, you are providing that in the next couple of weeks—you will move beyond the recommendations that have been provided by that inquiry to look at downstream processing?

Mr Quinlivan—No. They are quite separate things. The Tasmanian RFA review is an obligation that we have under the Tasmanian RFA to do a five-yearly review. The review was

undertaken by the forest products commission in Tasmania. We are responding to that now. That is quite a separate issue from plantations and downstream processing.

CHAIR—I guess my question is: would you or should you deal with issues that go beyond what has been highlighted through that commission of inquiry—presumably in the way that you have described—but beyond just the question of woodchips? If there is something else that the federal government has in mind, would that be part of a response to recommendations that are put forward?

Mr Quinlivan—We are quite interested, as we have said—

CHAIR—Tourism is another example. I understand that, compared to the logging industry, it has seven to eight times the economic returns in Tasmania.

Mr Quinlivan—We are quite interested in developing downstream value adding of whatever form. That was the discussion we were having with Senator Murphy before. His real point was that we are not being very successful, I think, and I understand the point behind his questions. It is definitely a strong interest of ours and of a number of state governments.

Senator BROWN—I am interested in this proposition that the costing of plantation establishment has not been fully done—according to the questions I have just asked and the information I have got—and that the government is putting quite massive amounts of money into plantation establishment, at least through taxes forgone, without having done the homework on the full cost-benefit analysis.

Mr Quinlivan—The taxes forgone are business expenses for business investments which just happen to be going into plantation development. They could be going into any other form of land use change—farming and so on. There is nothing special about forestry in that regard.

Senator BROWN—Yes, there is. The point I am making is that old-growth forests are disappearing at an enormous rate. They have a whole range of other values which you are not quantifying and taking into account, and that is pretty poor accounting.

Mr Quinlivan—I agree that we do not undertake whole-of-resource accounting in this country—or anywhere else, for that matter, I guess.

Senator BROWN—I have here the ABARE *Current Issues* of August last year, and it shows that the round wood coming from hardwood plantations is expected to increase from 2000-01 to 2005-06 by 820 per cent. Overall there will be an increase in round wood of 34 per cent. The major component there—it appears from this—is from hardwood plantations. There is this comment from ABARE:

While some of the projected additional softwood sawn timber production is likely to be absorbed by the domestic market (probably at lower prices), a large proportion would be available for export. However, the ability to export soft sawnwood will depend on Australia's international competitiveness in Pacific Rim markets.

A little later it says:

Plantation sourced pulpwood supplies are rapidly increasing in other countries, including Argentina, Chile and South Africa, and these additional supplies may lead to reduced prices for export logs and woodchips if market demand does not keep pace with the growing supply.

On the face of it, isn't that a worrying prescription for falling prices in a situation in which I think all we are able to count on is the prospect of downstream processing in Australia, which has not come about so far?

Mr Quinlivan—They sound to me like pretty conventional observations about resource industries. There is no reason to believe that wood based fibre will be any different, in the long run, to any other resource industry. Global competitiveness is critical.

Senator BROWN—Do you accept ABARE's interpretation?

Mr Quinlivan—Time will tell.

Mr Dadswell—There are certainly softwood log exports going into China and Korea. All the signs are that the demand there for softwood from Australia and also from New Zealand is increasing. We grow our plantations over a slightly longer rotation, so the wood quality of some of our radiata pine logs is better than that coming out of the other countries. The markets can value those aspects of the log as well, and not solely the base price. So ABARE are being quite simplistic; it does depend on the individual markets and the types of wood.

Senator BROWN—Are you aware that in Tasmania, French's, among other downstream processors—and these are downstream processes—are concerned that their supply is going because, among other things, exports of round wood are going to leave them without a supply for their factories in the next five to 10 years?

Mr Dadswell—It is up to the price they pay for the logs. If someone is willing to pay a better price elsewhere, you cannot blame the forest owner and grower for selling those logs at a better price.

Senator BROWN—That is market fundamentalism. Let us go back a step. If that is the case, why give tax incentives to one industry as against the next? Why should they not all be the same?

Mr Quinlivan—My point earlier was that they are. I do not believe we are treating forestry differently to other legitimate business expenses.

Senator BROWN—So you do not think any money is going to forestry because of the tax incentives?

Mr Quinlivan—I did not say that. I said that people investing in forestry are entitled to certain deductions for that investment, as they are for business expenses for alternative investments. I do not believe that forestry is treated preferentially in that way. Your comment was that those expenses do not recognise whole-of-resource accounting. That is true of agriculture as well. We have been talking about externalities in water for agriculture. I would

agree with that as a principle, but I do not believe that forestry is treated preferentially in the way that you are implying.

Senator BROWN—Thank you for your opinion.

CHAIR—Mr Quinlivan and Mr Dadswell, thank you for taking the time to appear again tonight. I am sure we will meet again on other occasions. If we need to follow up any information, the secretariat will be in touch, and a copy of *Hansard* will also be available shortly. I apologise for the delay and I thank you for your patience. Mr Quinlivan, I believe you have been promoted. Congratulations.

Mr Quinlivan—No, I have not.

CHAIR—You have not been? You are acting deputy secretary. I am sure that next time we see you it will be a different case.

Mr Quinlivan—Next time you see me I will be a humble executive manager.

CHAIR—Again, thank you for appearing. That concludes the hearing.

Committee adjourned at 8.53 p.m.