



Tasmanian Farmers & Graziers Association

ACN 009 477 810 ABN 69 646 967 202

A Member Of The
National Farmer's Federation

TFGA House
Cnr Cimitiere & Charles Streets
Launceston Tasmania 7250
P.O. Box 193
Telephone **03 6331 6377**
Facsimile **03 6331 4344**

**The Reviewer
RFA Ten Year Review
Department of Premier and Cabinet
GPO Box 936
HOBART TAS 7001**

26 July 2007

Dear Sir,

Submission on the Ten-Year Review of the Tasmanian RFA

Introduction

The Tasmanian Farmers and Graziers Association (TFGA) is the State's peak representative body in the agricultural sector. Membership currently totals some 4,500 enterprises and extends across the dairy, meat, vegetables, wool and cereals and seeds industries, as well as poppy producers, berries and a number of minor crops.

A very important activity for a substantial number of our members is forest management (both native forest and plantations) and related commercial wood production. Some 40% of the current annual wood harvest in Tasmania comes from private land, and a substantial part of this on land owned by TFGA members. Sustainable wood production will remain an important element of their business portfolio for many, many farmers.

The resource security, which was the fundamental objective of the State in negotiating the RFA, remains as critically important now for forestry and wood processing investment today. Without resource security wood processing facilities will not be built, and without wood processing facilities growers have little incentive to invest in the high quality forest management needed to produce quality wood.

The TFGA therefore strongly supports the fact of the RFA, and we have a strong interest in seeing commitments made by both the Australian and Tasmanian Governments in the RFA, honoured by those Governments.

This submission will focus on a relatively small number of issues of particular relevance to private wood growers, but will also comment on some issues, which, while they specifically relate to State Forest production, have important implications for private wood growers because of the integrated nature of the industry.

Extension of the RFA beyond 2017

We note, from the *Implementation of the Tasmanian Regional Forest Agreement 2002 – 2007*, most commitments by both the Australian and Tasmanian Governments with respect to the original RFA, the first 5-year review of the RFA, and the Supplementary RFA (2005), have been met or, where they are ongoing in nature, are continuing to be met. This fact needs to be highlighted in the final report of this 10-year review, because this is fundamentally what justifies the ongoing confirmation of the RFA for both Governments.

The fact of this good “report card” for the RFA is also critical to potential extension of the RFA beyond its current life of 2017. Extension of RFA beyond 2017 must become an increasingly important consideration for both the Australian and Tasmanian Governments as we move into the second decade of the RFA. Good investment decisions in forestry and wood processing cannot be made for the short term. The shortest of commercial plantation rotations in Tasmania is 15 – 20 years, and native forest rotations are several decades long.

A suitable approach to considered and staged extensions to agreements such as the RFA is the “evergreen” approach. This involves formal reconsideration of an agreement several years before expiry, with a view to extension out to a point, which duplicates its original life. Under this model, if the Australian and Tasmanian Governments agreed to an extension of the RFA in 2007, the new life of the RFA would be out to 2027.

The TFGA urges the Australian and Tasmanian Governments to initiate discussion on the issue of extension of the RFA beyond 2017, on some kind of “evergreen” basis, in recognition of the fact that resource security in the forest and forest products industry is ongoing rather to one-off “horizons of security”.

Forest conservation on private land

A consistent position of the Australian and Tasmanian Governments with regard to forest conservation on private land is that such conservation must be by voluntary participation of land owners. The TFGA has been, and remains, a strong advocate of this position.

The Private Forest Reserve Program (PFRP) delivered significant gains in terms of forest conservation on private land, as noted in *Implementation of the Tasmanian Regional Forest Agreement 2002 – 2007*, in spite of the fact that that its reliance on perpetual covenants limited its appeal among land owners.

It remains to be seen how the Forest Conservation Fund (FCF) Program develops as a successor program. On the one hand the fact of term as well as perpetual covenants will widen its appeal. However, the effectiveness of an approach, which relies on landowners competing to establish vegetation reserves on the basis of “lowest cost”, remains to be seen. Having said that, the FCF is at the very least, an evolutionary step forward for conservation on private land.

The TFGA strongly believes that consideration in this area needs to move beyond the concept of “one-off” payments to land owners in return for medium or long term covenants or similar, to that of “stewardship”. By this is meant ongoing payments by Government to landowners in return for managing areas of native vegetation to achieve agreed outcomes. In effect this will result in maintenance of conservation values on

private land being regarded as a land use option, along with more traditional options, and provide the best of all motivations to land owners to actively protect those values.

The TFGA commends the Australian and Tasmanian Governments for their pursuit of voluntary options for protection of natural values on private land, and urges expansion into Tasmania of Australian Government “environmental stewardship” program concepts.

Social and economic indicators

Fundamental in the development of the RFA was the concept of a balance between protection of the natural values in Tasmania’s forests and generation of the economic and social benefits flowing from employment and production. It was very clear when the RFA was being negotiated, that while there was ample objective data with regard to the natural values side of this equation, there was much more limited information available on the social and economic side.

As a result of this a great deal of work was done during the negotiation of the RFA, to collect good social and economic data, including the establishment of a special unit within the Australian Government to collect and analyse it.

As Implementation of the Tasmanian Regional Forest Agreement 2002 – 2007 notes (p 118) the two Governments have agreed as an outcome of the first 5 year review of the RFA in, 2002, that a process for collection of good social and economic data needed to be developed as a priority to provide ongoing information in the area. As the report also notes, this has clearly not been progressed as it should have been.

The TFGA urges both the Australian and Tasmanian Governments to work as a high priority, to rectify deficiencies in data collection and analysis with regard to social and economic implications relating to forest management and use.

Carbon accounting

There has been very little development of the concept of carbon accounting in the context of forest management, in RFA discussion to date. On the other hand the concept is developing strongly in policy discussion generally in Australia and internationally.

It is important that the 10-year review of the RFA consider the carbon accounting issue in detail, and that this be reflected in the final review report. We have seen issues, which were not central to the original RFA, brought into the agreement through the subsequent elements of the process (5 Year Review and Supplementary RFA). It is highly appropriate to do the same now with regard to carbon accounting and tree growth.

The TFGA urges the Australian and Tasmanian Governments to expand consideration of carbon accounting in relation to forest management as an important element of the 10 Year Review

Conclusion

The TFGA believes that the Tasmanian RFA is a very good example of how Governments can regulate natural resource use so that natural values are protected and social and economic benefits can be secured.

This submission highlights four specific issues with regard to the 10 Year Review of the RFA, with a view to maintaining it as a living instrument of regulation, including the important issue of its extension beyond its present life of 2017.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Swain', with a long horizontal flourish extending to the right.

Roger Swain
President