



Forestry Minister Guy Barnett. Picture: NIKKI DAVIS-JONES

# 'The Forestry Tasmania business model is broken', says Forestry Minister Guy Barnett

MATT SMITH, State Political Editor, Mercury

October 15, 2016 4:00pm

FORESTRY Minister Guy Barnett surprised just about everyone when he announced he would consider accessing 400,000ha of forest earlier than expected. Political Editor Matt Smith asks why.

**When people think about the forest industry, there seems to be a view that we need FSC (Forest Stewardship Council) certification. Is that still the view do you think, and is it achievable?**

Yes and yes is the answer.

Forestry Tasmania advise that their objective is to obtain FSC.

The announcement, with respect to looking at the option of going to the future potential production forest and if it were to occur, would occur on the basis that it would not impede any application by Forestry Tasmania for FSC.

**So effectively what you are saying is that you are not going to go into those areas if it's going to have a detrimental effect on your ability to obtain FSC certification?**

What I said is that the opening up of the 400,000 ha future potential production forest would be done in such a way to not impede Forestry Tasmania's objective and application for FSC.

The main reason we are sitting here is because I have received Forestry Tasmania advice. And based on past consultations and an understanding of the issue, that is that the business model for Forestry Tasmania is broken and it needs to be fixed, there are three options.

You can close down the forestry industry, which is the Greens' option. You can keep injecting millions of dollars of subsidies into Forestry Tasmania. Now under the previous Labor/Green government that was in excess of \$100 million (over four years).

Their plan going to the last election was a further \$100 million over the next four years. Or you can have the Liberals' plan which is to ensure it (Forestry Tasmania) is put on a sustainable basis going forward. That's our plan and we are now implementing the plan.

As a result of the lockups, there was less resource available for Forestry Tasmania to access timber. And in addition, there was not only less timber available, there was less commercial timber available.

So the issues of quantity of logs, quality of logs, access to market, distance to market, roads and road infrastructure — all of those things, if you have a smaller footprint, become serious issues or problematic impeding Forestry Tasmania's ability to be commercially viable as an entity.

Based on advice from Forestry Tasmania, that's a serious issue in terms of becoming commercial.

**All of those issues though would have existed when the State Government's policy was developed after the election, which of course included your pre-election promise to tear up the TFA (Tasmanian Forest Agreement). At that point you also made the announcement that you would keep these forests in reserve or keep them as they were until 2020. Has Forestry Tasmania exhausted all the land that they currently have open to them? What has been the catalyst to make this announcement this week?**

Well the catalyst is the government's policy position to put Forestry Tasmania onto a commercial footing and that is an import policy position.

We can't keep injecting money into Forestry Tasmania, you know more than \$100 million in the last four years, \$100 million in the next four years.

We want to abide by legislative requirements and the contractual requirements to provide timber to the local processors.

When considering opening it and bringing it forward, the future potential production forest, and just to make it clear — the private sector would have access to that forest, potentially, and subject to all the environmental approvals and timber harvesting plans, and you know so on and so forth that are relevant to any harvesting of timber.

And secondly opening up the areas, because we are committed to the legislative requirements to provide wood supply to the local processors, to look at the possibility of the private sector being involved and helping to ensure the provision and the commitment of that legislative requirement.

**In relation to the private sector, FIAT (the Forest Industries Association of Tasmania) put out what I would describe as a fairly unusual media release. It appeared that they hadn't been consulted and if they had been it was sort of last minute stuff, or they certainly weren't in the tent helping you along the way making decisions. Is that a fair assumption?**

Well look I think you've unfairly characterised FIAT's observations.

They want to see further information and see the assessment done and have a better understanding of where we are going.

So in terms of a government we welcome that and the involvement of key stakeholders such as FIAT, and there are many key stakeholders in the forest sector. And the importance particularly in rural and regional communities, I can't overstate the importance of regional communities when much of the future potential production forest is in the North-East, the North-west and in the South so you know, the Derwent Valley, the Huon Valley, they are important communities, I want to note that.

**So where are those people today, coming out in support of this policy?**

We've obviously had a lot of consideration and we will be providing further serious consideration to this option and will certainly be having consultation with key stakeholders and key communities in due course, and I will have more to say in coming weeks.

**I don't want to be deliberately adversarial on this but some would argue that you are putting the horse before the cart, by not having those people in the tent with you talking about it along the way. Obviously you disagree with that sentiment.**

Oh look we talk to key stakeholders on a regular basis and will continue to do so.

**You've talked a lot about the language around this issue. You understand what this issue is like in Tasmania. It is a divisive issue. You have raised concerns about using terms like "war" when talking**

**about the forest industry. There is now a lot of talk that this is all about taking the emphasis off other things that the government don't want to talk about. How can you explain that it isn't?**

Yeah I can explain it this way, I think the Greens are stuck in the past, they have used, certainly with respect of war and the use of that word in the context of Syria and the bloodshed and loss of life, it is totally inappropriate and I would call reprehensible.

**Sorry, they made the comparison to Syria today did they?**

No, no, they've used the word "war", "forest wars", and you just can't. In the context of world news every day you see it on the TV and you know Syrian people are dying and there's bloodshed, and I think that's a most inappropriate and reprehensible use of language.

**Just on that though, it's probably universal though isn't it, you know we probably say there's a war between two local politicians, maybe the word is probably just treated too lightly?**

I just think there should be consideration of the use of that word at the moment.

... But just to try and answer your question, there has been division in the past, with respect to forest industry, because there has been so much division caused as a result of the lockups and the loss of jobs.

Two out of every three jobs were lost in the forest sector under the previous Labor/Green government. That is the past, we are looking to the future.

We have seen small but important and positive steps forward with respect to an increase in turnover, an increase in exports, an increase in confidence and certainly an increase in jobs in the forest sector.

Now we are starting afresh and I think we will be entering a new chapter because there are opportunities afresh in the forest sector.

You've seen opportunity for value adding and downstream processing, with respect to and innovation in the forest sector, and this is definitely part of our future.

I'll have more to say about opportunities in that regard in the near future, specifically with respect to innovation wood fibre, biomass, biofuels and so on.

When you think you've got a possible or probable feasibility study into a wood, blackwood pellet plant of some \$130,000,000 plus which would then be exported, those blackwood pellets would be exported to replace black coal in Japan. This is part of our future and I'm excited about it.

**So if the new government has come in and we've seen the industry turn around off the back of its policy, why then are we back today where you will have (opponents) back in the media talking about your policies?**

Right well I would urge Markets for Change and anyone else who may be considering damaging Tasmania's reputation in Asia or elsewhere to withdraw, to cease such acts of treachery.

Defaming the Tasmanian brand in Japan, China and other parts of Asia is contrary to Tasmania's best interests.

I would like them to work with the government and the key stakeholders in Tasmania to help promote and support our forest industry which is sustainable and renewable.

**How many jobs have been created in the forest industry since the election?**

A substantial increase and under the previous Labor/Green government there was two out of three jobs were lost and we've seen a steady increase in the last two years.

**What do you use as the measure?**

The ABS statistics is used and it's both direct and indirect jobs.

If there was a halt to native forest logging in Tasmania, thousands of jobs would be lost, particularly in rural and regional Tasmania. That's what we don't want.

We need to build and support rural and regional Tasmania and the forest industry is a key part of the rural and regional communities.

**The advice that was provided to you from Forestry Tasmania, when will that detail be released?**

In the coming weeks.

**You alluded to the road infrastructure and one of the reasons we need to open up these areas is presumably because they are close to roads which are functional and so forth, which tends to make me think that there are maybe production forests that we can get to but the road infrastructure there is not up to scratch, is that right?**

Look, access to production forests is an issue and as a result of the lockups, the access distance to markets has increased.

That's one of the consequences of the lockups, access to the quantity of quality sawlogs, access to the quality logs and this is made clear in the Forestry Tasmania advice and I'm just sharing that information with you now. Forestry Tasmania is a broken business model where in excess of \$100 million went into Forestry Tasmania in the past four years.

We don't want to do that because that money should be going to schools, hospitals and supporting the vulnerable and the police, and the important front line services.

**Is there any possibility you will seek to sit down with people like Peg Putt and Bob Brown and have a discussion and try to talk about these things you have raised?**

I would really welcome it. I would really welcome the opportunity to sit down with key stakeholders and others with an interest, who want to move to a new chapter and a new beginning.

**So if Bob Brown says he is willing to sit down with you next week, will you?**

I'll sit down with Bob Brown at a time convenient, of course. I've just met with Vica Bayley today.

**How was that?**

It was a positive meeting. It was a constructive meeting – we agreed to disagree on a range of issues – but it was a positive meeting.