



26 February 2010

**SUBMISSION - DRAFT REPORT ON IMPLEMENTATION OF THE VICTORIAN REGIONAL FOREST AGREEMENTS.**

Timber Communities Australia is pleased to respond to the Draft Report on Implementation of the Victorian Regional Forest Agreements.

TCA is a national not-for-profit organisation representing the communities that rely on strong and sustainable forest industries for their existence. It is the impact on those communities that, too often, is overlooked by governments when determining forest policy. You will note in this submission that we believe this continues to be the case although it is largely ignored in the Draft Report.

Upon reading the Draft Report, we make the following comments:

1. The euphemism used frequently in the Report "*actions outside of the RFA*" is in fact coded language for a "breach" of the RFA agreement. We encourage DSE to come clean and simply admit that these are in fact breaches!
2. In a few instances the Report attempts to explain that DSE "managed" the impacts of these breaches with compensation packages. However at no time is it indicated what was done to restore the overall viability of the sector in the light of these breaches. It is one thing to compensate the businesses and individuals directly affected but the overall reduction in scale resulting from the continual effect of the cumulative reductions has a much more significant cumulative impact on the overall size of the sector and therefore its ability to manage impacts such as fire etc. We assume, because there is no mention of any corrective action, that the impacts of these breaches has not been investigated.
3. The sustainable yield review resulting from the Our Forests Our Future process were the result of wrong assumptions made during the original calculations, not some later strategy or development but were attempted to be hidden through the OFOF process. This attempted slight of hand should be admitted in the Draft Report.

The following comments relate to breaches and actions which have had a profound effect on the timber industry and, as a consequence, the communities that supported the industry. All should be explained in plain English in the Draft Report.

*TCA - Supporting real people, real jobs and real communities*

## 5.10 The CAR Reserve System

***“Changes to that component of the CAR reserve system will now only occur in accordance with this agreement”***

The Draft Report suggests in quite a matter-of-fact manner that, yes, there were changes were changes made not in accordance with the RFA for North East and Western Victoria. These were not minor – for example, the entire Otways State Forest became the Great Otway National Park!

The Victorian Premier’s acknowledgement in Parliament that this breach was not done in accordance with the relevant RFA does not excuse the fact that the Victorian Government had knowingly performed a major breach of the Agreement.

Stating that it “*did not lead to a net deterioration in the identified CAR values*” is not an excuse for what it really means – this single action triggered the process that ended a viable and sustainable timber industry that existed in the region when the RFA was formed.

How can the additional 45,000 hectares of East Gippsland forest added to the CARS reserve last December be determined as anything but another major breach of the East Gippsland RFA? In its quest to win “green” preferences the Victorian Government selectively ripped out clauses of a Regional Forest Agreement.

What is blatantly wrong in the report here, though, is the statement “*it will not lead to any net deterioration in the protection of identified CARS values, and will be achieved without any net job losses or reduction in available timber resources”.*

This is a preposterous claim to make in such an important report; it is also far too early to make such a claim..

The facts are simple – neither DSE nor any other Government agency has yet identified any alternative source of timber of equal quality, quantity and value of those now locked away in National Parks.

Until this is done, it can only be assumed that there is a net reduction in available timber resources. If the Victorian Government does not fast-track identification of timber of similar quality and species to be made available losses of jobs in the timber industry are likely to occur. The strategy as to how the Government intends to deal with this breach of the Agreement needs to be detailed in the report.

## 5.11 Industry Development

One of the tree main objectives of RFA’s is to provide long-term stability of forests and forest industries.

Creation of the Great Otway National Park is a single example of how breaching the RFA destabilised forest industries. There is widespread cynicism of the Victorian Government among industry stakeholders following this single act.

This breach has created mistrust and reluctance to invest in the industry in many areas of Victoria. The timber industry is seen from within as one of the bargaining chips for the Government of the day. TCA believes that, once signed, governments must abide by all clauses of Regional Forest Agreements to provide long term stability rather than the current election-cycle methods favoured by many governments including Victoria.

TCA agrees that, generally, there has been substantial investment made in adopting new technologies especially in shifting from green timber to kiln drying in the hardwood sector. Timber

Communities Australia believes the Victorian Government should to recommit to the next RFA process to ensure the next level of investment delivers innovations such as engineered wood products. Again, substantial investment is required of industry to achieve this. It is unlikely to happen, however, without the Government demonstrating its commitment.

Such an action would stabilize the industry and give cause for confidence to the communities that support it.

## **Conclusion**

The Draft Report on Implementation of the Victorian Regional Forest Agreements is a process integral to the integrity of the RFA process and the Department of Sustainability and Environment is to be congratulated on meeting its requirement of preparing this report. Unlike some other states Victoria consistently meets its RFA reporting requirements which helps maintain the integrity of the process.

It is a pity then, while the Victorian Government complies with RFA administrative requirements, so many blatant breaches of the RFA's have occurred to the detriment of the industries the process was meant to protect. Victoria's state forests to this day continue to be used as a bargaining chip for political gains and it should be reported in terms this blunt.

The reluctance to tell the facts as they are creates the illusion that the status-quo remains in the forest industries since the inception of the Regional Forest Agreements. Timber Communities Australia believes that the Victorian Government has a duty of care to its constituents to be frank in reporting where its actions have unduly affected the viability of forest industries and the communities that both support and rely on those industries.

We would be very pleased to see those changes reflected in the Draft Report.

Timber Communities Australia thanks the Department of Sustainability and Environment for the opportunity to comment on the Draft.

Yours faithfully,

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Timber Communities Australia