

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into VicForests operations

Melbourne — 17 July 2017

Members

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Witnesses

Mr Brendan Sydes, Chief Executive Officer, and

Ms Danya Jacobs, Forest Lawyer, Environmental Justice Australia.

The CHAIR — Welcome to the public hearing of the economy and infrastructure committee this afternoon. All evidence taken at this hearing is protected by parliamentary privilege; therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege. I ask you to address the committee for 5 or 10 minutes to just give it a general outline of the arguments that you wish to advance, and then we will move to questions. Thank you.

Mr SYDES — Thank you, Chair and committee. Thanks for the invitation to talk to you today. I am the chief executive officer and principal lawyer at Environmental Justice Australia. This is my colleague Danya Jacobs, who leads on our forest-related work in our organisation. We are a small non-profit law firm basically. Our expertise in this area is around threatened species protection in the context of forestry and threatened species law generally. We do a lot of work for conservation groups large and small and particularly in this context, the small groups on the ground who are endeavouring to identify and protect threatened species habitat from forestry operations in Victoria. My colleague will make a few quick points, and then we are happy to take questions from the committee.

Ms JACOBS — Thank you. We will in principle be addressing the terms of reference 1b, c and d. I would like to start by outlining that VicForests is required to manage the state forest allocated to it and to conduct its operations consistent with the principles of ecologically sustainable forest management, including pursuant to the Sustainable Forests (Timber) Act. The objectives of sustainable forest management include protecting biological diversity. Section 46 of that same act also requires VicForests to comply with the code of practice for timber production, which also requires that VicForests deliver environmental performance consistent with ecologically sustainable management of native forests, including operating in a manner that maintains biological diversity and ecological characteristics of native flora and fauna. Despite these requirements, logging is known to be causing declines of key threatened species in Victoria.

There are 79 threatened species dependent on the forests where VicForests logging operations occur, and at least 35 of those were recently determined by an expert panel to be negatively impacted by logging operations in eastern Victoria. State forests that are available and scheduled for logging in the Central Highlands and East Gippsland in particular were found by a recent VEAC investigation to almost completely comprise land that is in the highest category of contribution to the state's biodiversity conservation. In short, what this means is that, at a landscape scale in Victoria, logging targets the forests that are most important for biodiversity conservation and threatened species maintenance.

Leadbeater's possum is one of the species that is impacted by these operations. It is listed as critically endangered and faces a very real and serious risk of extinction in the near future. Despite that listing in 2015 under commonwealth law, there has been no improvement to its management since. Logging continues within habitat that is critical to the survival of the species, and in fact these are the areas targeted most heavily for logging. About 70 per cent of the VicForests annual ash timber supply is sourced from within the range of the Leadbeater's possum. We know with quite some precision the area that needs to be protected from logging in order to maintain viable populations of this species, and we know that the current protected area falls far short. Less than 50 per cent of suitable Leadbeater's possum habitat is protected, and the current 200-metre buffers applied to detections of Leadbeater's possum colonies protect only about 2 per cent of suitable Leadbeater's possum habitat. This represents just 2.5 per cent of VicForests total available resource.

The commonwealth threatened species committee stated in 2015 that 'the most effective way to prevent further decline and rebuild the population of Leadbeater's possum is to cease timber harvesting within montane ash forests of the Central Highlands'. Despite this, logging continues in those areas.

The entire mountain ash ecosystem of the Central Highlands was listed as critically endangered under the International Union for Conservation of Nature criteria via a peer-reviewed scientific assessment in 2015, and logging is recognised as one of the key threats operating on this ecosystem, together with climate change and bushfires. Logging has also been demonstrated by Melbourne University scientists to increase the risk and severity of bushfires within the mountain ash forests, and despite the known fragility of this ecosystem, more logging occurs in ash forests than any other in Victoria, with only about one-third of the ash ecological vegetation classes, including the mountain ash forests, protected in national parks and reserves.

I would like to briefly address the terms of reference at 1d, which relates to VicForests modelling scenarios around past, present and future supply levels of commercial timber. In our view VicForests wood supply calculations have four fundamental problems. They fail to input whatsoever the habitat required to maintain

viable populations of forest-dependent species. That is simply not a factor that is considered in calculations and forecasts of timber supply levels. Without factoring in that basic requirement, it is difficult to see any basis on which it can be claimed that timber supply levels in Victoria are environmentally or ecologically sustainable.

VicForests recent recalculations of wood forecasts attempted to account for 200-metre buffers that are applied to Leadbeater's possums. We understand there were some mathematical problems with those calculations, but of greater concern is that VicForests only went through this process for one selected species of the 79 forest-dependent threatened species, 35 of which are known to be negatively impacted by its logging operations, including a number of other species that also attract mandatory protection — that is, buffers where logging is not allowed — when they are found in the field. The relevant input, in our view, to determine the environmentally or ecologically sustainable wood supply level is the ecological requirements of threatened species, not the wood forgone through applying the current buffers that numerous scientists have told us are insufficient to prevent the species' extinction.

Fire risk and climate change are also not adequately factored into VicForests forward wood forecasting, and that was recognised in a recent VEAC report released this year that reviewed VicForests wood supply calculations. Thirdly, carbon and water values are not adequately factored in despite current research showing that carbon and water values in our forests far outweigh the wood value. Fourthly and finally, there are regeneration problems in our forests. The calculations that VicForests undertakes are based on 80-year rotations. We understand that VicForests in some instances is cutting at shorter rotations and proposes to continue to do so to meet projected shortfalls, especially for Australian Paper.

We also know that significant areas of public forest are failing to regenerate. The most recent VicForests figures, from 2015, show that about one in every 15 coupes has not been shown to have regenerated within the period required. Additionally there is a large area of state forest that was logged before VicForests was established that failed to regenerate, and we understand that in excess of 25 000 hectares has not been shown to have regenerated. This is known as a backlog regeneration area.

Finally, in relation to term of reference 1b — economic and environmental loss attributable to poor compliance — we know that there are systemic, ongoing compliance issues relating to threatened species protection in state forests. VicForests consistently fails to identify protected biodiversity values in our forests before it logs, including both threatened wildlife and rainforests, and that is in contravention of requirements in the code of practice for timber production for it to do so. Identifying what is there is a necessary precursor to applying any kind of protection, and because VicForests fails at the first step it also routinely fails to protect threatened wildlife in rainforests from logging consistent with its legal obligations.

The community is now filling this void, conducting threatened species surveys in public forests as best it can, and we know from a recent report that 30 per cent of Leadbeater's possum detections in logging areas are from the community. As a result, the community often conducts surveys at the last minute after operations have commenced, because VicForests does not release information about where and when it will be logging, contrary to legal requirements for it to do so. That means that there are numerous findings of threatened species where the required protected area has already been irreparably damaged, and I can take the committee through about 25 recent examples just within the last 18 months.

One case involved findings of the dead koala in a logging coupe in the Acheron Valley in the Central Highlands. The community had reported between nine and 12 threatened greater gliders present in that coupe. VicForests did nothing in response to that report, and a short time later community members returned to the site and found a dead koala, and at least four of the sites at which greater gliders had been detected were completely destroyed. This almost certainly resulted in the deaths of those protected species. I might leave the opening there and welcome any questions from the committee.

Mr SYDES — I omitted to mention too that we have not put in a written submission, but we would be happy to follow up questions today with any written material that is of assistance to the committee.

The CHAIR — Thank you very much indeed to both of you. I have to say that being Chairman of this committee I learn a great deal and see a lot of new things, and Environmental Justice Australia is one of those new things. Could you tell me a little bit more about Environmental Justice Australia, how is it funded and is it self-sufficient — or what is the story there?

Mr SYDES — As I mentioned in the opening, we are a non-profit organisation — a not-for-profit legal practice basically. We used to be the Environment Defenders Office (Victoria). We renamed ourselves three or four years ago now. We are largely funded by donations and community support generally. We do charge some fees and recover some fees where we can for our legal work. We receive philanthropic grants as well and now very limited public funding in the form of some funding from Victoria Legal Aid for a very small part of one of our programs. We are about nine or 10 lawyers and three or four other staff and are supported too by a range of law student and professional volunteers.

Our work involves legal work across the sort of environmental spectrum from climate change, pollution control to forests and biodiversity protection and so forth. A lot of it, and Danya's work in particular, is providing legal advice and legal representation to individual environmentalists, community groups and non-government organisations, but we also do a lot of more policy-oriented work as well. For example, we have been very involved in the government's review of the Environment Protection Act and the now ongoing process of developing legislative reform to respond to the inquiry's recommendations there.

So I think I would say we have a deep expertise across the whole environmental spectrum, particularly around biodiversity protection, an understanding in this context of how things operate on the ground and some of the sort of coupe-by-coupe conflicts that occur around threatened species and the impact of logging on threatened species, but also I think a pretty good understanding of the broad policy and legal context under both commonwealth and state laws for the protection of biodiversity.

Mr LEANE — Thanks for helping us with our inquiry today. There has been quite a bit of criticism from some quarters of VicForests in recent times for not releasing more supply — criticism around industry and employment. From an environmental point of view, what would you think the consequences would be if VicForests did not reduce that amount of supply?

Ms JACOBS — I think the consequences would be the known and managed extinction of a number of forest-dependent threatened species that peer-reviewed science has told us with really a high degree of certainty is likely to occur unless VicForests logging operations in key ecosystems in eastern Victoria, including the mountain ash forests in the Central Highlands, are drastically slowed. We know that these forests are required. They are the critical habitat for these species to persist into the future, and unless VicForests wood levels are decreased to allow for the protection of those areas, we are very likely to see the extinction of forest-dependent species in the state.

Mr LEANE — In line with your response, there was a report recently around the Leadbeater's possum which did say that the buffer zones may have assisted. There have been 340 new colonies identified. Is that something that you would acknowledge, or do you believe that there are other circumstances around that?

Ms JACOBS — We understand from the science that is currently available that a landscape-scale protection of the habitat of the Leadbeater's possum is what is required to prevent the slide of that species to extinction. The current 200-metre buffers are insufficient to adequately protect that species from extinction, and as I said earlier, they protect only about 2 per cent of suitable Leadbeater's possum habitat, which is far below the area that has been identified as required to maintain viable populations of that species in the wild.

Mr LEANE — Sorry, I did not completely follow; it is not your fault. You spoke about the landscape scale. Could you flesh it out to me? What do you believe it would take for the Leadbeater's possum to come off the endangered species list?

Ms JACOBS — Large new national parks and reserves across the mountain ash forests in the Central Highlands.

Mr LEANE — Relate that to the current timber industry. Is it basically no timber industry in that area?

Ms JACOBS — What we know from the leading scientists into the Leadbeater's possum and the mountain ash forests, who have been studying that species now for more than 30 years, is that a near-complete cessation of logging in the mountain ash forests is required in order to prevent or effectively safeguard the Leadbeater's possum from extinction.

Mr LEANE — There is criticism around reducing timber supply, and there is criticism in having a timber supply. If this is not a question you can answer, that is fine, but do you know of other jurisdictions around the world, where a timber industry exists, where there is a good balance between supply and maintaining the highest environmental concerns and standards? Is there any sort of template out there?

Mr SYDES — We might take that on notice if that is all right. There are probably people we could speak to.

Mr LEANE — As I said, it might be a difficult one, but it would be interesting to see if there is some other jurisdiction you believe has that balance. Thanks very much.

Mr BOURMAN — Thank you for your presentation. I have got a few questions. Where does the Leadbeater's possum exist as far as you are aware, as far as the science goes, in the scheme of the whole of Victoria?

Ms JACOBS — It is restricted to native forests in the east of the state, primarily the mountain ash forests in the Central Highlands regional forest agreement area.

Mr BOURMAN — I am assuming that there is more than just the Central Highlands as far as national parks and things go. I am assuming someone else has looked there and they have not found any possums.

Ms JACOBS — The known range of the species is, as far as science is aware, restricted to those forests and a small disjunct population in the Yellingbo forest.

Mr BOURMAN — Okay, because there seem to be a lot more possums than people thought. Originally there was going to be a cap at 200 special protection zones, or up to 600 and something, and I believe the expectation is that there are going to be 700 or so. Obviously where there is logging there are lots of people looking. Is anyone looking outside the logging areas?

Ms JACOBS — They are. I would just like to address that in two ways. Firstly, we would not agree that there are more Leadbeater's possums out there than people thought. What there has been in recent years, and particularly since 2014, is a rapid increase in the survey effort. Because there has been an increased survey effort, that means that Leadbeater's possums that were previously thought to occur in particular areas are now being detected with certainty. That does not mean that the total population predictions have changed. All it means is that the animals that we thought were in a particular place, based on habitat modelling and predictions from scientists, are now being confirmed in those areas.

Mr BOURMAN — So you thought they were there, and people were looking for and finding them.

Ms JACOBS — Yes.

Mr BOURMAN — Has anyone thought to look elsewhere? Understanding that if they did not find them before and there is a fairly defined zone where they thought they would be and now they are looking and finding them, has anyone looked elsewhere? We have got a lot of Victoria that wants to be locked up by this national park.

The CHAIR — Like the Otways. Any possums in the Otways?

Mr BOURMAN — That would be probably drawing a long bow. We are locking up a lot of Victoria, and there has been, to the best of my knowledge, very little effort put outside the logging areas into finding out what actually may or may not be there.

Ms JACOBS — There are long-term studies into the forests in the Central Highlands and also in areas east of Victoria that are tenure blind. Those studies look at long-term research and monitoring sites, particularly those that have been conducted by the Australian National University, but there are also others who do survey the forests both within national parks and within the state forest areas, including for Leadbeater's possums and for other species.

Mr BOURMAN — As a lawyer you will appreciate this. There is nothing really to say there is or there is not elsewhere. There was a study by the Arthur Rylah Institute, which I still have not seen, which was meant to go further than just the logging areas, but at this stage all I am hearing, not just from you but from everywhere

else, is how many they are finding in the logging areas, and there seems to be deathly silence about anything else. Everyone had been looking and not finding, but that is one thing.

Ms JACOBS — There is a very high degree of scientific certainty about the range and the area of suitable habitat for this species. There is almost no scientific uncertainty about the extent of the species' range. It is not, for example, thought that the species may be located in western Victoria but it just has not been found. That is not the case.

Mr BOURMAN — No. I was thinking more of an extension past the Central Highlands. Let us not forget it was not that long ago everyone said the earth was flat. We now know as a certainty that it is not, and that is why I am trying to find out as a certainty whether the possum is endangered. Do not get me wrong. If it is endangered, we need to do what we need to do, but a high degree of certainty is not certainty.

Ms JACOBS — We know that this species is critically endangered. In fact it is one of the most heavily studied species on the planet. It has had one of the most comprehensive and long-term scientific studies — of its population, its dynamics, its habitat requirements, its extent and its projected decline — of any species on earth. That research has been led by the Australian National University, a very reputable academic institution.

Mr BOURMAN — Roughly how many possums were you expecting to find in the Yellingbo? You said there is a small population there. I have not heard about that, but I am not aware of anyone actually counting, and I could well be wrong.

Ms JACOBS — That population has been closely monitored.

Ms DUNN — I think we are down to about 38.

Mr BOURMAN — Possums?

Ms DUNN — Yes.

The CHAIR — Thirty possums?

Ms DUNN — Genetically unviable now.

Mr BOURMAN — I wonder how they got there. But anyway, I will move on a little bit.

You mentioned shorter rotations from VicForests. It was 1 per cent of 1 per cent, and it works out every 80 years, the method to circle around what they do, but obviously it is changing. Is it fair to say that is probably because the amount they have got to log is now getting less and less, so it is going to be less period of time before they get around to where they need to start harvesting again? Obviously it is in their interest to get the best timber they can because they will make the most money, but if they are getting less and less and less areas where they can actually log, do you think it is fair to say that it is because the rotation is getting shorter they have just got less area to work with?

Ms JACOBS — I think it is perhaps fair to say that the current contractual commitments are in excess, particularly those to Australian Paper — far in excess even — of what in anyone's view would be of an ecologically or environmentally sustainable wood supply into the future. One of the results of that may well be what you have just described, which is shorter rotations.

Mr BOURMAN — Let us talk about wood supplies. There is obviously supply and demand. There is a demand for wood, not just in Victoria but also elsewhere. You talked about — and I cannot remember the exact words — a small logging operation, we will call it, being what you would see as a viable thing. How many thousands of tonnes or hundreds of tonnes, or whatever, would you see as an ecologically and environmentally viable, by your standards, logging industry, or to keep it, I guess, the way you would like it?

Ms JACOBS — Regrettably I am not an environmental scientist or a forester and I cannot give with any precision a cubic metre estimate of what a sustainable supply level would be, but certainly what I outlined earlier was that there are key data inputs that we say need to be factored into determining what an ecologically or environmentally sustainable wood supply is. We know that the current efforts to calculate the wood supply

levels by VicForests are not factoring in those key data inputs, primarily the areas of forest that are required to be protected to ensure viable populations of forest-dependent threatened species.

Mr BOURMAN — As neither of us are scientists in that respect, I will move on from there.

Mr LEANE — How do you know there are no scientists here?

Mr BOURMAN — Well, I was actually referring to myself, but you are welcome to jump in if you have got a qualification, Mr Leane.

In terms of supply and demand, there is going to be demand for timber no matter where we get it. Let us presume for a moment that we shut down the timber industry except for the small amount, which we are not sure of but it is immaterial for this question. Where is the wood going to come from? Because at the moment there is definitely a demand at the current levels. So if we are not going to get it from there, where should we get it from? We are obviously not going to go and log other national parks, so what is the expectation of where that demand will be met?

Ms JACOBS — There are alternative supplies that can meet our fibre needs, including both from plantations and alternative fibre sources that are already being used in paper production. It is worth noting that the overwhelming majority of the wood coming out of our native forests at the moment is used in very low-grade products. That is primarily Reflex paper, and second to that is the manufacturing of pallets. Neither of those products are dependent on native forest timber. They could both use alternative sources. In our view those alternative industries need to be supported by government policy.

Mr BOURMAN — I do not necessarily have a problem with that, but I guess the issue I see is it is 2017 now. Let us presume for a moment that the government said we are going to go to plantation timber. How long is it going to be before the first tree is available for products such as paper mill stuff but also for tables and things? There is obviously going to be a time; it takes time for trees to grow. Whilst trees obviously do grow on trees, it does not just happen overnight. What are we going to do in the meantime whilst we do it? If we stop the logging now — and I will make up numbers here because, again, I am not a forester — let us say 20 or 30 years is the minimum time for something to be available. There is going to be a gap. Where do you see that supply coming from?

Ms JACOBS — There is already a very large plantation timber resource in the west of the state. In fact Portland is now our biggest export woodchip centre, in western Victoria. The forest industry more broadly beyond native forests is already shifting into plantations, and that resource is already in the ground. There are already plantations that are available. There may be some differences in the supply level in the short term, but those differences need to be considered in terms of the ecological costs that we are suffering by allowing these ecosystems, some of which are critically endangered, to continue to be logged. As well as the environmental loss, there is also a known economic loss that we are suffering by allowing continued logging in native forests and preferencing that industry over other forest industries such as carbon, water values and tourism that can equally be contributing greater or in fact higher sums to the state's economy.

Mr BOURMAN — That last point about tourism jobs is a little bit debatable. There was some sort of thinking that there were going to be an extra 400 000 people in the great forest national park. There is going to be a big car park there somewhere. But anyway, the price of timber will either go up or we will get the timber from elsewhere. My problem is that if we get the timber from elsewhere we are getting it from somewhere else, which will not have the same, let us call it, robust standards as Australia. We are well aware that a lot of Indonesian rainforests are getting mowed down to make timber, but we have no control over that. That is a worry we have. We have to look on a bigger global scale. And no, I am not an environmentalist really, but we all want to look after our planet. You mentioned that the special protection zone of 200 metres was insufficient. Can you expand on why it is insufficient?

Ms JACOBS — I can. The leading scientist who has been leading a team of researchers at the Australian National University into the Leadbeater's possum for about 30 years, Professor Lindenmayer, has released peer-reviewed research that shows the required buffer on new colonies is in fact 1 kilometre and that that sort of protection should be in place as well as a broader landscape-scale protection of the species' habitat that is not only based on finding and protecting Leadbeater's possums where they are located.

Mr BOURMAN — I am no mathematician, but I would hate to work out the hectares in a 1-kilometre exclusion zone for a particular possum, but fair enough.

Mr SYDES — But that is the point. You need systematic landscapes to be able to give protection, in the form of its own national park, to adequately protect the possum. The 200 metres is a compromise. That is very clear in the review of the Leadbeater's possum zoning that came out recently and Professor Woirnaski's review of that.

Mr BOURMAN — So how much of Australia's public land, by your expectation, is actually available and is logged? Because I get told a figure, and what I am hearing is it is tiny in the scheme of things. Is a kilometre going to lock up all of everything? I am just trying to think. If a 200-metre exclusion zone is 12 hectares, you could not log anything if you started to do a 1-kilometre radius.

Mr SYDES — You can do all sorts of things with statistics, and people have told all sorts of stories with how much of Australia's forests are available for logging and so forth. The starting point here really is that we have legislation in Victoria that says that forestry has to be sustainable. It is not. The starting point, too, is that we have legislation both here and nationally at the commonwealth level that says that habitats and threatened species that depend upon those habitats are to be protected. And they are not being protected; they are being adversely impacted by logging. That is not a speculation as to what might occur in the future; that is a result of current logging practices. That is why we have seen Leadbeater's possum elevated to critically endangered under the commonwealth Environment Protection and Biodiversity Conservation Act. That is why we have recently had the Victorian government accept the scientific advisory committee's advice under the Flora and Fauna Guarantee Act that the greater glider that is endangered ought to be listed under that legislation.

Mr BOURMAN — The greater glider — I am glad you mentioned that. Where is the habitat of the greater glider in the scheme of things? Is that in the same Central Highlands area? Would it be protected by the same 200-metre, 1-kilometre exclusion zones as the Leadbeater's possums, or are we going to add another area to it?

Ms JACOBS — The habitat for the greater glider exists both in the Central Highlands and also further east in the Gippsland and East Gippsland regional forest agreement areas, and logging is also known to be a serious threat to that species, which has been found to be 'in a demonstrable state of decline ... likely to result in extinction'. The government's own scientific advisory committee this year stated:

Timber harvesting in greater glider habitat has been proven to cause declines and/or local extinctions of greater glider populations ... Although all animals may not die from the initial impact they will die shortly afterwards.

Phenomenally across most of the state at the moment this species receives no protection from logging whatsoever, and this is despite recent freedom of information documents revealing that the government scientists recommended that species receive urgent protection from logging, and still nothing has been done. In fact I can give you a very current example relating to that species. A coupe in which about 10 greater gliders were documented and reported to VicForests less than a month ago was last week listed by VicForests as in progress and has now been taped out in the field in preparation to be imminently logged. There has been no response either from VicForests or from the department of environment to the report of what is a very significant population of that threatened species in that coupe.

Mr BOURMAN — So what is Environmental Justice Australia's endgame? Is it to transition solely to plantation?

Ms JACOBS — It is to ensure that threatened species in the forests in which logging occurs are adequately protected, that we are maintaining viable populations of those threatened species and that that aim is placed at the forefront of forest policy moving forward. That will necessarily mean a greater transition to plantations than what has already occurred. Transitioning to plantations is not something new; it is something that has already occurred and that is happening as we speak. It needs to happen faster, and it needs to be urged on not only by the necessity of protecting threatened species habitat but also through our understandings now about the economic value from other industries in our forests that do not require trade-offs with environment and threatened species protections, such as carbon markets and the real value of water that we are getting from the Central Highlands forests.

Mr BOURMAN — One last question if I may. Mountain ash seems to be the main species of tree that is being logged, that I am aware of. It has been explained to me that one of the reasons mountain ash occurs in the

highlands and where it does is because of its rather mountainous nature, which makes it very difficult for plantation timber. In the end if we could all go to plantation timber tonight, I think everyone would be happy if there was enough to make it viable. But also plantation planting and things like that in a mountainous area is problematical in itself if you want that sort of arrangement. I know out near Portland, between Portland and Nelson — I have been down that road many times — it is flattish land and it is all very straight. But to get at mountain ash — as I understand it, and again I am not an environmental scientist — it generally grows better in the gullies, and that just makes it that little bit problematical, I guess, for the owners of a plantation. First of all, they have to get the land that is like that and then they have got the order. Have you got anything you can help me with that?

Mr SYDES — What is your proposition? That we should be replacing mountain ash forests with plantations? That the actual locations of those mountain ash forests ought to be the subject of plantations?

Mr BOURMAN — No. They have got to be somewhere else. It is the species itself. The species grows in mountainous areas, hence being mountain ash, so if we were to transition to plantation, you do not just turn the whole current forest into a plantation. That would obviously defeat the whole purpose. You have got to have a plantation elsewhere, somewhere that has been cleared. Therein lies the problem as I see it. I am trying to think of somewhere else, and you have probably hit on it. Where could you put a plantation of that sort of species, where it is probably not being cleared anyway because it is so mountainous?

Ms JACOBS — The largest single purchaser of ash wood products is Australian Paper. It uses ash species to manufacture Reflex. That production process is not dependent on mountain ash. In fact Australian Paper already uses a significant amount of plantation timber; more than half of the timber that that mill uses is already coming from plantations. It is not species-specific. We do not need to be using this critically endangered ecosystem to make that product. There are readily available alternatives to the use of that.

I just wanted to emphasise that currently high-value products like finishing and furniture account for less than 7 per cent of the wood that is taken from our forests. That is miniscule. It is certainly not a justification for the continued damage that we are causing that is irreparable to these ecosystems and the systems that depend on them.

Ms DUNN — Thank you for your presentation today. Just as an aside, Mr Bourman, over a million people visit the Dandenong Ranges National Park every year, and the Dandenongs are not covered in car parks, so, no, it would not be a big car park for the great forest national park, I can assure you.

I want to go to the threatened species you talked about today. You talked about 79 threatened species, and I think you said 35 species were negatively impacted by logging. I hope I got my notes right in relation to that. What I wonder is: of those species do mandatory protections apply to all 79 of those threatened species or only some of them? I am just not quite sure.

Ms JACOBS — At the moment mandatory prescriptions are located in documents incorporated into the code of practice for timber production. I can give you the name of that document. It is rather lengthy. It is called the *Planning Standards for Timber Harvesting Operations in Victoria's State Forests 2014*. That document includes a number of prescriptive protection measures that apply when a subset of those 79 species are located in logging coupes, and part of the reason why there are not prescriptive requirements in that document for all 79 is that there is a lag, if you like, between a species being listed under the Flora and Fauna Guarantee Act and an action statement being created for that species which will set out some sort of protection. It will address what needs to be done to protect that species. There is a lag between the creation of those action statements and the prescriptions being input into the planning standards document. So an example of that is the large brown tree frog. That species is forest-dependent. It occurs in eastern Victoria. It is highly threatened. The department only got around to making an action statement for that quite recently, so its prescription is not yet sitting in the planning standards.

Ms DUNN — So it has not flowed through to the code.

Ms JACOBS — That is right. It has not flowed through to the code; however, the requirements of action statements are generally required to be complied with in any respect because of the precautionary principle. So the code also requires compliance with the precautionary principle, and that means that VicForests must protect

threatened species and act consistently with action statements even if the relevant prescription for the species is not detailed in the planning standards.

But despite all of those requirements, sadly what we know is occurring is that VicForests repeatedly, consistently and perhaps systematically fails to identify the threatened species that are located in the forest areas that it logs and instead community members are out in the field locating threatened species, some of which have mandatory protection requirements and others which would need to be protected in accordance with the precautionary principle. Those community members are often finding these species after logging has already occurred within the mandatory buffer that is required on that detection. This occurs repeatedly with Leadbeater's possums. I can take the committee through a number of examples of that taking place just in the last 18 months. That is where the required 200-metre buffer has already been irreparably damaged by logging operations that occurred in the coupe.

There is a similar story across the state for other species, in particular the greater glider, which does have a mandatory prescription in one area in far East Gippsland. There have been a number of occasions where logging has commenced, VicForests has failed to detect the presence of that species in the coupe, the community has conducted a survey, located that species in the area and the mandatory protection for the greater glider, but that area has already been damaged by the logging operation that took place. That is an ongoing compliance issue across the state, and it is one that VicForests has failed to address despite repeated concerns raised by the community about that issue. It is also one that regrettably the environment department has failed to rein in.

Ms DUNN — You said VicForests is failing to identify these species. Who should be enforcing regulations and ensuring compliance? Is that environment or agriculture?

Ms JACOBS — The Department of Environment, Land, Water and Planning holds administrative responsibility for ensuring VicForests complies with the code of practice for timber production. It is the code of practice for timber production that contains the mandatory requirement for VicForests to identify protected biodiversity values in coupes before it logs.

Ms DUNN — So that is a matter that this committee could take up with DELWP representatives as to why that enforcement of regulations is not occurring.

Ms JACOBS — Yes.

Ms DUNN — You mentioned in your presentation that VicForests does not release information and should. I think it was in reference to active coupes. Is that correct?

Ms JACOBS — That is correct.

Ms DUNN — I am just wondering what their obligations are and if you can cite some examples of where that might be failing.

Ms JACOBS — Section 38 of the Sustainable Forests (Timber) Act 2004 requires that VicForests timber release plans detail the approximate timing of timber harvesting in the proposed coupes. The timber release plans fail to do that, so the community does not know where and when VicForests will log on any given day. It is very hard for the community to obtain that information, and one of the results of that lack of information is that the community who are trying to fill this void of conducting threatened species surveys in coupes before VicForests has logged are stymied from doing that in a timely and organised way. That is why in a lot of circumstances community surveys are occurring just as logging commences or after it has already commenced and after, sadly, we have lost the forest that should have been protected for the species that are ultimately found.

Ms DUNN — Have you or your organisation had conversations either with DELWP or VicForests as to why they do not publish that information? It is okay if you have not. I am just wondering if that has come up at all.

Ms JACOBS — I might take that on notice. I just do not want to give an incorrect answer.

Ms DUNN — That is fine. It strikes me that that is one of the core issues in terms of being able to assess a forest — if you know it is actually going to be logged rather than waiting for that time for it to happen.

You also mentioned that the calculations or the wood supply modelling that VicForests undertake do not consider habitat and therefore are not sustainable. What I am trying to understand is whether there is an obligation for VicForests to consider habitat. I guess that is whether it falls under the code of practice or any other legislative agreements.

Ms JACOBS — As I mentioned, and as my colleague also mentioned, VicForests is required to manage state forests consistent with principles of ecologically sustainable forest management. We would say one of the fundamental outcomes of sustainable forest management ought to be inputting the habitat requirements of threatened species and retention of those areas into your projections of sustainable wood supply levels.

Ms DUNN — The threatened species, I assume, are covered under the Flora and Fauna Guarantee Act. I am talking about the 79 you talked about. From there, do all 79 of those species have action statements, or should they? Then the next step down, if they do, you have already identified the issue of the lag time of those action statements then drawing down into the code. Is it that those 79 species are not captured in that process at the moment?

Ms JACOBS — Not all of those 79 threatened forest-dependent species presently have action statements. There are a number of reasons for that. One is that there is quite a massive departmental backlog in preparing action statements in a timely manner once a species is listed under the Flora and Fauna Guarantee Act. Not each of those 79 threatened species is presently formally listed under the FFG act. We have what are known as a number of advisory lists that contain greater and more timely information as to the threatened status of a number of species in Victoria, particularly plants. Many fewer plant species have gone through the rigorous assessment process to become listed formally under the FFG act. Only those species that are listed formally under the FFG act will then have an action statement prepared.

Ms DUNN — So there are a few issues at play. They might not be listed, but if they are listed, because there is an enormous backlog, there might not be an action statement.

Ms JACOBS — That is correct. A broader issue is that the action statements do not at the moment set out the areas that are required to be protected to maintain viable populations of the relevant species in the wild. There has been quite a lot of work done in that respect relating to population viability analyses and the specific number of hectares that are required in order to maintain a viable population of the Leadbeater's possum in particular. We understand that VEAC did go some way toward completing that process for a number of the other 79 forest-dependent species in preparation of its recent report into the conservation values in state forests, but that information is not documented within the action statements for those species.

Mr SYDES — Just to reinforce that answer, there is a broader and more systemic problem here with the Flora and Fauna Guarantee Act.

Ms DUNN — Which is probably where I am going.

Mr SYDES — It is that, as Danya has pointed out, there are lots of species on an advisory list that have been assessed by departmental experts to meet the criteria for listing under various different sets of criteria but are not formally listed under the statutory regime that is the Flora and Fauna Guarantee Act. Then to compound that problem, species that are listed under the Flora and Fauna Guarantee Act do not always have action statements prepared. In fact of the 600 or 700 or so species that are listed under the act, less than half have action statements prepared, despite section 19 of the act saying that the secretary must cause an action statement to be prepared as soon as possible.

There is widespread under-resourcing and under-implementation of our threatened species legislation in Victoria. It is an important context I think because, to the extent that we try to manage impacts on threatened species by forestry and to the extent that that picks up the statutory regime that is the Flora and Fauna Guarantee Act, it is going to be compromised and it is going to be problematic right from the get-go because of that widespread under-resourcing and inadequate implementation of the Flora and Fauna Guarantee Act in Victoria.

Ms DUNN — Thank you for that clarification.

Mr GEPP — I admire your passion. I have just a quick question in relation to the government's stated policy objective in this space. The government is clear it is committed to achieving the right balance to support

the timber industry and protect the Leadbeater's possum. Can you envisage any circumstances where that can be achieved?

Ms JACOBS — Yes. I think that is absolutely achievable through the creation of new national parks and reserves to protect the core habitat of the Leadbeater's possum in the mountain ash forests of the Central Highlands. That needs to be complemented by landscape-scale reserves that also protect the key habitats of the other 79 threatened forest-dependent species that currently exist in our state forests in eastern Victoria, including notably in East Gippsland, which is really the hotspot for biodiversity in Victoria. It is home to a very large number of threatened species — more than 700. It is also where the last vestiges of our old-growth forests survive. It is where rainforests exist in a larger extent than in other areas of the state.

That is certainly compatible with the continuation of a forestry industry in Victoria. That forestry industry is one that needs to be based on plantation timber and profiting from the carbon and water values in our remaining native forests primarily, with wood production continuing to the extent to which that is compatible with the protection of biodiversity values in those forests.

Mr GEPP — My question relates to where we think the status of the Leadbeater's possum would be today had we not taken the decision to establish a 200-metre zone. I heard earlier I think — and please correct me if I am wrong — in response to a review that has been conducted, that I did not think you were agreeing necessarily with most of the findings of that review. Is that right?

Mr SYDES — Mr Bourman raised this in his question as well. It is clear I think from the review and from the review of that review by Professor Woinarski that the 200-metre buffer makes a contribution. The question really is not whether it makes a contribution; the question is whether or not it is adequate to deal with the threats to species, and I do not think the review supports that proposition, and certainly Professor Woinarski's review of the report does not support that proposition.

Mr GEPP — I thought I also heard earlier in terms of your evidence that there is still some uncertainty as to the status of the possum in the forest, and I am trying to balance that with the statement that has just been made that the buffer zone is inadequate to sustain the species in the long term. Have I got that right?

Ms JACOBS — There is very little uncertainty about the status of the Leadbeater's possum. It is known to be critically endangered, its population dynamics are very well understood and its threats are very well understood. The number of individuals required to maintain a viable population is very well understood. The area of habitat required in order to maintain that viable population is also very well understood. What we also know as a result of all of that is that the 200-metre buffers currently in place are insufficient to maintain a viable population of Leadbeater's possums in the wild.

Mr GEPP — And that should go to 1 kilometre; is that right?

Ms JACOBS — The recommendations of the leading scientist, Professor Lindenmayer from the Australian National University, is that detection-based protections be 1 kilometre, but that is not all that needs to be done to protect that species. As we have said previously, large new landscape-scale reserves are required to adequately protect the habitat of this species.

Mr O'SULLIVAN — Thank you for coming in today to give us some of the information that you already have. I just want to go back to some of the fundamentals, and I am not going to debate you on the information you have put forward, because obviously there is some strong information that you guys have presented to us today. But I just want to touch on a few things. Do you think it is possible for the timber industry and the Leadbeater's possum to coexist?

Ms JACOBS — Yes. I thought that I had previously addressed this or perhaps a similar question — that is, the forestry industry in Victoria is already transitioning and is already in the majority placed in the plantation sector. We certainly believe that the plantation forestry industry and growth in that sector is compatible with the protection of the Leadbeater's possum.

Mr O'SULLIVAN — Just working that through in a slightly different way, are you fully in support of plantation timber and plantation forests?

Ms JACOBS — Where those are responsibly managed, yes.

Mr O'SULLIVAN — So what happens if a Leadbeater's possum or other threatened species is identified in a plantation? What happens then?

Ms JACOBS — There are environmental requirements that apply to the plantation sector, and those are set out also in the code of practice for timber production. To be honest that forms a much smaller part of my work, and I would not be able to go into — —

Mr O'SULLIVAN — I am just trying to follow it through logically. Essentially you think that logging should be stopped in the areas where there are Leadbeater's possums living now, and you mentioned the areas you did. You said, 'Well, if the timber industry went across to plantation, that would almost solve the problems in terms of forestry participating in native timber elements'. But just following that through, say the industry does totally shift to plantation, I am just wondering about the same thing happening now in terms of the Leadbeater's possum or the other 78 or however many species you mentioned. If you are going to a plantation, aren't those species or some types of species, whether it be some of those or others, just going to infiltrate the logging area in terms of the plantation and we just start over again but it is in the plantation rather than in the native?

Ms JACOBS — The recent VEAC investigation into the conservation values in eastern Victoria demonstrated that the areas of native forest where timber production is currently occurring contribute a very high proportion of the biodiversity values in eastern Victoria, so the areas that are currently plantations do not make the same contribution to biodiversity conservation. Those areas do not comprise critical habitats for threatened species such as the Leadbeater's possums, and they are more suited to timber production than native forest areas that we know are mapped and are providing that very high habitat value for our threatened species. So our plantation estate is not providing that sort of habitat.

Mr O'SULLIVAN — Not the same habitat, but it is a different habitat.

Mr SYDES — The potential for conflict is going to be far less if you have got plantations established for timber production versus the current situation of trying to manage what are really irreconcilable differences between trying to maintain the conservation values and to protect threatened species in the Central Highlands, say, and also trying to continue forestry production in that area.

So never say never in terms of there being potential for conflict between timber production in plantations and other values including threatened species protection and so forth, although in my experience the kinds of conflicts around plantations are probably more in the nature of competition for agricultural land or things to do with pesticide run-off and water usage and so forth rather than threatened species protection. But as I said, the potential for conflict around threatened species protection is clearly much less if you are developing a plantation resource. You are not going to find Leadbeater's possum in a pine forest.

Mr O'SULLIVAN — Yes, but the point I am making is: say you lock up all the native areas. At that point will you say, 'Our job is done, so we will just close the door and go and do something else', or do you then move across to other areas and start pursuing into the plantation areas?

Mr SYDES — I will resist taking offence at the suggestion there that we are just trying to stop forestry wherever it might occur. There is a well-thought-out developed position here around the process that is already underway of the transition to plantation forestry as a replacement for native timber forestry and the desire really to ensure that the promise of 2004 legislation around sustainable forestry, the longstanding promise of threatened species protection, is actually delivered on. If there is an irreconcilable conflict at the moment between native forest logging, harnessing of timber in habitat for Leadbeater's possum and greater glider and various other species, then something has to change. If we are going to take those legislative commitments seriously, what has to change is the transition away from logging those areas.

Mr O'SULLIVAN — I understand where you are coming from. I do not agree with it, but I understand where you are coming from. To get into total plantation timber to replace what happens in native forests now is going to take decades to get to that same point, and it is different species that you would have from one to the other that will suit different purposes, so one of the problems that I have is: if I am a consumer going in to buy some furniture or buy some paper or some steps for my stairs and so forth or some window frames, would I rather get it from a sustainable industry — and I know you will debate whether it is sustainable and not — here in Victoria or would I rather get it from overseas, Vietnam, Indonesia or somewhere, that does not have

anywhere near the certification processes that VicForests has now and our timber industry has now here in Victoria in terms of where that timber would come from? Would you prefer us getting that sort of timber from overseas where it is largely unregulated in comparison to what it is here in Victoria, or should we try and get the industry right in terms of sustainability and protection of those species that we have talked about within the native forests here in Victoria?

Mr SYDES — So you are correct. The lack of adequate regulation of timber production internationally in other countries and so forth is a problem, and it is something that needs to be recognised. But the answer to that is not to have legislation here, which I have already outlined around sustainable forestry and threatened species protection, and disregard that too. You are just doing the same thing. We have those commitments there in legislation; they have been recognised by the Parliament here. If we are going to take those legislative commitments seriously, then we need to implement those threatened species protections. We need to ensure that that commitment under the sustainable forests legislation developed in 2004 is actually realised.

Ms JACOBS — It is also perhaps worth reiterating that only a tiny percentage of the wood sourced from our native forests in fact goes into the products that you were just listing — window frames, high-value finishes. It is less than 7 per cent. So there is a huge proportion of the current volume coming out of our native forests that can and should be coming from alternative sources, including plantation.

Mr O'SULLIVAN — So 93 per cent goes into pulp; is that what you are saying?

Ms JACOBS — No. It is not 93 per cent that goes into pulp. There were recent figures in the VEAC wood supply assessment. The majority of wood cut from the ash forests goes to pulp for Reflex paper, and the second biggest use to which we put those forests is making pallets. But if you would like me to give the specific breakdown on figures, I am happy to do that on notice.

Mr O'SULLIVAN — I think it is a matter of how you use statistics in that regard. The evidence we have got from VicForests in terms of how their timber resource is used does not match up with what you are saying now.

Ms JACOBS — Higher value wood, which is D-plus sawlogs, which is a term that I understand the industry commonly uses, accounts for less than 25 per cent of wood cut from the ash forests.

Mr O'SULLIVAN — Again, you just said it was 7 per cent, and now it is less than 25 per cent of the D category logs. Anyway, we could debate that all day and probably not agree.

Ms JACOBS — That is fine, but I do not want there to be any intimation that I am giving incorrect figures. Less than 7 per cent is used in high-value products like finishing and furniture. About 25 per cent, which includes that seven, is used in other construction uses, so structural timbers. But that is not those high-value, high-end products that are within the 7 per cent.

Mr SYDES — We can supply you with that data with the references.

Mr O'SULLIVAN — And I think I would like to check that from other sources as well.

Ms JACOBS — Of course. Just to let you know that is sourced from the VEAC wood supply assessment.

Mr O'SULLIVAN — Yes, but that might only be for one certain type of timber. But anyway, I do not want to debate that with you. Chair, I have no further questions.

The CHAIR — Thank you for joining us this afternoon. We do appreciate your contribution to our deliberations. You will receive a copy of the transcript in the next little while. If you could check that for just proofreading anyway that would be a marvellous thing. We thank you again for being with us today.

Mr SYDES — Thank you for the opportunity and for your questions.

Ms JACOBS — Thank you very much for your time.

Witnesses withdrew.