

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Ecosystem Decline in Victoria

Melbourne—Thursday, 17 June 2021

(via videoconference)

MEMBERS

Ms Sonja Terpstra—Chair

Mr Clifford Hayes—Deputy Chair

Dr Matthew Bach

Ms Melina Bath

Dr Catherine Cumming

Mr Stuart Grimley

Mr Andy Meddick

Mr Cesar Melhem

Dr Samantha Ratnam

Ms Nina Taylor

PARTICIPATING MEMBERS

Ms Georgie Crozier

Mr David Davis

Dr Tien Kieu

Mrs Beverley McArthur

Mr Tim Quilty

WITNESS

Ms Deb Kerr, Chief Executive Officer, Victorian Forest Products Association.

The CHAIR: I declare open the Legislative Council Environment and Planning Committee public hearing for the Inquiry into Ecosystem Decline in Victoria. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the traditional custodians of the various lands which each of us are gathered on today and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings. I would also like to welcome any members of the public who may be watching these proceedings via the live broadcast as well.

I will just take the opportunity to introduce committee members to you. My name is Sonja Terpstra. I am the Chair of the Environment and Planning Committee. With us we also have Mr Andy Meddick and Dr Samantha Ratnam—they are also with us but their screens are just not on at the moment—Mr Cesar Melhem and Dr Catherine Cumming, and Mrs Bev McArthur has just popped into the hearing as well.

All the evidence that you give today is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

Deb, if you could just, for the Hansard record, please state your name and the organisation you are appearing on behalf of.

Ms KERR: Yes. I am Deb Kerr. I am the CEO of the Victorian Forest Products Association.

The CHAIR: Thank you. And with that I will hand over to you. If I could ask you to make an opening statement and keep it just to a maximum of 10 minutes. I will give you a little bit of a warning as we approach the end of that time, and that way it will allow lots of time for committee members to ask questions. So over to you, Deb. Thanks.

Ms KERR: Thank you. I am just going to share my screen because I have a presentation to provide, and hopefully that will not take too much time. Can everybody see that, can I check?

The CHAIR: Yes. That is fine.

Visual presentation.

Ms KERR: Great. Thank you, and thank you for the opportunity to present at this important inquiry. I think as a newcomer to Victoria and a newcomer to the forestry industry what is striking me is that Victoria has some very complex legal frameworks and responsibilities around the natural environment. This was taken out of the current wildlife review, the independent review, and just shows the various statutes and responsibilities. I think this can at times lead to perverse policies, and an example that affects my industry is feral deer are protected, hunted and controlled under three different statutes. And if we look just at the public land forest responsibilities, there are three ministers there, numerous agencies and statutes that are governing the forestry sector. And if we delve down just a little bit deeper, there are numerous instruments, regulations and management guidelines and plans not just for forestry but also forest management more broadly.

But in addition to the Victorian responsibilities there are also federal responsibilities under the EPBC Act, as you know, and this map just covers the threatened ecological communities that are relevant to Victoria. And as you can see, most of the state is covered. The little white area along the border down south is the area that is

not, but that certainly covers a lot of Victoria. The EPBC Act listings are also supported by state-based protections under the Victorian *Flora and Fauna Guarantee Act*.

Victoria's forest ecosystems are extensively protected—over 8 million hectares of public land by tenure, with over 50 per cent of that in the conservation reserve network. It is the primary mechanism for biodiversity protection. Public lands outside the conservation reserve network are multiple-use public forests, including for timber harvesting.

Except for the very top of Australia, more could be done for the indigenous forest estate. Those orange areas which cover a lot of WA, Queensland, South Australia and Victoria only relate to native title determinations registered in the indigenous land use agreements and legislated special cultural provisions. Most of the owned and Indigenous-managed lands are really up in the north end of Australia. So more generally, not just in Victoria but across Australia, we could do a lot better there.

What surprised me was the sheer number of Victoria's conservation areas. Nearly 4500 areas are in the conservation estate, and that must make it more complex and expensive to manage. This is the blue line that you can see. New South Wales, has just over 2000 conservation areas, and when you look at Victoria's contribution to the NRS compared to the number of areas that it has, that has to be something to be considered.

Regional forest agreements are the means, or have been the means, to bolster protections for Victoria's unique forest biodiversity and threatened species, and they govern commercial forestry on public and private lands. Victoria's forests are mostly multiple use, as I have said, and that includes timber harvesting activities. You have heard previously from other witnesses that 0.04 per cent of trees are harvested and all coops are regenerated. 0.04 per cent is equivalent to four trees in 10 000, just to put that into context.

Victoria has increased its reserve area by 77 per cent. That is the area down here. Overall it is the only jurisdiction to have increased its total public land estate over the period of time since RFAs commenced. During that same time period Victoria also reduced the net native timber harvestable area by 54.5 per cent and log take declined by 62 per cent. But Victoria's forestry plan is ill-conceived. Native trees take many decades to reach harvestable age—an 11-year time frame from 2019 and nine years from now leaves a gap of many decades, even if a native timber plantation estate was in existence, which it is not. Eighty-two per cent of public land has forest cover, while 10 per cent of private land also has forest cover. That amounts to around 1.5 million hectares. The bars there are the forest cover—green for the public land and red for the private land—and the percentage is shown in the lines.

While the NRS is a critical tool for biodiversity protection, it has got to be supplemented by working with private land managers to build resilience across the landscape. And as you have heard from other witnesses, private land stewardship should be supported and funded. My industry has also participated in those restoration projects. In this case it was a wetland, Walker wetland I believe, and it was a previous plantation land. The industry harvested the timber and have been assisting in transferring that to a conservation area. But the industry is also expending around \$10 million annually in koala management in plantations, particularly, obviously, around harvest time. But that is a significant investment in koala management.

An approach, though, of 'Just add forests' will fail to deal with the key threats to biodiversity. The CSIRO have analysed the EPBC Act terrestrial listed species and have come up with a figure that 82 per cent have been impacted by invasive species. That likely is a similar number for Victorian listed species. Invasive species are also listed as the key threatening processes under the EPBC Act and the FFG Act. Interestingly Australia Zoo admissions were analysed in another study, and admissions were 34.5 per cent—nearly 35 per cent—from car strikes and 15 per cent from animal attacks. But importantly, mortalities were highest as a result of dog attacks, followed by car strikes. That is probably very similar to a study back in 2004 on Phillip Island car strikes of koalas, where 60 per cent were attributable to car strikes. So, you know, in summary, adding more forests is not going to deal with these key issues of invasive species, and time and time again that comes up. Invasive species are also impacts to the broader community and agriculture but also forestry, where 30 per cent of seedlings at five years show signs of feral deer impacts.

The biodiversity in forest coops is well known because it is surveyed, but not so the rest of the public land estate. And there is an important question here about what is the role of technology and innovation to improve our knowledge and management of the public land estate. And you will see there in the middle some lost forests two-thirds the size of Australia—in WA I believe that was. But if you look at innovation like the Mars

rover with the capacity to look for water on Mars, what role has that sort of technology in assisting us in biodiversity conservation into the future?

And finally, we need to be open and flexible in the approach to biodiversity conservation through active and adaptive management. And I was very pleased to see last week the WA announcement to translocate some of the western ground parrot to new areas to help in its conservation efforts. Chair, I might leave it there and take it over to you.

The CHAIR: Great. Thanks very much for that presentation, Deb. That has been fantastic. Mr Meddick, a question?

Mr MEDDICK: Thank you, Chair. And thank you, Deb. I just wanted to cover off one of the things you just briefly touched on there when you spoke about koala management. Can you just expand on what that means from your perspective?

Ms KERR: So in plantations obviously you are aware that koalas have adapted to Tasmanian blue gums, which we produce in the south-west of the state. And when it comes to harvesting of those areas then we are required to make sure that we do not impact on the koala populations that might be living within the particular harvest area or the area to be harvested, and so there have been a number of techniques and ways that they manage that. But ultimately it comes back to people on the ground who are actually looking out for the koalas. And you saw in that picture there was a koala spotter who was identifying trees, and they will identify a number of trees around that one, and they will leave that and will not harvest those trees at that time.

Mr MEDDICK: So how do you balance that then against what happened down at Cape Bridgewater, where live koalas were bulldozed down in the trees and then they were bulldozed together and those animals were killed?

Ms KERR: I cannot comment on that. That is under investigation, as I understand, by the OCR. But my understanding is that that was the landowner, not the plantation estate. They had previously left the property and handed it over to the landowner, so it was not to do with the plantation industry.

The CHAIR: Dr Ratnam.

Dr RATNAM: Thank you for appearing here today. We have heard throughout this inquiry in terms of some of the biggest drivers of ecosystem decline being climate change, habitat loss and invasive species. We are in agreement there in terms of the need to respond to the threat of invasive species as well as the data capture and management to understand what is actually happening in our ecosystems. We have heard from various representatives of the forestry industry throughout the inquiry. We have heard this kind of claim about how much is conserved and that therefore there should be licence and permission for deforestation in other areas given how much is conserved. But we have also heard from a number of ecologists that you cannot just match like for like. It is just not an issue of comparing quantum because not all areas have the same biodiversity values and some areas are much richer and are actually the subject of deforestation, so you actually lose a lot more biodiversity when you log some areas versus others. So I was wondering what analysis you all have done in terms of the impact of your industry on some of these really rich biodiversity areas and what you are doing to redress that.

Ms KERR: Well, I think if you are talking about native forestry—can I just confirm that that is what you are talking about? Right. I am representing the industry as a whole. I think that question is better directed to VicForests, which I believe has already presented to this inquiry. It is their responsibility to manage the survey of the coupes so we actually have a good understanding of what is in those coupes before they are harvested, well ahead of that time. VicForests actually put protections in place for high-value conservation that has been identified, whether it is a species or a tree, so they are harvesting appropriately to that level of conservation. They have a plan about how they do that; in some cases they might leave a clutter, an amount of vegetation, in each of the coupes. I think it is important that that work is done, we have a good knowledge of that, it is protected and it is required by law. What we do not have a good knowledge of, as you have identified, is: what is actually out there in the rest of our public land estate? One of those maps that I put up at the end had all of the dots where the surveys were, but there is an awful lot of forest cover that has not been covered by that survey work. The 2018, I think it was, state of the forests report actually shows some of the areas that need a lot of work in terms of our knowledge.

The CHAIR: Mrs McArthur.

Mrs McARTHUR: Thank you, Deb. Well, it is very encouraging to get some facts and some clean, clear data for a change. We get a lot of subjective, anecdotal evidence, and you have presented us with the detail, which is most encouraging. It highlighted the fact that actually a very, very small part of Victoria is being logged for old-growth forest and there is new forest being planted to cover softwoods. But can you tell me: if the government and those that do not want logging full stop continue down this path, what will be the impact on forestry in other, particularly developing, countries, if we start importing timber? Well, we do it already, but if we have to import all our timber from overseas to build all these houses which seem to be going up like Topsy, what will be the cost to Australia or Victoria and what will be the impact on forests in other, less stringent areas where forestry is encouraged, really, by governments?

Ms KERR: I suppose that I need to separate some of that. A lot of the timber that we import is from Europe and North America for the construction industry, but the timber that would ideally replace our native hardwood is going to be from countries with probably less stringent protocols. I know a lot of people, particularly environmental groups, put a lot of faith in the FSC, but it is different in different countries; it is not the same standard in each country. You might have FSC certified timber in Australia which is not equivalent to FSC certified timber, for example, in Indonesia. We are held to a much higher standard, and you would have heard from Ross Hampton from AFPA some time ago that that is the case, that there are standards that are different. So you are going to be importing timber where the practices in those countries are less stringent than what we have here—and they do not have the resources. Developing and least developed countries, if those are the places that we are going to be importing the timber from, do not have the resources to put in place the stringent protocols that we have here in Australia.

Mrs McARTHUR: Can you also tell me the contribution that the timber industry make in times of fire and extreme weather events, like we have recently had in Gippsland, where we have seen timber workers with huge machinery help to clear roads and things? With these industries having to close down, what will be the impact on restoring roads and even saving people from fires and floods?

Ms KERR: Yes, it is a very important point because the industry is not just about plantation forests; they are active community members. In times of need, like particularly fires and post fires, they play an important role: in being part of the firefighting force, but also, as you have identified, in assisting in opening roads that might have been closed through timber or removing burnt timber from the roadside so it makes it safe for the passage of vehicles. So that is a workforce that will be largely lost if the native timber forestry is closed down. It is not valid for us to say, 'Well, perhaps they can be fully utilised by the plantation sector'. That is also not going to be realistic, because the plantation estate has been static for quite some now and the economic drivers to expand the plantation estate are just not there. It is competing with higher value land uses, like dairy in Gippsland and cropping in south-western Victoria and other areas. So it just does not make it a viable option to say, 'Well, okay, let's expand the pine plantations and the blue gum plantations'. That is not going to be a resolution to the current issue that you have identified.

Mrs McARTHUR: If I can, now that you have touched on the burnt timber, we often hear that it is not appropriate to remove it. Can you enlighten us on making use of this timber—the logs—that are burnt in a fire?

Ms KERR: Yes. So obviously I am new to the industry, but—

Mrs McARTHUR: Doing a very good job, I must say.

Ms KERR: I had the opportunity to go and look at some HVP Plantations up near Bright and Myrtleford and was given a very good presentation on what had happened there and the removal of plantation timber. There was a tight time frame for them to be able to remove timber that had been burnt, and that timber has been used and processed. If you look at the current circumstance where we have got an imported timber supply constraint, that timber has been very useful in trying to meet some of that gap. So it can be used. The charcoal outside bit, as I understand it, is unable to be used, but largely the internal part of the log is suitable for continued processing and use. But as I said, it is a very tight time frame that they have. It is around 12 to 18 months, I believe.

The CHAIR: Okay. Thanks. We are going to have to move along, Mrs McArthur, so I will come back to you if time allows. Dr Cumming.

Dr CUMMING: Thank you, Chair. My question is this: what benefits and challenges arise from active forest management?

Ms KERR: That is a pretty big, wideranging question. The first one is the one that I identified. If we do not know what is there, we do not know what to manage, for a start, and that goes to the entire public land estate. Eight million hectares—that is an awfully big area to understand what is there and how we can conserve it. What plans and policies and programs do we need to put in place? How is that biodiversity—trees, animals, everything—placed to deal with climate change? So I think the old adage of ‘if you don’t know what’s there, you can’t manage it’ is a very relevant one here.

But active management means that you just do not lock up and leave. It means that we should be able to manage the public land estate. Timber is one way of doing that, but there are other ways. I think the example from WA, with the translocation of those parrots, is a really good one. There seems to be an unwillingness to be able to think outside the box about how we help our biodiversity and conservation. Koala management in plantations is another example. We are not allowed to touch them. We have to let them leave the trees of their own accord. But there are areas of Australia, for example, where koalas are not present and are very critically endangered. What can we do to preserve some of those—for example, by translocating the koalas? It has been done before. Kangaroo Island is a really good example of that.

Dr CUMMING: And just to add on, if I may, Chair: Deb, in your view do Parks Victoria actually need more resources to undertake that active forest management? Would that actually help the cause?

Ms KERR: It probably would. I am not familiar with their budget, so I cannot actually make a call on that, but—

Dr CUMMING: I guess just from the answers that you have raised or some of your presentation earlier—obviously you do not know what is there, and I have heard those questions. So under the realms of Parks Victoria, if they actually had some more money or funds they could probably do some more, so then there could be obviously the run-off of better active forest management. I am not trying to put words in your mouth, but that is where the question is coming from, if you can understand that.

Ms KERR: Yes, I can understand that, but it is also how you use those funds smarter, if you know. So technology is a really good answer for that. You do not have to be physically out there surveying every tree and every koala and every bug that is there. The reason why I brought the Mars rover up is there is satellite technology now that can penetrate the forest cover and better understand what is there—smarter use of lidar and all of that sort of stuff. So it does not have to mean we have to have this massive increase in funds. It is ‘What have we got now? What can we use the technology for?’. What is NASA working on, for example, around defence that might be relevant? What are the other areas in the world that are working on some really smart technologies and innovations that could help us?

Dr CUMMING: Yes. And I am not putting words into your mouth, again, Deb, but there are obviously other ways that the Victorian government could use, or even not necessarily Parks Victoria, but you are suggesting that there are many innovative technologies out there and there are probably other people that are already doing it, and we could possibly be much smarter and not necessarily reinvent the wheel but use what is there to have, you know, the understanding of our forests so that we can do that active management really smartly in the future. Is that—

Ms KERR: Yes, that is a fair summary. And not just around the existing forestry technology and innovation. I am a huge supporter of: what is some other industry, unrelated, working on that could be, with some slight tweaking, applied?

Dr CUMMING: Deb, I totally agree. I believe that in the future with technology we are going to have a wonderful planet, because we are understanding it all the time, so I am totally there.

The CHAIR: Okay. Thanks, Dr Cumming. I will just ask a question if I can. Deb, just in regard to regional forestry agreements, in your view, how could they be improved to protect biodiversity values and allow sustainable forestry? Have you got any views on that?

Ms KERR: Well, I think that is what they are designed to do. You have got 50 per cent in the conservation network that is purely biodiversity conservation. Victoria has increased, as I said, its conservation estate by some 77 per cent since RFAs started, and it is the only jurisdiction to have increased its public land estate during that same period, so I think you have got the framework there.

The CHAIR: So you do not think there is any scope for further improvements or refinements, or you do?

Ms KERR: I suppose I cannot comment on detail. Again I will reiterate I am new to this industry and I am new to Victoria. So the framework is there. It is a robust framework. You have got 50 per cent protected for biodiversity conservation. What I think can be done smarter and what I did say is how you actually interact that with that 1.5 million hectares across private land that is forest cover and what is there, and it is linking up those bits across the landscapes to build that resilience right across the state.

The CHAIR: Okay. Thank you. Dr Ratnam.

Dr RATNAM: Yes, I would like to ask a follow-up question, and this is following up from Mrs McArthur's line of questioning. I was wondering, Ms Kerr, if you were able to expand for the inquiry just in terms of the quantum of what we are harvesting and what it is being used for. So are you able to tell us how much of forest and wood that is logged is exported? How much is used for the construction industry? Because I heard you talking and I heard Mrs McArthur ask a question about, 'What if we stop production here and we would have to import more timber?'. But I know this is quite contested. What I have heard is that we actually export the majority of the timber that is harvested and in fact the vast majority actually gets turned into pulp for paper et cetera and is not actually used for construction. So I would like to know if you have got any other figures to contrast that about what is used for which industry and how much is exported.

Ms KERR: Okay. That is a big question. So again, can I confirm you are clarifying around native timber not plantation-based timber?

Dr RATNAM: Yes. I mean, I would like to know those figures for native timber, but if you have figures that encompass both types, that is great too.

Dr CUMMING: And if the answer is really big, you could respond through the Chair.

The CHAIR: Sorry, Catherine. It is okay. I will chair the meeting. Deb, if you can answer, that would be great.

Ms KERR: Right. I have not actually prepared those particular figures, but ABARES does produce the data—so it is available on ABARES—on what is produced out of Victoria. What I will say is for native forestry the quality of the timber is more relevant for use in what you see. So I can see some lovely venetian blinds behind—that sort of visual furniture. The area of Parliament that was redone recently is another area, so the stairs and floors. That is what the native timber is actually used for. Plantation-based timber, particularly pine plantation, is used in the construction industry and other uses, and blue gum is primarily chipped. Native timber is not really exported. Native timber is used in sawmills here and processed here and manufactured for the purposes that I have talked about. The material that is not suitable for higher value uses is then put into the pulp and paper manufacturing process. So you will see that material either used in pulp and paper or, for example, sawdust. It will go into burning and heating—the drying of timber, for example—or in one example I saw it was a hospital. So we have that part of it. In terms of the chipping, obviously blue gum chip exports occur. The sawlogs that are on walls are what some people point towards as being suitable. It is not suitable for the purposes that people are talking about. I can get you specific volumes and take that on notice, Chair.

The CHAIR: Sure, not a problem. Anything further, Dr Ratnam?

Dr RATNAM: That would be great to get some of the data on notice. I will put this to you, and I would be interested in your commentary or feedback on it, but given that the majority of timber that is harvested in Victoria is exported and the majority is actually turned into woodchip and pulp instead of actually being used for construction, it feels like it is a scare tactic that is often used from the industry to say, 'Oh, if we stop harvesting here, we are going to import from countries that have poorer regulation' when in fact we are exporting the majority of wood that is harvested in Victoria. It feels like a false equivalence and a scare tactic that is used from the industry. So if you wanted to make any commentary about that—but I think it is important to get the data on the table so that we know what we are talking about.

Ms KERR: Well, can I correct you there? The majority is not exported, purely and simply. That is a fallacy.

Dr RATNAM: Would you be able to provide the data to substantiate that?

Ms KERR: Yes.

Dr RATNAM: Great. Thank you. And also we have heard so far in the inquiry that the majority is turned into woodchip and pulp as opposed to being used for construction, so if you have any data to contrast that, I would really welcome that.

Ms KERR: I also have a diagram of the wood flows for plantation of native forestry. That might help you to understand, and I will provide that to you with my question on notice.

The CHAIR: Great. Thanks. Mrs McArthur.

Mrs McARTHUR: Thank you, Chair. Yes, I think, Deb, that would be incredibly helpful. People just lump all timber together, and plantation timber is totally different to—

Ms KERR: That is correct.

Mrs McARTHUR: timber industry logging, so you have really got to differentiate there. So can you tell us, Deb—and maybe there is some material you will have to supply us—as we have reduced the amount of areas that the timber industry can log native hardwood timber, has the importation of timber increased? Is there a direct relation between the reduction in coupes able to be logged and the importation levels?

Ms KERR: I might have to take that one on notice.

The CHAIR: Okay. Mrs McArthur, anything further from you? No, okay. Dr Cumming

Dr CUMMING: Thank you, Deb, again for your presentation. Just to understand, if you were the government for the day, what would you suggest to the government that they could actually do better? I can see what you are talking about in the way of the percentage that is forest at the moment, if they could increase it—

In an ideal world what do you believe, from all your knowledge—if you were the government for the day, what would you do?

Ms KERR: I think the complexity of the legislative arrangements, the number of statutes, the number of regulatory instruments, plans—it is highly regulated, and that makes it complex. I think what struck me most was the number of areas of conservation—4500 areas in a small state that contributes a much smaller percentage of the landmass of Australia. That has to be a challenge to government to manage. So I think that is something that probably needs to be looked at. There are likely pros and cons around that, but the sheer number of land areas is quite considerable. So that was one that really struck me.

But I think investing in that technology to enable us to better manage our public land estate—we know what is in the coupes really, really well, but that technology piece I think will help us to know what is in the public land estate, know what we have got, because a lot of the alarm, for example, around endangered species in forestry coupes could be allayed if we knew.

Dr CUMMING: Deb, just one more in the way: is there another state that does something better that we could pick up on? Can you point us to another part of the country that you would say is the exemplar?

Ms KERR: Look, one of the areas I raised was the private land estate, and I think AgForce and the Queensland government did some really good work with land stewardship programs for farmers and conserving biodiversity on farms if you are looking at those sorts of areas. The ones that come to mind are more industry, because that is what I am obviously familiar with. The other really good example is rice growers were hounded years ago—and I have to put up my hand; I worked for the rice growers and I was a rice grower at some point in time—but, you know, there was an environmental stewardship program there where even during the drought rice farmers actually used their irrigation network to be able to put water into wetlands to keep species alive and provide migratory birds with continued areas to breed upon. So I think there are some examples in industry, and industry working with governments in some cases, where there are some lessons.

The CHAIR: Thanks, Deb. With that, I would like to thank you very much, Deb, for your presentation, your contribution and your evidence today. Your presentation has been very interesting. We look forward to receiving that additional data from you as well.

Ms KERR: You are welcome, and thank you for the opportunity.

Committee adjourned.