



Members' **NEWSLETTER**

**Around the World
by Helicopter**
Watch your TV guide in
November for Dick's docu-
mentary on the 7 network

OCTOBER 1992

THE AUSTRALIAN GEOGRAPHIC SOCIETY IS DEDICATED TO SUPPORTING SCIENTIFIC RESEARCH, PROTECTING AND FOSTERING LOVE FOR OUR ENVIRONMENT AND NATURAL HERITAGE, ENCOURAGING THE SPIRIT OF DISCOVERY AND ADVENTURE AND SPREADING KNOWLEDGE OF AUSTRALIA TO AUSTRALIANS AND THE WORLD.

Forest Industries ad

Several of our members have written in objecting to the series of advertisements placed in the journal by Forest Industries. The Wilderness Society, which has received financial support from our Society, contacted Dick Smith to ask why we ran the ads and he explained that, aside from the fact that we all use timber products, he felt that it was important to allow groups to run public advocacy ads, whether it be Greenpeace or Forest Industries. He suggested the Wilderness Society run an ad putting its point of view to our readers. The Wilderness Society would pay for the ad and in return AUSTRALIAN GEOGRAPHIC would donate an equal amount to a conservation cause. The offer wasn't taken up.

18/10/92



October 9, 1992

Mr. Peter Perkins,
Executive Director,
National Association of Forest
Industries Limited,
Forest Industries House,
24 Napier Close,
DEAKIN, ACT 2600

Dear Mr. Perkins,

Following the appeal your advertising agency and you made in person to the Federal Council of FACTS on August 11, I would like to advise the following.

Members were acquainted with the details of your appeal and a decision has been made to withdraw the FACTS number for the commercial in question (Wilderness Society - Chip Chip). I must advise, however, this withdrawal does not prohibit any station from using the commercial although, this is most unlikely.

Yours faithfully,

A handwritten signature in cursive script, appearing to read "Bob Campbell".

ROBERT B. CAMPBELL
Chairman

23 Grassmere Road
LINDFIELD NSW 2170

16 October 1992

Mr Peter R Perkins
Executive Director
FICA
Forest Industries House
24 Napier Close
DEAKIN ACT 2600

Dear Mr Perkins,

Thank you for your letter, which I received on my return from overseas. Your reaction to the films was entirely understandable, and I hope your Association will continue to advocate responsible forestry policies for Australia. Perhaps another series of TV commercials would be timely in the circumstances.

Yours sincerely,



Evan Williams

NAFI

NATIONAL ASSOCIATION OF
FOREST INDUSTRIES LTD

AC.N. 008 621 510

Forest Industries House

24 Napier Close

Deakin, A.C.T. 2600

P.O. Box E89

Queen Victoria Terrace

Canberra A.C.T. 2600

Telephone (06) 285 3833

Facsimile (06) 285 3855

29 September 1992

Mr Evan Williams
The Weekend Review - Arts
The Australian
2 Holt Street
SURREY HILLS NSW 2010

Dear Sir

I read with interest your reviews of "Blinky Bill" and "Ferngully" and reluctantly agree that both films "are bound to please environmentalists and infuriate the timber industry".

The reason I say reluctantly is that I, like you, appreciate good film making, particularly if it's a good Australian product that even Americans flock to see. But if success is based on a cheap emotional shot at legitimate Australians then I'll remain infuriated.


Unfortunately, having seen both films, I now know that the important "cautionary messages about the destruction of our forests" and "a sound ecological message" are well and truly lost in the emotional out-take of "yobbo timber loggers" and "wicked sawmillers".

Interestingly you fear that our response to this might be another series of TV commercials sponsored by us. I'm not sure this is meant as a backhanded compliment to the success of our "classroom" sequences of advertisements, - but we're taking it as such, given the very favourable public response we've witnessed since the commercials first went to air in 1990.

No matter what our response is, however, I want to assure you we will continue to communicate with the 95% of the population who want us to provide factual information about our products and what we do in the forests. That way we may eventually avoid the "fairylane" view of the world that will certainly result if we allow the "environmentalists" free rein.

Meanwhile, I've enclosed some factual information about forestry that may provide some insight into why a sound ecological message is needed if you and I are to have the paper we both need to earn a living.

Yours sincerely



Peter R Perkins
Executive Director, FICA



FOREST INDUSTRIES
For Wildlife & Forest with a Future

SYDNEY MORN. HERALD
October 17, 1992
Page 21

LEO AT LARGE

VARIOUS cat lovers have taken up their pens to protest about my recent par on feral moggies. Perhaps they and others would like to consider the following facts:

- Cats breed at a phenomenal rate. Females are sexually mature at 10 months and can raise two litters of up to six kittens each per year.
- There are an estimated four million domestic cats in Australia.
- Domestic cats are a reservoir for feral populations; ergo, control of feral cats begins with control of pets.
- No studies have been done in Sydney, but it's estimated that in Melbourne, cats kill up to five million birds a year. Throughout Victoria, feral cats are estimated to devour 70 million native animals annually.
- An estimated seven out of 10 domestic pussies take prey.
- Feral cats threaten a number of native species, including the Rufous hare-wallaby, which was once found over 25 per cent of Australia, with extinction. It now exists on two islands off the West Australian coast.
- Eradication of feral cat populations is inordinately expensive. It recently took 128 people 4,000 working days over four years to get rid of 100 feral cats on Little Barrier Island in New Zealand.
- Feral cats have reached plague proportions in western Queensland, which is home to many rare birds. Sharpshooters recently bagged 420 cats there in just three days. At one site in August, Professor Jack Pettigrew and an assistant shot 98 cats out of 73 trees in one evening.
- A single cat can pass up to one billion toxoplasma egg cysts in its faeces within a couple of weeks. These cysts, when ingested by other animals, can cause death from infections to the brain, eye or pancreas. Native animals are especially susceptible to toxoplasmosis.

Now who says feral cats are cute? Or that domestic female cats shouldn't be compulsorily desexed?

Some straight facts about the North West....

Tasmania's North West, bounded by the Arthur River to the north, the Murchison Highway to the east, the Pieman River to the south and the island State's west coast, is an area of about 470 000 hectares, and made up of state forest, crown reserves (Arthur-Pieman Protected Area), unallocated crown land and some private land.

Some 55 per cent of the North West's forests are unavailable for timber production.

Mining, forestry and rural activity have been part of the region's history over more than 100 years. Towns such as Waratah, Luina, Savage River, Corinna, Balfour and Temma along with other coastal settlements are linked by hundreds of kilometres of roads. Forest operations include about 16 000 hectares which have been harvested and regenerated over the past 30 years.

Timber Production

The North West is an important source of special timbers such as blackwood, used extensively by the furniture and woodcraft industries of Tasmania. Some of the forested areas are scheduled to supply 50% of the eucalypt sawlog supplies to Circular Head sawmillers over the next 20 years.

After more than a century of mining, the North West remains one of the most prospective areas in the world.

Conservation Values

The total area of rainforest in the region is 173 500 hectares (Qld Wet Tropics 900 000 ha), of which, under the Tasmanian Forests and Forest Industry Strategy:

- . 69 000 ha are in multiple use forests;
- . 50 300 ha are in deferred forests;
- . 51 300 ha are in recommended areas for protection;
- . 2 800 ha are in 'other lands'.

Areas including Upper Savage River are not available for timber harvesting. Areas of scenic, cultural or heritage value are protected in crown reserves.

It has been estimated that up to 35% of the multiple use forests will not be harvested as special values are protected during normal forest planning.

Some 27% of Tasmania's land area, including large tracts of the North West, are in conservation areas.

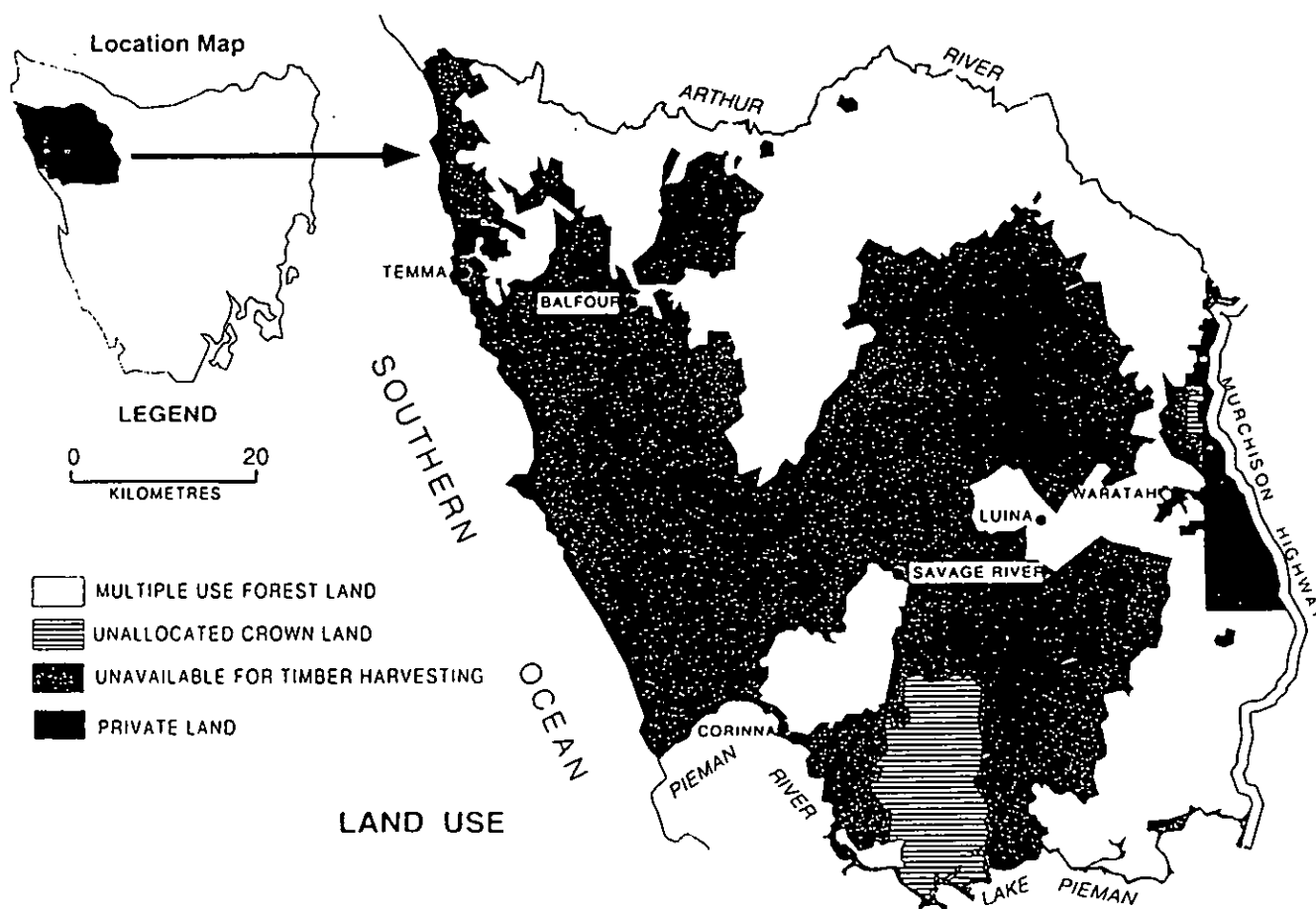
FORESTS

UPDATE

Canberra

Special Edition

THE NORTH WEST FORESTS OF TASMANIA



Source: Forestry Commission, Tasmania

Compiled by the Public Affairs Office of
The National Association of Forest Industries Ltd

MORE FACTS ABOUT.... NATIVE EUCALYPT FORESTS

The eucalypt forests have evolved over many thousands of years through a perpetual cycle of growth, fire, regeneration and regrowth. The flora and fauna in these fire dependent eucalypt forests are robust and resilient as they have adapted to depend on this harsh method of forest renewal for their continual survival.¹

This cycle can take between 80 and 300 years, but eventually eucalypt forests need a major disturbance, such as fire, to clear away the old trees and create suitable light and soil conditions for a vigorous healthy new forest.

A well managed logging program is like this natural disturbance pattern because it ensures the renewal of the forest ecosystem. With proper planning and management, the range of plant and animal life in the forest is maintained over a long time with less risk of indiscriminate damage from wildfires.

Foresters, wildlife experts and recreation and landscape planners use management plans for different areas.² Examples of how forests are cared for include:

- * Leaving unlogged areas along streams and in areas that are important to wildlife. Animals live in these areas during logging but gradually move back into logged areas as the forest regrows.
- * Logging on a long rotation, which means waiting up to 80 years or more before reharvesting an area.
- * Enforcing codes of practice to control short term damage caused by logging.
- * Protecting the trees animals live in by retaining them as "wildlife habitat" trees.
- * Ensuring regeneration by retaining plenty of seed trees to provide seed for the new forest, aerial seeding or planting seedlings where the regeneration can be improved.

Even if it were desirable to replace wood from native forest with trees grown on plantations, there are important economic and biological considerations that may still prove the regeneration of native forests is a far more sensible thing to do.³

The biological diversity of native forests depends considerably upon a continual mosaic of different age classes.

Through planned disturbance of some portion of the forest estate by harvesting we create a mosaic of age classes so that diversity is maintained for the future.⁴

Preserving the entire forest estate would diminish this critical variability in age classes. Optimum biological diversity is best achieved with a balanced representation of well managed and preserved native forests.

It is also important to remember the Resource Assessment Commission found there is no evidence to support a cessation of native forest logging and no evidence to suggest that forestry operations have been responsible for the extinction of a single plant or animal species in Australia.⁵

With modern "adaptive management" techniques, and strict Codes of Practice, native forests can provide the full range of products and benefits on a sustainable basis, indefinitely.

FURTHER READING

- * Carron, L.T. (1985), A History of Forestry in Australia, ANU Press, Canberra
- * Department of Arts, Heritage and the Environment and the Institute of Foresters (1985), Think Trees, Grow Trees, AGPS, Canberra

SCIENTIFIC REFERENCES:

1. Dr Peter Attiwill, School of Botany, University of Melbourne, pers. comm. (1992).
2. For example, WA Department of Conservation and Recreation (1987), *CALM Land in Western Australia*.
3. Joint Scientific Committee, South East Forests (1989), Interim Report, p 11, Canberra.
4. Dr Peter Attiwill, *Ibid*.
5. Resource Assessment Commission, *Ibid*, pp 176 - 178

FORESTS

UPDATE

Canberra No 4 10/92

FOREST POLICY NOW, BAIN TELLS PRESS CLUB

The transformation of Australia's forest estate from political battleground to national asset depended on the adoption of a workable National Forest Policy, the Executive Director of the National Association of Forest Industries, Dr Robert Bain, told a National Press Club lunch on October 21.

Dr Bain said that in the wake of the Resource Assessment Commission Forest and Timber Inquiry, it was clear that the forest inquiry process had done its job and it was now up to Governments to make decisions based on that advice.

"The forest industries have been the focus of a seemingly endless series of inquiries, committees and working groups in recent years, but in terms of size and substance, the Resource Assessment Commission Inquiry which issued its report in March, stands head and shoulders above the others," he said.

To illustrate the point, Dr Bain delivered his nationally televised speech beside a half-metre tall stack of official inquiries and reports.

"Too often, as all the Press Gallery know, inquiries have been instigated to avoid difficult political decisions. This has been very beneficial for the demand for the products of the pulp and paper industry but has caused much uncertainty and, consequently, both investment and employment in the industry are much lower than they should."

Dr Bain said it was clear from the 28-month long, \$50 million RAC Inquiry that forest industries were not only environmentally sustainable but also capable of providing a much needed boost to the national economy.

"With about 85 000 direct employees, Australian forest industries are bigger than motor car manufacturing, are spread much more widely across the country and are not looking for a continuation of tariffs. If Governments can agree to the reforms that the industry and the Resource Assessment Commission believe are so urgently needed, this trade deficit would be very significantly reduced and many more people will keep their jobs," he said.

One of the key microeconomic reforms sought by industry and supported by the RAC was a review of the nation's conservation reserve system.

[The RAC said: "(Australia's) conservation reserves have been created in an ad hoc way and reservation has been in response to local and regional pressures rather than according to a systematic, national design formulated to achieve effective conservation." (Vol 1, p 203)]

"The Commission was not satisfied that our National Parks and other reserves are fully representative of all the important values of native forests, and the industry supports the RAC's recommendation for a review of the system," he said.

"We must protect our high conservation areas and simultaneously, develop management programs for both reserves and multiple use forests.

"We must identify the reserves and multiple use production forests using the same integrated processes and with legislative backing from State and Federal Governments."

Dr Bain said changing public attitudes about forest values were accepted by the industry and genuine public concerns about forest management had been addressed, but the process had taken a heavy toll.

"Australians cannot expect a few people who are already having a very tough time in rural communities, to bear the brunt of changing values or concerns of essentially a city-based population.

"Thousands of Australians are utterly fed up with the manipulation of their lives which has been a major consequence of the activities of the extreme elements of the 'green' movement in recent years.

"Government now has the chance to put much of this behind us. The RAC Inquiry, all the other reports, and the National Forest Policy provide Government with the opportunity to reach a soundly based, well balanced policy to create long term and secure employment," Dr Bain said.

Compiled by the Public Affairs Office of
The National Association of Forest Industries Ltd

FOREST FACTS

(Number 1 in a series)

NATIVE FORESTS

Even before European settlement less than 10% of Australia was covered by forest. However, since European settlement, about one third of our forests have been cleared for farms and urban development. Australians still have more forest per capita than 90% of the world's countries.¹

Woodland and scrub now covers an area of 92m hectares.² This remains the more dominant vegetation because of our generally poor soil and low rainfall. Native forest is usually defined as vegetation of mostly single stemmed trees growing over 5 metres in height, and with canopy cover of more than 30%.³

There are 43.2m hectares of native forest in Australia, evenly distributed over the four major land tenures.⁴

- * **26.5%, 11.5 million hectares** are 'state forests' managed to ensure sustainable wood production and to protect biological values. Of this, 7.1m hectares will be harvested in a perpetual cycle by logging and then regrowing in an annual harvest area of about one per cent of the total tenure.
- * **24.6%, 10.6 million hectares** are crown land of very low timber production capacity. This is mostly leased land for grazing.
- * **22.6%, 9.8 million hectares** are permanently set aside in National Parks and other conservation reserves where timber harvesting is prohibited.
- * **26%, 11.3 million hectares** are privately owned forest.

The main forest groups in Australia include rainforests and mangroves (8%), eucalyptus (60%) and the native pine and open forests (32%). It is the eucalypt forests that are the major timber production source. Of all the forest types approximately 40% are unlogged and 60% are regrowth.⁴

1. Ewing A.J. & Chalk R (1988), 'The Forest Industries Sector; an operational strategy for developing countries', World Bank Technical Paper No 83 Industry and Energy Series, Washington D.C.

2. Resource Assessment Commission (1992), Forest and Timber Inquiry, p 2, AGPS Canberra

3. NFI (1991), 'The National Forest Inventory Objectives', National Forest Inventory News, vol 1, p 3

4. Resource Assessment Commission, Ibid, pp 78-87

FORESTS UPDATE

Canberra

No 3 10/92

NAFI asks Treasurer to delay Industry Commission Inquiry

NAFI has written to the Treasurer, Mr Dawkins, seeking the delay of a proposed Industry Commission Inquiry into value adding in the forest products sector.

Executive Director, Dr Robert Bain, said members were concerned that another inquiry into the industry could delay adoption of a National Forest Policy.

"Recommendations contained in the Resource Assessment Commission's *Forest and Timber Inquiry* and the *National Forest Policy Industry Statement* must be addressed first. While we welcome Government interest in areas such as value adding and microeconomic reform, the fundamental question of resource access must be resolved. That's why taxpayers and industry spent \$50 million on the RAC process," Dr Bain said.

Quest for ESD in danger

Australia's aim of becoming a world leader in the implementation of *Ecologically Sustainable Development* is being eroded by the progress, in isolation, of Endangered Species Legislation and biodiversity policy.

The underlying philosophy of ESD is the integration of environment and development policies. The Federal Government has been urged by industry leaders and organisations to put ESD back on the agenda by incorporating endangered species and biodiversity issues under the one umbrella.

State Government and industry input into proposed 'stand alone' endangered species legislation has been minimal, in contradiction of the consultative processes promoted through ESD.

Inquiring minds

A measure of the effort that Governments, industry and community have put into forest inquiries is reflected in the number of reports resting in bookshelves around the country. In May 1991, NAFI identified 20 Government processes (eg workshops, inquiries, treaties) which had a direct bearing on Australia's second largest manufacturing sector. With most of those processes now complete, industry is looking to Government to adopt a workable National Forest Policy, such as the one outlined in *Building a competitive forest and forest products industry* (pictured below, with just part of its intellectual parentage).



WORLD CLASS INDUSTRIES NEED WORLD CLASS FOREST POLICY

The Australian political system's capacity and willingness to address competing demands on a resource of national importance would face its first acid test with the scheduled ratification in November of a National Forest Policy, the Executive Director of the National Association of Forest Industries, Dr Robert Bain, said today.

Dr Bain made the observation in releasing a detailed industry appraisal of a Draft National Forest Policy Statement, prepared by Commonwealth and State officials and released for public comment in July.

Dr Bain said that as a result of the Resource Assessment Commission Forest and Timber Inquiry, Australia's wood processing sector had been clearly recognised as an important national industry and it was now up to Governments to create the environment for its expansion.

"We are not talking about a few local sawmills but a manufacturing sector which turns over about \$10 billion a year," Dr Bain said.

"It employs more people than the car manufacturing industry, is competitive with the top five wood producing nations and has been shown by the Resource Assessment Commission to be not only sustainable but also capable of considerable expansion in terms of new investment, exports and import replacement. It is also vital as a major employer, particularly in rural Australia.

"Against this compelling backdrop Governments have been handed a golden opportunity to create a framework for an industry policy - the first based on the principles of Ecologically Sustainable Development (ESD)."

Dr Bain said industry's greatest concern over the Draft National Forest Policy Statement was its "ability to deliver".

"National policy should be about national goals and objectives. Good intentions are no substitute when the bottom line is commercial investment and jobs.

"The final National Forest Policy must fully and explicitly recognise the commercial importance of the forest and forest products industries in the Australian economy and the role of the Governments as wood producers and sellers.

"It should then clearly endorse the establishment of wood production zones backed by Commonwealth and State resource security legislation."

As part of its submission, NAFI proposes the creation of wood production zones (irrespective of State boundaries), to be established in parallel with a proposal in the draft policy to establish a "comprehensive" reserve system by 1995.

Australia's existing forest reserves were criticised in the RAC Inquiry report as being the product of "ad-hoc" decisions, resulting in a non-representative system.

"The security of wood supply in the zones, backed by Commonwealth and State legislation, should be finalised at the same time as the boundaries of the reserve system are agreed.

"The process of evaluating the wood production zones should consider not only conservation requirements but also the need to maintain wood supply, support communities and develop both plantations and native forest resources.

"This multi-objective approach would take account of the long term industry development prospects, as well as regional employment and other social indicators, together with conservation requirements," the submission notes.

Dr Bain said that with the release of the RAC Forest and Timber Inquiry Final Report, the forest debate had leap-frogged beyond emotion to a level of scientific understanding upon which a progressive National Forest Policy should be endorsed by both Commonwealth and State Governments.

"Now that we know what we are dealing with in terms of our forests and what industry can achieve in terms of turning around a \$2 billion a year forest products deficit, the test will centre on the political and bureaucratic will to create the conditions for new investment and jobs.

"Regrettably the existing draft policy does not guarantee such progress and it would be a tragedy to see Australia's first ESD-based industry policy founder for the lack of such basic direction," Dr Bain said.

FORESTS UPDATE

Canberra

No 2 9/92

INDUSTRY POLICY RESPONSE RELEASED

The formal industry response to the Commonwealth and State Governments' **Draft National Forest Policy Statement** was released publicly this week by NAFI Executive Director, Dr Robert Bain.

Copies of the document: ***Building a competitive forest and forest products industry***, are available from NAFI. A statement which accompanied the document's release appears over.

CONCERN OVER INDUSTRY COMMISSION INQUIRY

News of another 12-month inquiry into the forest products sector - this time by the Industry Commission - has heightened fears that the proposed November launch of a National Forest Policy may be jeopardised.

Industry has willingly contributed to every inquiry to date, and along with Government, attached great importance to the Resource Assessment Commission's Forest and Timber Inquiry - **"the Inquiry to end all inquiries"**.

This unexpected move by the Federal Government has prompted calls for the Commonwealth to defer the inquiry until the RAC's findings are addressed and a National Forest Policy is put into place, incorporating the recommendations of the National Forest Industries Policy Statement (see over) now being forwarded to all Federal politicians.

JARRAH BEAUTY FOR EXPORT

The beauty and durability of Western Australia's unique Jarrah timber is at the heart of a new export drive into the lucrative international furniture and flooring markets.

The joint industry-WA Government promotion is an outcome of the 1987 WA Timber Strategy, which urged a shift in hardwood production to more specialised uses, and hence, the launch of the 'Jarrah' campaign overseas.

Jarrah's reputation for strength in industrial applications is more than matched by its indoor appeal, as illustrated by magnificent floors in Perth's and Canberra's Parliament Houses.

FOREST POLICY v POLITICS AT PRESS CLUB LUNCHEON

Forest Industries will take centre stage at the National Press Club for the first time on 21 October with an address by NAFI Executive Director, Dr Robert Bain.

Dr Bain has titled his address: **Forests: Policy v Politics** - a subject certain to elicit numerous questions from the Canberra Press Gallery.

WHAT THE RAC SAYS:

Wood production in native forests....

"After taking the precautionary principle and intergenerational equity into account the Inquiry concluded that the cessation of wood production activities in native forests is not justified on the basis of the evidence before it." (Overview, p69)

FOREST FACTS UPDATE

The Resource Assessment Commission, established by the Federal Government in 1989 to report on Australia's Forests and Timber, has completed its two and a half year, 1500-page investigation.

There is a wealth of new information in this report, as expected from "the most comprehensive independent study ever"¹. As a result, we are upgrading our entire information base, but while that process continues, you should note important new data on Australia's forest estate.

Partly because of a redefinition of what is a forest, partly because the rate of land clearing for farms has slowed and partly because of forest regeneration and plantations, the national forest estate is now expanding.

- . Of 69 million hectares of forest present at the time of European settlement, 43 million ha (62%) remains today. A further 92 million ha are described as woodlands, and represent 68% of the original cover
- . There is about 1 million ha of plantations, most of which (91%) are softwoods (pine).
- . Of the 43 million ha of native forests in Australia, 32 million ha are public and 11 million ha privately owned
- . Of public native forests, about 10 million ha are permanently preserved in the conservation reserve system; about 11 million ha are vacant or leased for other purposes such as grazing; about 11 million ha are managed for multiple purposes, including sustainable wood production
- . Of the managed multiple use forests, only about 7 million ha will ever actually be logged because of Codes of Practice to manage water protection, habitat corridors for wildlife and other conservation measures.
- . And further on the subject of managed forests and today's timber harvesting practices, the Commission noted:

"...there has been a shift in the Inquiry's thinking about sustained yield from what was said in the draft report. The Inquiry is satisfied that currently the agencies have in place sustained yield management strategies for wood production. The evidence before the Inquiry is that these strategies are appropriate."

1. RAC Chairperson Justice Stewart, special address to the "Australia's Timber and Forest Industry - a Strategy for the Future" conference, Sydney, May 29 1992

FORESTS UPDATE

Canberra

No 1 9/92

THE NATIONAL ASSOCIATION OF FOREST INDUSTRIES LTD

NAFI has provided a national product development and industry policy focus for Australia's forest-based industries since 1986.

From bush sawmills to metropolitan manufacturing plants, NAFI represents a wide spectrum of processing sector participants along with the aspirations of some 80 000 Australians employed by them.

Through this publication, we want to keep you informed of events in our forests and the wood processing sector - one of Australia's most diverse resource industries and one of the few recognised as genuinely sustainable.

If you would like further information about items contained in Forests Update, contact NAFI at the address below or your State-based industry organisation:

Queensland Timber Board (QTB)
Christine Bongers
(07) 852 1333

NSW Forest Products Association (FPA)
Colin Dorber
(02) 360 4022

Victorian Association of Forest Industries (VAFI)
Stephen Guest
(03) 347 3199

Forest Industries Association of Tasmania (FIAT)
Kevin Broadribb

(002) 24 1033

Forest Industries Federation of WA (FIFWA)
Terry O'Brien
(09) 322 2088

INTRODUCING...

The following progressive Australian companies are NAFI members, and proud to be part of Australia's second largest manufacturing sector:

AMCOR (APM), APPM Forest Products, Australian Newsprint Mills, Boral Timber Division, Bowen & Pomeroy, Bowater Tissue, Brown & Dureau Building Materials, Bunnings Forest Products, Corinthian Industries, CSR Softwoods Group, Davis & Herbert, Fenning Timbers, Harris Daishowa (Aust), Hyne & Son, Kimberly-Clark Australia, Le Messurier Timber, Marbut Gunnensen, Neville Smith Timber Industries, Oceania Forest Products, Presswell Panels, Stegbar, Tablelands Sawmills (Canberra), Wesfi.

These firms, together with NAFI-affiliated associations, represent the overwhelming majority of wood processing facilities in Australia.

FOREST FACTS UPDATE

The findings of the Resource Assessment Commission's Forest and Timber Inquiry have vastly improved our knowledge of Australia's unique forest estate, and has inspired a complete revision of NAFI Fact Sheets. The new series of Fact Sheets will be published soon but in the meantime, we thought you would appreciate the "snapshot" view of new data and comments by RAC Chairperson, Justice Stewart, which appear over.

Compiled by the Public Affairs Office of

The National Association of Forest Industries Ltd

CANBERRA TIMES
October 22, 1992
Page 2

Forest industry would be 'better off' with a GST

The peak lobby group for Australia's forest industries came out strongly in support of the Federal Opposition's planned Goods and Services Tax yesterday, although it stopped short of supporting the Coalition outright.

National Association of Forest Industries executive director Dr Robert Bain said at the National Press Club that the wood-processing industry would be "significantly better off" under a GST.

Dr Bain said NAFI was not in a position to assess how a GST might affect the forestry industry in other ways but that in principle a shift toward taxing outputs instead of inputs would boost investment and competitiveness in the industry.

He urged the Government to move quickly to put in place a National Forest Policy to take the heat out of the logging issue for the Government at the next election.

Dr Bain brought with him a me-

tre-high stack of reports into the forestry industry, saying the latest and best of these had been the Resource Assessment Commission's report. Instead of beginning yet another inquiry, he said, the Government should act on the RAC report.

While the Government called for inquiry after inquiry billions of dollars of investment in what was Australia's second largest manufacturing industry was put on hold and jobs in rural towns around

Australia were placed at risk. It was now time the Government made some decisions.

He said rural voters were becoming fed up with having to bear the brunt of the changing values of city dwellers.

There were a number of marginal seats in forestry industry areas, he said, and electoral outcomes in some could depend on the votes of forestry workers, their families and their communities. — DAVID MUSSARED

SYDNEY MORN. HERALD
October 22, 1992
Page 7

Govt is stalling, says forestry chief

By PAUL CHAMBERLIN

CANBERRA: The forest industry had been the subject of 53 reports in the life of the Labor Government but was still unable to get guaranteed access to resources, the executive director of the National Association of Forest Industries, Dr Robert Bain, said yesterday.

He foreshadowed a furore similar to that seen with endangered species legislation in Federal Government ranks if the soon-to-be-released National Forest Policy was not "workable".

And he accused the Government of instigating a new inquiry by the Industry Commission to give it breathing space before making what may be an unpopular decision with "extreme elements" of the environmental movement.

"Inquiries have been instigated to avoid difficult political decisions," he said at a National Press Club luncheon yesterday.

"This has been very beneficial for the demand for the products of the pulp and paper industry but has caused much

uncertainty and, consequently, both investment and employment in the industry are much lower than they should be."

He cited one inquiry by the Resource Assessment Commission, which took 28 months and \$50 million to complete, saying it proved that forest industries were environmentally sustainable and capable of boosting the economy.

Demand for wood and paper products was so strong that Australia was forced to import about one third of all wood fibre used. This cost \$2 billion a year.

"Thousands of Australians are utterly fed up with the manipulation of their lives which has been a major consequence of the activities of the extreme elements of the Green movement in recent years," he said.

A draft national forest policy was released in July and included recommendations to protect wilderness and the best of Australia's old growth forests by 1995.

The Government is expected to release a final version next month, but Dr Bain fears the inquiry may cause further delays.

Forest policy needed now: lobby

CANBERRA: The Federal Government had failed to devise a plan for the future of Australia's forests despite receiving 53 reports on the industry over the last few years, the National Association of Forest Industries said yesterday.

Association president Robert Bain said people in rural Australia were losing their jobs because the Government had failed to provide security for the industry, which meant investment was either delayed or sent offshore.

By WENDY PRYER

Dr Bain told the National Press Club that the forest industry had been told it would get a policy by the end of the year and that it would reflect the needs of the forest industry.

"Now, I think there will be a lot of Australians, a lot of rural Australians particularly, who will be very, very cross if we do not get a workable national forest policy — the time and money that have gone into these inquiries, the amount of evidence they have given," Dr Bain said.

He said that despite the 53 reports, the Government had announced another review of the industry which would be done by the Industry Commission.

"Everybody has been marking time for these inquiries to finish and the Government has promised us that we will get the type of policy we need at the end of it," he said. "If that doesn't happen there is going to be a lot of very, very cross people in rural Australia."

Dr Bain attacked Environment Minister Ros Kelly for producing draft

endangered species protection legislation, saying it would fail to save endangered species and halt development.

He also criticised the environmental movement, saying conservationists did not have as much support as they claimed.

"Thousands of Australians are utterly fed up with the manipulation of their lives which has been a major consequence of the activities of the extreme elements of the green movement in recent years," he said.

Mrs Kelly yesterday described

sections of Australia's industry bloody-minded over endangered species.

Mrs Kelly has failed to agree in Cabinet on endangered species legislation, which she said was vital to maintaining diversity of species in Australia.

Business groups and industry ministers, including Primary Industries Minister Simon Crean and Resources Minister Alan Griffiths, have been concerned about the lack of emphasis on social and economic considerations in the legislation.

AGE
October 22, 1992
Page 6

Foresters threaten election challenge

By NICHOLAS JOHNSTON,
Canberra

The forest industry warned the Federal Government yesterday that it could face a campaign against it in the lead-up to the election unless it delivered a favorable national forest policy next month.

The warning came from the executive director of the National Association of Forest Industries, Dr Robert Bain, in an address to the National Press Club.

Dr Bain said the industry was not conducting a political campaign but "clearly the political stance of the thousands who work for the forest industries ... will be conditioned by what is in the national forest policy".

He said that forest workers occupied several marginal seats and the outcomes in some could be determined by them.

"If the Government can provide the national forest policy of substance that is so important for

the future of this industry, we could all do our best to have an election without involving the forests," he said.

Dr Bain endorsed the federal coalition's proposed good and services tax.

The Wilderness Society hit back at Dr Bain, saying he was completely out of touch with the Australian community. The society's director, Ms Karenne Jurd, said Dr Bain did not seem to realise that there were one million hectares of plantations.

HERALD SUN (VIC)
October 22, 1992
Page 36

Forestry jobs 'lost'

By ANGELA LEARY

THE forestry industry is angry that the Federal Government lacks a management plan for Australia's forests after spending up to \$50 million of taxpayers' money on a major inquiry.

National Forest Industries Association executive director Dr Robert Bain said yesterday jobs were being lost while the Government embarked on endless inquiries.

Dr Bain said the indecision and uncertainty was a major disincentive to people considering financing job-creating projects in the forestry industry.

Despite a Resource Assessment Commission inquiry, the Government was no closer to

Government indecision on inquiry angers industry

having a plan to balance development and environmental concerns, he said.

The commission investigation was just one of "a seemingly endless" series of inquiries, committees and working groups.

Dr Bain told the National Press Club that forestry jobs were lost because no firm policies meant no new investment.

"The Government has brought all these inquiries on," he said.

"They started them. They knew they were going to come to an end, they knew they were going to have some recommendations, and we believe you just

can't sweep a pile of reports like that under the carpet.

"And while that's been going on, while we've had all the promises, the industry has not been able to invest."

The Government is due to release its National Forest Policy by the end of the year, but Dr Bain said the industry had "heard that before".

He said it was useless telling prospective financiers who wanted to know what sort of security of resource the industry had that some excellent recommendations were in train when the Government had no policy.

"They will say, 'We'll go away and come back when you've got some policies'," he said.

Dr Bain said the Resource Assessment Commission inquiry, released in March, took more than two years, involved 423 witnesses and an enormous amount of time on the part of public servants, consultants, companies and associations.

He said it was a concern the Government had announced another inquiry, by the Industry Commission, before it released its forest policy.

"Everybody has been marking time for these inquiries to finish, and the Government has promised us that we will get the sort of policy that we need at the end of it," he said.

"If that doesn't happen, there's going to be a lot of very, very cross people in rural Australia."

*also same story in Courier Mail under
heading "Forestry inquiries cost jobs: Director"*

ALSO PUBLIC CONCERNS ARE SWITCHING MORE AND MORE TO THE URGENT URBAN POLLUTION AND LAND CONSERVATION PROBLEMS THAT OBVIOUSLY NEED ATTENTION.

AUSTRALIAN'S PRIORITIES FOR THE FORESTS ARE PRECISELY WHAT A NATIONAL FOREST POLICY WILL ACHIEVE IF IT INCORPORATES BANKABLE RESOURCE SECURITY AND THE RAC RECOMMENDATIONS.

THEREFORE, THE GOVERNMENT HAS A UNIQUE OPPORTUNITY AT THIS TIME TO INTRODUCE POLICIES THAT WILL GUARANTEE ECOLOGICALLY SUSTAINABLE DEVELOPMENT OF THE FORESTS AND PLANTATIONS OF AUSTRALIA.

TURNING TO MARGINAL SEATS. THERE ARE A NUMBER OF MARGINAL SEATS IN AREAS WHERE THERE ARE MANY FOREST JOBS. THE ELECTORAL OUTCOME IN AT LEAST SOME OF THOSE MARGINAL SEATS, COULD, OTHER THINGS BEING EQUAL, BE AFFECTED BY THE ATTITUDE AND, CONSEQUENTLY, THE VOTE OF FOREST INDUSTRY WORKERS, THEIR FAMILIES AND COMMUNITIES.

WE WOULD HOPE HOWEVER, THAT THE PEOPLE IN THE ELECTORATES ARE IN A POSITION TO BASE THEIR CHOICE ON THE FULL RANGE OF ISSUES THAT ARE THE FOCUS FOR THIS ELECTION. IF THE GOVERNMENT CAN PROVIDE THE NATIONAL FOREST POLICY OF SUBSTANCE THAT IS SO IMPORTANT FOR THE FUTURE OF THIS INDUSTRY, WE COULD ALL DO OUR BEST TO HAVE AN ELECTION WITHOUT INVOLVING THE FORESTS.

ENDS

AS I INDICATED EARLIER, GOVERNMENTS SHOULD ESTABLISH WOOD PRODUCTION ZONES EMBRACING BOTH NATIVE FORESTS AND PLANTATIONS. IN THESE ZONES, PRODUCTION AND HARVESTING OF WOOD WOULD BE A MATTER OF RIGHT, PROVIDED ALL THE MANAGEMENT CODES AND ENVIRONMENTAL RULES WERE FOLLOWED.

THE RESOURCE SUPPLIES FROM THESE AREAS WILL NEED TO BE BACKED BY LONG TERM LEGALLY ENFORCEABLE CONTRACTS AT BOTH COMMONWEALTH AND STATE LEVELS, WITH THE COMMONWEALTH GIVING APPROVAL TO ACCREDITED STATE PROCESSES AND REGULATIONS AND ELIMINATING DUPLICATION.

GOVERNMENTS MUST ALSO AGREE THAT ISSUES SUCH AS BIODIVERSITY AND ENDANGERED SPECIES SHOULD BE DEVELOPED AND IMPLEMENTED AS PART OF OVERALL POLICIES OF ECOLOGICALLY SUSTAINABLE DEVELOPMENT, TAKING INTO ACCOUNT SOCIAL AND ECONOMIC ISSUES AS WELL AS ENVIRONMENTAL CONCERNS.

IF GOVERNMENTS ADOPT THIS DEVELOPMENT PATTERN, INVESTMENT PROGRAMS OF AT LEAST \$4 TO \$5 BILLION PROVIDING MANY JOBS AND ECONOMIC GROWTH ARE ACHIEVABLE OVER THE NEXT FEW YEARS. ECONOMIC GROWTH AND IMPROVED STANDARDS OF LIVING ARE AN ESSENTIAL BASIS FOR ACCEPTANCE AND IMPLEMENTATION OF IMPROVED ENVIRONMENTAL STANDARDS.

NOW HOW DO THESE PROPOSALS RELATE TO THE KEY VARIABLES ON THE POLITICAL SCENE AT THE MOMENT? JOBS ARE THE CRITICAL ISSUE. FROM AN EMPLOYMENT POINT OF VIEW OUR PROPOSALS ARE CLEARLY VERY POSITIVE. WE ARE NOT REQUESTING FINANCIAL ASSISTANCE OR TARIFFS, WE ARE PURELY ASKING FOR A STRAIGHT FORWARD GOVERNMENT PROCESS BACKED BY APPROPRIATE LEGISLATION THAT WILL PROVIDE THE BALANCE - THE PROTECTION FOR THE ENVIRONMENT AND THE SECURITY OF THE RESOURCE TO BE USED COMMERCIALY.

THE GOODS AND SERVICES TAX IS ALSO HIGH ON THE POLITICAL AGENDA. A MOVE FROM THE TAXATION OF INPUTS TO THE TAXATION OF OUTPUT FOR AN EXPORTING AND IMPORT COMPETING SECTORS SUCH AS THE FOREST INDUSTRIES HAS THE POTENTIAL FOR MAJOR BENEFITS. IN A STRICT ACCOUNTING SENSE, IT IS CLEAR THAT THE WOOD PROCESSING SECTOR WOULD BE SIGNIFICANTLY BETTER OFF.

THERE ARE, OF COURSE, BROADER ISSUES TO BE CONSIDERED WITH RESPECT TO A GOODS AND SERVICES TAX SUCH AS HOW THE CHANGING PATTERN OF PRICES WILL AFFECT DEMAND FOR DIFFERENT PRODUCTS AND HOW SHIFTS IN INCOME DISTRIBUTION ARE GOING TO BE ADDRESSED. WE ARE NOT IN A POSITION, AS AN INDUSTRY BODY, TO MAKE A JUDGEMENT ON MANY OF THESE ASPECTS. ALL WE CAN SAY IS THAT IN PRINCIPLE, A SHIFT OF TAXATION FROM INPUTS TO OUTPUTS WOULD IMPROVE OUR COMPETITIVENESS AND INVESTMENT.

THE TRADE DEFICIT IS ANOTHER STATISTIC WHICH ATTRACTS CONSIDERABLE MEDIA COVERAGE EVERY MONTH. AGAIN, NO-ONE CAN DOUBT THAT OUR RECOMMENDATIONS WOULD RESULT IN A MEASURABLE REDUCTION IN AUSTRALIA'S TRADE DEFICIT OVER THE REST OF THIS DECADE AND BEYOND. THIS WOULD IN TURN REDUCE THE PRESSURE ON SOME OF THE OTHER MACROECONOMIC VARIABLES SUCH AS INTEREST RATES WHICH PLAY A BIG PART IN THE COMMERCIAL AND PRIVATE LIVES OF AUSTRALIANS.

FINALLY, WHAT ABOUT THE REAL POLITICAL VARIABLES SUCH AS THE GREEN VOTE, MARGINAL SEATS AND INDEPENDENT CANDIDATES. ALL THE POLLS SHOW THAT AUSTRALIANS ARE EXTREMELY CONCERNED ABOUT THEIR JOBS BUT STILL VERY WORRIED ABOUT THE ENVIRONMENT.

BASICALLY, HOWEVER, THEY ARE NOT IN A STATE OF PANIC ABOUT THE FORESTS IN THE WAY THAT SOME ELEMENTS OF THE ENVIRONMENTAL MOVEMENT LIKE TO PORTRAY. THEY WANT MORE INFORMATION AND THEY WANT TO BE SURE THAT THEIR FORESTS ARE BEING REGENERATED AND SUSTAINABLY MANAGED.

THE RAC AND THE OTHER INQUIRIES GO A LONG TOWARDS PROVIDING SUCH INFORMATION AND ASSURANCES.

BUT IT HAS TO BE QUITE CLEAR THAT THE CHANGES WILL ONLY BE MADE AFTER A WELL DEFINED DUE PROCESS HAS BEEN FOLLOWED, NOT IN SOME ELECTION HOT-HOUSE SITUATION.

ALSO, IF AUSTRALIANS WANT CHANGES AND THOSE CHANGES ARE GOING TO CAUSE HARDSHIP FOR INDIVIDUALS AND COMMUNITIES, THERE HAS TO BE PROPER COMPENSATION AND ADJUSTMENT ASSISTANCE.

AUSTRALIANS CANNOT EXPECT A FEW PEOPLE WHO ARE ALREADY HAVING A VERY TOUGH TIME IN RURAL COMMUNITIES, TO BEAR THE BRUNT OF CHANGING VALUES OR CONCERNS OF ESSENTIALLY A CITY BASED POPULATION.

THERE ARE MANY RURAL PEOPLE WHO FEEL THAT THEY ARE ALREADY VERY UNFAIRLY TREATED. WE HAVE HAD MANY MEETINGS WITH FOREST INDUSTRY WORKERS AND COMMUNITIES OVER THE LAST YEAR OR SO. THE NUMBERS THAT HAVE TURNED UP, OFTEN ON BITTERLY COLD NIGHTS, IN UNHEATED COUNTRY HALLS HAVE BEEN AMAZING.

THERE ARE A HUGE NUMBER OF RURAL AUSTRALIANS WHO BELIEVE THAT THEY HAVE BEEN BADLY NEGLECTED BY POLICYMAKERS IN RECENT YEARS. IN MANY CASES THEY ARE TOTALLY OUTRAGED BY THE FACT THAT GOVERNMENTS APPEAR TO HAVE GIVEN IN TO A FEW DEMONSTRATORS THAT HAVE COME FROM OUTSIDE THEIR REGION AND DISRUPTED THE INDUSTRY AND THEIR JOBS. THE DEMONSTRATORS MOVE ON TO THEIR NEXT CAMPAIGN AND THEY DO NOT SEE THE FAILED BUSINESSES AND THE BADLY AFFECTED COMMUNITIES AND FAMILIES THAT THEY LEAVE BEHIND.

I CAN GUARANTEE THAT THOUSANDS OF AUSTRALIANS ARE UTTERLY FED UP WITH THE MANIPULATION OF THEIR LIVES WHICH HAS BEEN A MAJOR CONSEQUENCE OF THE ACTIVITIES OF THE EXTREME ELEMENTS OF THE "GREEN" MOVEMENT IN RECENT YEARS.

THE GOVERNMENT NOW HAS THE CHANCE TO PUT MUCH OF THIS BEHIND US.

THE RAC INQUIRY, THE OTHER REPORTS AND THE NATIONAL FOREST POLICY PROVIDE THE GOVERNMENT WITH THE OPPORTUNITY TO REACH A SOUNDLY BASED, WELL BALANCED POLICY, AND CREATE LONG TERM AND SECURE EMPLOYMENT.

ANOTHER OTHER KEY AREA OF REFORM IS TO ESTABLISH A LEVEL PLAYING FIELD WITH RESPECT TO PLANTATIONS. THE INDUSTRY WISHES TO SEE AS MANY PLANTATIONS AS POSSIBLE ESTABLISHED TO PROVIDE A LONG TERM SECURE WOOD SUPPLY IN CONJUNCTION WITH PRODUCTION FROM NATIVE FORESTS. AT THE MOMENT THERE ARE MANY LOCAL RESTRICTIONS, ADDED COSTS AND TAXATION ARRANGEMENTS BIASED AGAINST LONG TERM INVESTMENT IN TREES. THESE ARE SLOWING DOWN THE RATE OF PLANTATION ESTABLISHMENT.

ALSO THE STATE GOVERNMENTS MUST RECOGNISE THEIR ROLE AS COMMERCIAL WOOD PRODUCERS, IN TERMS OF THE WAY THEY MANAGE BOTH THE NATIVE FORESTS AND THE PLANTATIONS. THE STATE GOVERNMENTS MUST PROVIDE THE MAIN RAW MATERIAL FOR THE INDUSTRY AT AN INTERNATIONALLY COMPETITIVE COST AND ON A RELIABLE BASIS, OR IT WILL NOT BE POSSIBLE FOR OUR WOOD PROCESSING INDUSTRIES TO COMPETE AGAINST PRODUCTS FROM OVERSEAS.

THE WHOLE AREA OF FOREST INDUSTRY REGULATION NEEDS TO BE REVIEWED, SO THAT ONLY CONTROLS THAT ARE DIRECTLY NECESSARY FOR GOOD FOREST MANAGEMENT ARE APPLIED. REGULATIONS ON INDUSTRY MUST BE REDUCED TO THE MINIMUM NEEDED TO ENSURE THAT GOVERNMENTS' OVERALL INDUSTRY POLICIES ARE COMPLIED WITH. THE USE OF "BACKDOOR" METHODS OF INDUSTRY CONTROL TO TRY AND ACHIEVE ENVIRONMENTAL OUTCOMES IN THE FOREST MUST CEASE. AS THE RESOURCE ASSESSMENT COMMISSION HAS POINTED OUT, CONCERNS ABOUT FOREST MANAGEMENT SHOULD BE ADDRESSED IN THE CONTEXT OF REVIEWING THE FOREST RESERVE SYSTEM AND ESTABLISHING CODES OF FOREST MANAGEMENT AND NOT BY INDIRECT METHODS SUCH AS EXPORT CONTROLS.

IN RECENT YEARS, WHILE THE INDUSTRY HAS CONTINUED TO INVEST AT LEAST \$400 TO \$500 MILLION EVERY YEAR, THE RATE AND PATTERN OF DEVELOPMENT HAVE BEEN MUCH LESS THAN COULD HAVE BEEN ACHIEVED AND EVERYBODY, PARTICULARLY RURAL WORKERS, ARE WORSE OFF BECAUSE OF IT.

I DO NOT WISH TO REVISIT THE ISSUES SURROUNDING THE CLOSURE OF FORESTS IN NORTH QUEENSLAND, FRASER ISLAND, TERANIA CREEK, SOUTHERN NSW, EAST GIPPSLAND AND TASMANIA, BUT JUST TO SAY THAT POLITICS PLAYED A VERY LARGE PART IN ALL OF THEM.

THIS HAS FREQUENTLY LEAD TO AN OUTCOME AT LEAST PARTLY AT ODDS WITH THE SCIENTIFIC ANALYSIS. PROMISES AND DECISIONS ONCE MADE WERE IN MANY CASES NOT LASTING. WRITTEN AGREEMENTS WERE BROKEN, SOMETIMES WITHIN MONTHS. UNDERTAKINGS GIVEN TO INDUSTRY AND COMMUNITIES HAVE BEEN IGNORED.

IF THE NATIONAL FOREST POLICY IS TO HAVE SUBSTANCE, IT MUST CONTAIN A PACKAGE OF MICROECONOMIC REFORM WHICH WILL GREATLY REDUCE THIS UNCERTAINTY, ENABLE THE INDUSTRY TO CONFIDENTLY INVEST AND ACHIEVE AN INTERNATIONALLY COMPETITIVE FOREST PRODUCTS SECTOR.

MANY OTHER NATIONS, PARTICULARLY AROUND THE PACIFIC RIM, HAVE RECOGNISED THE EXCELLENT LONG TERM GROWTH POTENTIAL OF THE MARKET FOR FOREST PRODUCTS, AS DEMAND IS HIGHLY RESPONSIVE TO IMPROVING INCOMES IN OUR REGION. ALSO, THE FOREST PRODUCT TRADE DOES NOT, BY AND LARGE, SUFFER THE RESTRICTIONS AND DISTORTIONS THAT CHARACTERISES MANY AGRICULTURAL PRODUCTS.

COUNTRIES SUCH AS CHILE, NEW ZEALAND, INDONESIA, MALAYSIA, THAILAND AND SOUTH AFRICA ARE ACHIEVING MAJOR DEVELOPMENT OF THEIR TIMBER AND PULP AND PAPER SECTORS.

GOVERNMENTS IN THESE COUNTRIES ARE PROVIDING A WIDE RANGE OF SUPPORT AND ASSISTANCE MEASURES AS WELL AS A SECURE LONG TERM FRAMEWORK FOR INVESTMENT. THOUSANDS OF AUSTRALIAN JOBS DEPEND ON US BEING ABLE TO ACT POSITIVELY IN A SIMILAR WAY TO MATCH THESE OVERSEAS DEVELOPMENTS.

WITHOUT NEW FACILITIES, WE WILL FIND IT HARDER AND HARDER TO COMPETE, EXISTING PLANTS WILL BE PHASED DOWN OR CLOSED, EMPLOYEE NUMBERS REDUCED AND THE FOREST PRODUCT IMPORT BILL WILL CONTINUE ITS RELENTLESS UPWARD TREND. THE MAJOR PULP AND PAPER AND TIMBER COMPANIES WILL NOT BUILD IN AUSTRALIA UNLESS THIS COUNTRY IS PREPARED TO PROVIDE A COMPETITIVE INVESTMENT CLIMATE THROUGH MICROECONOMIC REFORM.

WHAT DO WE MEAN BY MICROECONOMIC REFORM FOR THE FOREST SECTOR?

WE ARE CONCERNED ABOUT SUCH GENERAL ISSUES SUCH AS TRANSPORT, ENERGY COSTS AND WATERFRONT REFORM BUT WE ALSO HAVE SOME SPECIFIC NEEDS.

THERE MUST BE A CAREFUL REVIEW OF OUR RESERVE SYSTEM TO ENSURE THAT THE HIGH CONSERVATION FORESTS ARE PROPERLY PROTECTED AND MANAGED. AT THE SAME TIME AND IN PARALLEL WITH THE REVIEW OF THE RESERVES, WOOD PRODUCTION ZONES MUST BE ESTABLISHED WITH SIMILAR LEGAL BACKING TO THE NATIONAL PARKS AND RESERVE SYSTEM. THE TWO THINGS MUST GO HAND IN HAND. WE MUST PROTECT OUR HIGH CONSERVATION AREAS AND SIMULTANEOUSLY, DEVELOP MANAGEMENT PROGRAMS FOR BOTH THE RESERVES AND THE MULTIPLE USE FORESTS. WE MUST IDENTIFY THE RESERVES AND MULTIPLE USE PRODUCTION FORESTS USING THE SAME INTEGRATED PROCESSES AND WITH LEGISLATIVE BACKING FROM STATE AND FEDERAL GOVERNMENTS.

RULES FOR LATER CHANGING THE BOUNDARIES MUST BE CLEARLY SET OUT. BOUNDARIES WILL HAVE TO BE CHANGED OVER THE YEARS AS WE LEARN MORE ABOUT THE NATIVE FORESTS. IN SOME AREAS, IT MAY BE POSSIBLE TO EXPAND THE MULTIPLE USE OPERATIONS IN OTHERS THERE MAY BE A NEED TO INCREASE RESERVES OR CHANGE MANAGEMENT PRACTICES.

AND IN THE MEANTIME THE SMALL, MEDIUM AND LARGE PROJECTS THAT AUSTRALIA NEEDS SO BADLY WILL REMAIN "ON HOLD", OR WORSE STILL, MOVE OVERSEAS.

WITH ABOUT 85,000 DIRECT EMPLOYEES, THE AUSTRALIAN FOREST INDUSTRIES ARE BIGGER THAN MOTOR CAR MANUFACTURING, ARE SPREAD MUCH MORE WIDELY ACROSS THE COUNTRY AND ARE NOT LOOKING FOR A CONTINUATION OF TARIFFS.

NEVERTHELESS, AUSTRALIAN DEMAND FOR TIMBER AND WOOD PRODUCTS IS SO STRONG THAT, IN ADDITION TO OUR DOMESTIC OUTPUT, WE ARE FORCED TO IMPORT ABOUT ONE THIRD OF ALL THE WOOD FIBRE THAT WE USE. AT AROUND \$2.0 BILLION PER YEAR, THIS IS ABOUT 10 PER CENT OF THE NATION'S TRADE DEFICIT.

IF GOVERNMENTS CAN AGREE TO THE REFORMS THAT THE INDUSTRY AND THE RESOURCE ASSESSMENT COMMISSION BELIEVE ARE SO URGENTLY NEEDED, THIS TRADE DEFICIT WOULD BE VERY SIGNIFICANTLY REDUCED AND MANY MORE PEOPLE WILL KEEP THEIR JOBS.

HOWEVER, WHAT ABOUT THE ENVIRONMENT ISSUE?

EVERYBODY LIKES WOOD AND TIMBER PRODUCTS. THEY ARE WARM, NATURAL AND RENEWABLE. THE ONLY PROBLEM IS THAT YOU HAVE TO CUT DOWN TREES TO GET THEM.

A NEWLY HARVESTED AREA OF FOREST OR PLANTATION, HOWEVER CAREFULLY MANAGED, WILL NEVER BE A PRETTY SIGHT FOR THE FIRST ONE OR TWO YEARS.

BUT AUSTRALIA'S NATIVE FORESTS DO REGENERATE AND COME BACK STRONGLY BECAUSE THEY HAVE BEEN SUBJECT TO FIRES, CYCLONES, DROUGHTS AND FLOODS FOR THOUSANDS OF YEARS AND THEY HAVE ADAPTED TO DISTURBANCE. IN ANY ONE YEAR THE IMPACT OF THE FOREST INDUSTRIES IS MINOR COMPARED TO THE NATURAL DISTURBANCE THAT TAKES PLACE.

FORTUNATELY, THE RESOURCE ASSESSMENT COMMISSION HAS RECOGNISED BASIC FEATURES OF EUCALYPT ECOLOGY AND HAS FIRMLY CONCLUDED THAT THE PUBLICLY OWNED NATIVE FORESTS ARE BEING MANAGED ON A SUSTAINABLE BASIS. IN OTHER WORDS, TREES ARE BEING ESTABLISHED AT LEAST AS FAST AS THEY ARE BEING REMOVED.

IN ADDITION, THE RAC HAS FOUND THAT THERE IS NO CASE FOR THE CESSATION OF THE LOGGING OF NATIVE FORESTS.

AUSTRALIA HAS ABOUT 40 PER CENT LESS NATURAL FOREST THAN IT DID WHEN EUROPEAN SETTLERS FIRST ARRIVED. BUT THOSE FORESTS HAVE BEEN CLEARED FOR FARMING, FOR URBAN DEVELOPMENT, FOR ROADS, RAILWAY LINES AND DAMS BUT NOT FOR COMMERCIAL FORESTRY. IN FACT, WITHOUT THE INDUSTRY BECAUSE THE INDUSTRY HAS BEEN ACTIVELY INVOLVED IN REGENERATING FORESTS AND PLANTING TREES FOR MOST OF THIS CENTURY, WE CERTAINLY HAVE CONSIDERABLY MORE FORESTS AND PLANTATIONS TODAY THAN WOULD HAVE BEEN THE CASE.

NEVERTHELESS, THE COMMISSION WAS NOT ENTIRELY SATISFIED THAT OUR NATIONAL PARKS AND OTHER RESERVES ARE FULLY REPRESENTATIVE OF ALL THE IMPORTANT VALUES OF THE NATIVE FORESTS. THE INDUSTRY SUPPORTS THE RAC'S RECOMMENDATION FOR A REVIEW OF THE RESERVE SYSTEM.

DECISIONS ON THE BOUNDARIES OF BOTH THE RESERVED AND MULTIPLE USE FORESTS NEED TO BE MADE SOON AND ON A LONG TERM BASIS SO THAT AUSTRALIA CAN ACHIEVE THE FULL RANGE OF CONSERVATION, SOCIAL AND ECONOMIC VALUES OF OUR FORESTS.

**ADDRESS TO THE NATIONAL PRESS CLUB
BY DR ROBERT BAIN, EXECUTIVE DIRECTOR
NATIONAL ASSOCIATION OF FOREST INDUSTRIES**

EMBARGOED 1.00PM - 21 OCTOBER 1992 - CHECK AGAINST DELIVERY

AFTER SOME 200 YEARS OF FORESTRY IN THIS COUNTRY, AUSTRALIA COULD BE ABOUT TO ACHIEVE A REALLY SIGNIFICANT NATIONAL FOREST POLICY. THIS OPPORTUNITY HAS BEEN CREATED BY A SERIES OF OFFICIAL REPORTS OVER THE LAST FEW MONTHS.

THE FOREST INDUSTRIES HAVE BEEN THE FOCUS OF A SEEMINGLY ENDLESS SERIES OF INQUIRIES, COMMITTEES AND WORKING GROUPS IN RECENT YEARS.

IN TERMS OF SIZE AND SUBSTANCE, THE RESOURCE ASSESSMENT COMMISSION (RAC) INQUIRY, WHICH ISSUED ITS REPORT LAST MARCH, STANDS HEAD AND SHOULDERS ABOVE THE OTHERS. THE RAC INQUIRY TOOK OVER TWO YEARS, INVOLVED 423 WITNESSES AND AN ENORMOUS AMOUNT OF TIME ON THE PART OF PUBLIC SERVANTS, CONSULTANTS, COMPANIES AND ASSOCIATIONS.

IT HAS BEEN ESTIMATED THAT THE TOTAL TIME AND COSTS OF EVERYBODY INVOLVED WERE BETWEEN \$40 AND \$50 MILLION. IT IS ESSENTIAL THAT THIS MASSIVE INVESTMENT IN THE RAC INQUIRY IS NOW TRANSLATED INTO A WORKABLE NATIONAL FOREST POLICY.

OTHERWISE THE FORESTS AND THE MANY JOBS, PARTICULARLY RURAL JOBS AND THE COMMUNITIES THAT GO WITH THEM, FACE A VERY BLEAK FUTURE. WE HAVE BEEN ASKED WHAT THE NAFI ATTITUDE WILL BE TO THE VARIOUS PARTIES AND CANDIDATES IN THE NEXT FEDERAL ELECTION.

AT THE PRESENT TIME WE ARE NOT CONDUCTING ANY FORM OF POLITICAL CAMPAIGN. CLEARLY THE POLITICAL STANCE OF THE THOUSANDS OF MEN AND WOMEN WHO WORK FOR THE FOREST INDUSTRIES AND THEIR FAMILIES WILL BE CONDITIONED BY WHAT IS IN THE NATIONAL FOREST POLICY THAT THE GOVERNMENT HAS PROMISED THEM BEFORE THE END OF THE YEAR.

THEY WILL WANT TO KNOW THAT THE POLICY HAS RELEVANCE, ACTIONS AND SUBSTANCE AND IS NOT A SERIES OF "MOTHERHOOD" STATEMENTS.

WHAT I WILL DO THIS AFTERNOON IS OUTLINE WHAT WE MEAN BY THE POLICY HAVING "SUBSTANCE" AND THE RELATIONSHIP BETWEEN THESE "SUBSTANCE" FACTORS AND THE KEY POLITICAL VARIABLES THAT SEEM LIKELY TO INFLUENCE THE NEXT ELECTION.

FIRSTLY, WE MUST NOW GO BEYOND THE INQUIRY STAGE. TOO OFTEN, AS ALL THE PRESS GALLERY KNOW, INQUIRIES HAVE BEEN INSTIGATED TO AVOID DIFFICULT POLITICAL DECISIONS. THIS HAS BEEN VERY BENEFICIAL FOR THE DEMAND FOR THE PRODUCTS OF THE PULP AND PAPER INDUSTRY BUT HAS CAUSED MUCH UNCERTAINTY AND, CONSEQUENTLY, BOTH INVESTMENT AND EMPLOYMENT IN THE INDUSTRY ARE MUCH LOWER THAN THEY SHOULD BE.

IT IS VERY WORRYING THAT THE GOVERNMENT HAS NOW ANNOUNCED AN INDUSTRY COMMISSION INQUIRY INTO THE FOREST INDUSTRIES BEFORE IT HAS DEALT WITH THE NATIONAL FOREST POLICY OR THE OUTCOME OF THE RAC AND THE OTHER RECENT INQUIRIES.

IF THE INDUSTRY COMMISSION INQUIRY GOES AHEAD BEFORE THE NATIONAL FOREST POLICY IS COMPLETED, THE WITNESSES WILL JUST GET OUT THEIR OLD RAC SUBMISSIONS, DUST THEM OFF, ADD ANOTHER YEAR OF STATISTICS AND THE WHOLE PROCESS WILL START ALL OVER AGAIN.

3/11/92

news release

NATIONAL
HEALTH AND
MEDICAL RESEARCH COUNCIL



NHMRC CALLS FOR TOUGHER RESTRICTIONS ON CYCLODIENE INSECTICIDES

The National Health and Medical Research Council (NHMRC) today called for tougher restrictions to be placed on the use of cyclodiene insecticides.

Chairman of the NHMRC's Panel on Cyclodiene Insecticide Use in Australia, Professor Geoffrey Duggin, said the insecticides were developed in the 1940s and 50s and their current use had to be seriously looked at.

"In the past, cyclodienes such as chlordane, heptachlor, aldrin and dieldrin were commonly used as insecticides in the home, as agricultural chemicals to prevent crop destruction and in termite control," he said.

"Their use has been tightened up over the years and with these new recommendations it will be even tougher."

Professor Duggin said research had shown that the unrestricted use of cyclodienes resulted in high levels of concentration in the environment which were slow to breakdown.

"It has been revealed that cyclodienes also cause tumours in mice, they build up in the human body and we are not sure yet of the long term effects," he said.

Key recommendations from the NHMRC's report, Cyclodiene Insecticide Use in Australia include:

- advice to the Australian Agricultural and Veterinary Chemicals Council (AAVCC) that cyclodienes, aldrin and dieldrin should cease to be registered for all pesticide uses when current stocks are exhausted. Further importation of these chemicals not be permitted;
- that chlordane and heptachlor be permitted to be imported and registered for use only as termiticides in the construction of housing and buildings and its use be restricted to under slab usage and in crawl space under houses in accordance with the newly developed Standards Australia code; and
- chlordane and heptachlor will be phased out in two years if suitable alternatives are available;
- that registration of the use of chlordane and heptachlor in agriculture and other non-termiticidal applications cease.

Professor Duggin said while there was no evidence to suggest children were at risk of cyclodiene contamination if they crawled underneath houses, the practice should not be encouraged.

"Cyclodienes rapidly soak into the soil, their concentrations are lowest at ground surface level and therefore pose no significant health risk to children or tradespeople," he said.

These recommendations were made at the NHMRC's 114th session in Canberra.

Media enquiries: Liz Lang (06) 289 7585, mobile, (018) 622 989
John Rogers (06) 289 7413, mobile

16 October 1992

The Hon. Simon F. Crean, MP
Minister Primary Industries and Energy
Parliament House
Canberra 2600

Dear Minister,

The purpose of this letter is to express concern at recent comments by Greenpeace suggesting a ban on use of cyclodiene chemicals in Australia. Cyclodiene chemicals, namely chlordane and heptachlor, currently provide the most viable means of protecting buildings against termite attack.

NAFI is aware that you recently met a delegation, including representatives of Greenpeace and that one of the issues discussed was the use of cyclodiene chemicals in Australia which is the subject of a current National Health and Medical Research Council (NHMRC) inquiry. NAFI is also aware of comments made by Greenpeace suggesting the Government should ban the use of cyclodiene chemicals in Australia.

Based on a very detailed inquiry into the use of cyclodienes from social, environmental and health perspectives the NHMRC Working Group's final draft report as presented to the Public Health Committee on September 3/4 1992, recommends that chlordane and heptachlor continue to be used to protect buildings from termite attack.

NAFI has been a strong participant in the NHMRC's inquiry and agrees in principle with the findings of the final draft report which essentially recommends: -

- continued use of chlordane and heptachlor as termiticides, under strict controls and in accordance with the relevant Australian standards,
- a review of chlordane and heptachlor usage and potential alternative termite protection systems in 2 years time,
- continual monitoring of health and safety standards related to chlordane and heptachlor use,
- an increase in emphasis to be given to research into more 'environmentally friendly' systems for termite protection.

NAFI remains very concerned that the use of chlordane and heptachlor be appropriately controlled without diminishing the level of termite protection afforded to either the structural integrity or contents of houses and buildings. NAFI is also seeking to encourage an increased research effort into development of more 'environmentally friendly' termite protection systems which will deliver appropriate protection levels at reasonable cost to the community. At this stage however, existing research projects are unlikely to have delivered any fully tested, practicable alternatives within the next two years.

COPY FOR YOUR
INFORMATION

NAFI

NATIONAL ASSOCIATION OF
FOREST INDUSTRIES LTD
ACN 008 621 510
Forest Industries House
24 Napier Close
Deakin, A.C.T. 2600
P.O. Box E89
Queen Victoria Terrace
Canberra A.C.T. 2600
Telephone (06) 285 3833
Facsimile (06) 285 3833

-2-

It is NAFI's view that a ban on use of chlordane and heptachlor prior to viable alternatives becoming available would have major ramifications for home and building owners and would force wholesale changes in construction materials and housing affordability.

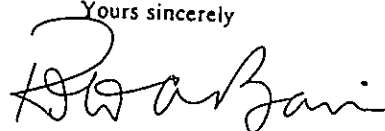
NAFI is unaware of the depth of economic analysis undertaken by the NHMRC in its final report however, it would be critical from industry's perspective that a detailed analysis be undertaken prior to any consideration being given to the suggestion that termite protection systems that use chlordane and/or heptachlor be removed from the market.

Given the findings of the NHMRC inquiry, which has concentrated on health and environmental issues, it would seem most inappropriate to consider a ban on chlordane and/or heptachlor which remain the most effective way of termite protection currently available.

NAFI looks forward to the release of the final NHMRC report as drafted and its adoption by Government.

Should you want any further details from NAFI please do not hesitate to contact me or Mr Chris Althaus at the NAFI office.

Yours sincerely



Robert Bain
EXECUTIVE DIRECTOR



Defences

Defences will be available where:

- the defect did not exist at the time the goods were put into circulation;
- the defect only existed because there was compliance with a mandatory section imposed by the Commonwealth government (in which case the Commonwealth Government assumes any liability);
- at the time the goods were put into circulation, the state of the scientific and technical knowledge was not such as to enable the existence of the defect to be discovered;
- the manufacturer's goods are comprised in "finished goods", and the manufacturer can establish that the defect in the finished goods is attributable only to the design, marking, instructions or warnings given by the manufacturer of the finished goods.

Other Common Law Remedies Retained

The new Part VA does not affect the provisions of the *Trade Practices Act* regarding product recalls, nor does it replace any existing common law or other rights of redress in relation to product liability - including rights arising in the law of negligence. Thus, once the three year period has expired it would still be open for a prospective litigant to

institute proceedings at common law where the limitation period in the jurisdiction permitted:

Part VA Provisions Not To Be Excluded

Any term of a contract that purports to exclude or modify the application of Part VA (including the rights conferred, or liability arising, under Part VA) is void.

Ramifications for Industry

The long term ramifications for industry are anticipated to be significant. The design and implementation of a satisfactory product liability strategy will be vital to ensure corporate survival under the new regime. This may involve a review of:

- the nature and placement of warnings and instructions in/on goods;
- contractual arrangements - particularly between foreign manufacturers and importers; manufacturers and the providers of raw materials; manufacturers and suppliers; and wholesale and retail suppliers;
- the procedures taken by manufacturers/importers/suppliers in relation to product knowledge and product safety;
- insurance arrangements;
- the role which intermediaries may play in the supply of goods.

For further information or assistance in relation to this report please contact:

Melbourne:	Penny Pengilley or Irene Zettler	(03) 288 1234
Sydney:	Geoff McClellan	(02) 225 5000
Brisbane:	Robert Channon	(07) 231 6666
Perth:	Peter van Hattem	(09) 327 5777
Canberra:	Bettie McNea	(06) 249 7711

This newsletter is published as an information service and without assuming a duty of care. It contains general information only and should not be relied on as a substitute for legal or other professional advice.

SYDNEY	MELBOURNE	PERTH	CANBERRA	BRISBANE	LONDON	SINGAPORE
MLC Centre Martin Place Sydney 2000 New South Wales Tel (02) 225 5000 Fax (02) 233 6430 Fax (02) 232 1374 Telex AA121885 DX 361 Sydney	101 Collins Street Melbourne 3000 Victoria Tel (03) 288 1234 Fax (03) 288 1567 Telex AA33004 DX 240 Melbourne	Australia Place 15 William Street Perth 6000 Western Australia Tel (09) 327 5777 Fax (09) 322 5954 Telex AA92937 DX 104 Perth	London Court 13 London Circuit Canberra 2601 ACT Tel (06) 249 7711 Fax (06) 248 9582 DX 5666 Canberra	Central Plaza II 66 Eagle Street Brisbane 4000 Queensland Tel (07) 231 6666 Fax (07) 220 0038 DX 255 Brisbane	Birchall Court 20 Birchall Lane London EC3V 9DJ Tel (071) 283 9006 Fax (071) 454 9650	6 Battery Road #13-01 Singapore 0104 Tel (65) 225 1288 Fax (65) 225 3314 Fax (65) 222 0990 Telex (RS) 42674

REPRESENTED IN BANGKOK AND JAKARTA

FREEHILL, HOLLINGDALE & PAGE

•CLIENT NEWSLETTER•

New Strict Liability Scheme

STOP PRESS

Major Ramifications for Industry

Legislation has now been passed inserting a new Part VA into the *Trade Practices Act*. It is called "Liability of Manufacturers and Importers for Defective Goods". Royal Assent will be given shortly. Part VA introduces to product liability, a strict liability regime providing a right to compensation to persons who are injured or whose property is damaged as a result of defective goods.

Part VA establishes a new legal concept in that the individual seeking compensation will not have to prove negligence on the part of the manufacturer of the goods.

Features of Part VA

Defective Goods

A "manufacturer" who supplies goods will be liable under Part VA if the goods supplied are "defective" goods. A product is defective when it does not provide the safety which persons generally are entitled to expect. Matters which are relevant when applying this standard include:

- the manner in which, and the purposes for which, the goods have been marketed;
- the packaging or marking of the goods (including the existence of adequate instructions or warnings);
- what might reasonably be expected to be done with or in relation to the goods;
- the time when the goods were supplied by the manufacturers.

The Explanatory Memorandum to the legislation also indicates that the role which intermediaries play in relation to the supply of the goods may also be a relevant consideration.

Product Liability Update

Who is Liable?

The following entities may be potentially liable as "manufacturers" of defective goods:

- a corporation which grows, extracts, produces, processes or assembles goods;
- a corporation which holds itself out as the manufacturer of goods;
- a corporation which applies its name, or its business or brand name, to goods supplied by it;
- a corporation which imports the goods of a manufacturer located outside Australia.

Suppliers of Goods

Corporations which supply defective goods may also be deemed the manufacturer of the goods if they are requested in writing to identify the manufacturer of the goods supplied by them, and fail to do so within thirty days of the request.

Who can Claim?

Persons able to claim include not only persons who have been injured but also:

- persons who suffer loss as a result of that person's injury (typically, this might be a spouse or child);
- persons whose goods (not being the defective goods) are damaged provided those goods are of a kind ordinarily acquired for personal, domestic or household use and are so used;
- persons whose buildings or land are damaged provided such building or land are of a kind ordinarily acquired for personal, domestic or household use and are so used.

**NAFI BOARD OF DIRECTORS
FOR 1992/93**

	NAME	REPRESENTING	POSITION/COMMITTEE
1.	Kerry Pidcock	NSW	
2.	Greg McCormack	VIC	
3.	John Hancock	QLD	Marketing Committee*
4.	Nick Le Messurier	SA	
5.	John Oldham	WA	
6.	Glenn Britton	TAS	
7.	Steve Balcombe	ANM	
8.	Norm Cleland	Bowater	
9.	Thorrey Gunnersen	Marbut Gunnersen	R&D Committee*
10.	Don Macfarlane	AMCOR	President*
11.	Ian Mackenzie	Bunnings	
12.	John Morgan	North Broken Hill	Vice President & Public Awareness Committee*
13.	Henry Pens	CSR	Vice President*
14.	Keith Sullivan	Boral	Resources Committee*
15.	John Tompkins	Brown & Dureau	Pine Australia Committee*
16.	Roger Hudson	Merchants	Audit Committee*
17.	Warren Hyne	Non Radiata Softwoods	
18.	Alan Dagger	Hardwood Sector	
19.	Richard Neville Smith	Hardwood Sawmillers	
20.	Steve Stevenson	Timber Importers	
21.	David Bills	Woodchip Exporters	Treasurer*
22.	Michael Hall	Australian Forest Growers	

* NAFI Executive



NO. 156

EMBARGO

**STATEMENT BY THE MINISTER ASSISTING THE TREASURER
THE HON PETER BALDWIN, MP.**

**APPOINTMENT OF DR NEIL BYRON AND PROFESSOR CLIFF WALSH AS
PART-TIME ASSOCIATE COMMISSIONERS OF THE INDUSTRY
COMMISSION**

The Minister Assisting the Treasurer, Peter Baldwin, announced today the appointment of Dr Neil Byron and Professor Cliff Walsh as part-time Associate Commissioners of the Industry Commission.

Dr Byron has been appointed to work on the Commission's inquiry into Adding Further Value to Australia's Forest Products. He is currently the Director of Graduate Studies in Environmental Management and Development, National Centre for Development Studies, at Australian National University. Dr Byron is an economist whose particular skills and interests are in forest policy.

Professor Walsh has been appointed to work on the Commission's inquiry into Impediments to Regional Industry Adjustment. He is currently Professorial Director of the Centre for South Australian Economic Studies, a joint centre of the University of Adelaide and the Flinders University of South Australia. Professor Walsh is an economist with particular expertise in Federal-State financial issues.

Mr Baldwin is confident that both Dr Byron and Professor Walsh will make a valuable contribution to the Commission's inquiries.

CANBERRA
19 October 1992

Enquiries: Sarah Taylor
Mr Baldwin's Office
(06) 277 7540

John Spasojevic
Industry Commission
(06) 264 4719

27. SOFTWOOD INDUSTRY STATISTICS

Pine Australia has established the framework for a comprehensive Management Information System covering the production, productivity and sales of the Australian plantation softwood sawmilling industry.

With full industry participation the system will provide a powerful decision making tool for participants, and assist the competitiveness of the softwood industry.

A detailed outline of the proposed system has been sent to potential participants for comment before a trial run is conducted.

Once the system has been fully tested it will be introduced for the 1993 year.

Contact: Greg Barnes

28. USA ELECTION

With the the widely expected election of Democrat Bill Clinton as US President relatively little attention has been paid to the role played by his Vice-Presidential running mate Al Gore. He is a well known sympathiser of the environment movement and author of "Earth in the Balance". With this pair installed in the White House it would be reasonable to expect that the American green movement will rise in stature and credibility.

This is particularly because environmental groups have campaigned strongly for the Democrat platform in some key States and against many "unfriendly" incumbents in Congressional districts. Unfortunately much of this

campaign has focused only on forest issues and has included a Hollywood backed anti-timber industry promotion with Paul Newman and singer Gary Morris urging permanent preservation of America's national forests.

Contact: Peter Perkins

29. F O R T H C O M I N G CONFERENCES

Woodtech, Indochina '92 - 15-18 February 1993, Ho Chi Min City, Vietnam - details available from NAFI

30. BACK-COPIES OF AFLJ TO BE AVAILABLE FROM THE FORESTRY COMMISSION OF NSW

Mr Lembke has advised NAFI that the bound annual volumes of AFLJ will be permanently available to industry representatives and others through the library of the Wood Technology and Forest Research Division, Forestry Commission of NSW, West Pennant Hills, Sydney.

Back copies make interesting reading. In April 1973, Con Lembke was urging the industry to get together, stand up and be counted. He claimed that the industry had no sense of public relations, externally or internally.

Fortunately, no-one could claim that there is a deafening silence from industry today. However, our opposition has toughened and it is much harder to obtain positive decisions from Government than would have been if the industry had mounted its campaign back in the early 1970's.

24. CHIP CHIP

The TWS anti-woodchipping TV commercial "Chip Chip" has finally been invalidated through the withdrawal by the Federation of Australian Commercial Television Stations (FACTS) of its broadcast permit number (see letter attached).

It is important to note that at a local level it is still possible for members of the environment lobby to pressure/extort local TV station managers into broadcasting the commercial as a "community service announcement".

While we now expect good sense to prevail now they know the commercial to be false and misleading, members are urged to be ever vigilant and ensure the commercial remains off air.

Contact: Peter Perkins

25. DICK SMITH

The environment lobby's campaign to discredit well known conservationist and publisher of Australian Geographic, Dick Smith, for allowing Forest Industries advertisements to appear in his magazine, has backfired.

We accepted an invitation to address magazine staff in Sydney and after a very healthy exchange of views, full recognition did emerge for our case and the accuracy of the facts we place before the public. In addition the offer made by the publisher for equal space did not generate a response (see attached).

Contact: Peter Perkins

26. PINE AUSTRALIA INDUSTRY OPEN DAY - IN-GRADE TESTING PROJECT

Pine Australia is currently undertaking a major in-grade evaluation of structural, Australian grown, machine stress graded pine. The collaborative research project between Pine Australia and the CSIRO involves the sampling and testing of thousands of sticks of structural pine from mills around the country. In addition to the extensive material testing programme at CSIRO, grade checking and some testing is underway at the Forestry Commission of NSW. Potentially the outcomes from the project will set the pace for the future of marketing in the Australian timber industry.

Pine Australia held a successful industry open day at CSIRO in Melbourne on 16 October. The day was designed as an information transfer exercise to describe the intricacies of in-grade testing, and the current project, to members of Pine Australia. Held in conjunction with the final Annual General Meeting of the RPAA, the event was attended by approximately 40 management, marketing, technical and quality control staff representing the bulk of pine producers in Australia. The concept of in-grade testing and details of the important project were conveyed to key industry staff by means of a series of technical presentation and hand on laboratory demonstrations.

The industry open day was a tremendous success and similar events will be planned in the future.

Contact: Stephen Bolden

Members of the NAFI Public Affairs Group are among industry recipients of the publication.

Contact: Jim Devine

20. FERAL CATS

Occasionally vociferous industry critic and newspaper columnist, Leo Schofield, has added to the growing data bank on feral cats and their impact on native fauna (see SMH attachment).

The fact that feral cats are overrunning sparsely populated western Queensland seriously questions green claims that "wilderness" is an effective feral animal barrier.

One of the largest feral cats ever recorded (26kg), was captured in Lamington National Park south of Brisbane.

Contact: Jim Devine

21. QUOTES

"Making money is my prime objective. I wouldn't do something just because it's right. If it was going to cost a lot, I wouldn't even talk about it."

Rodney Adler, FAI Insurance Chairman, after investing a reported \$24 million in the anti-forestry animated film feature, "Fergully: The Last Rainforest".

(See letter to film reviewer and reply in attachments)

"It is the brown issues, the urban issues, which are also important now. The greens haven't caught up with that. The greenies are still in the trees."

Federal Environment Minister, Mrs Ros Kelly, "Urban Issues Take Over Green Debate", Business Review Weekly, 16.10.92

"On the strength of her performance on this issue (Bender's Quarry), Mrs Kelly is proving to be a Minister for Environmental Destruction - doing more harm than good."

Ms Karenne Jurd, Executive Director, The Wilderness Society

22. PUBLIC OPINION

In September, Brisbane's Courier-Mail newspaper polled 900 Queenslanders on what they regarded as the biggest threat to their lives, and not surprisingly, 51% nominated unemployment.

Only 3% nominated "environmental desecration", and a staggering 70%-plus of Queenslanders "thought that preserving jobs should take precedence over conserving the environment in the next 12 months," according to the Courier-Mail.

Contact: Jim Devine

23. WILDERNESS CAMPAIGNS

The anti-industry campaigns of The Wilderness Society have received a number of setbacks in recent months. The major rallies, demonstrations and protests in particular have been poorly attended suggesting even its supporters are tiring of rhetoric and extremism.

Contact: Peter Perkins

What Farmer made clear however was this did not mean backing one or other of the principle political parties, but rather remaining independent. This is a critically important distinction that all members are urged to remember. Our interests will be best served if we remain apolitical, develop strong public support, and force the politicians to earn our vote.

Contact: Peter Perkins

16. LANDCARE ENVIRONMENT ACTION PROGRAM (LEAP)

NAFI has been provided with brochures which outline the program structure and we are being encouraged to ask our firms and associations whether they wish to participate.

Details can be provided from Mr Chris Evans, Director, Landcare Section, Employment Program Division, Department of Employment, Education and Training on (06)276 9240.

17. NATIONAL FOREST INVENTORY (NFI)

We have been advised that a new three year strategic plan for NFI has been developed and that NAFI will be provided with a copy. A number of members have expressed concern about the NFI and particularly the nature of the consultants who are doing the work on it.

We would be grateful for any information suggesting that the conservation groups were playing a major role in the preparation of the NFI.

18. PRESS CLUB SPEECH MEDIA

Varying degrees of journalistic enthusiasm were generated by Robert Bain's nationally televised Press Club address on October 21.

With the exception of The Australian, all major newspapers carried a report (see attachments), but The Canberra Times was the only publication to highlight the GST aspect, which occupied one paragraph of a 20 minute presentation.

The Herald-Sun story by Angela Leary was also carried by the Brisbane Courier-Mail and the Adelaide Advertiser.

Contact: Jim Devine

19. FORESTS UPDATE

Five editions of this double-sided A4 publication (see attachments) have been delivered on a fortnightly basis to all Federal politicians, selected State Ministers, senior public servants and journalists to bring them up to date with industry events.

Feedback, particularly from Federal politicians, has been strong and positive in view of the low media profile afforded industry in the absence of conflict.

Forests Update has also provided an effective medium for the promotion of updated Forest Facts sheets which have been revised in accordance with the findings of the Resource Assessment Commission Forest and Timber Inquiry.

about the use of organochlorines exists across a wide range of perspectives however, the very public debate about their impact on the environment and possible link to human health disorders has thrust organochlorine use onto the political agenda.

The Federal Government commissioned a National Health and Medical Research Council Inquiry into the use of these chemicals in Australia. This inquiry, commenced in 1990, will deliver its final report on November 4th, 1992. NAFI has received a copy of the final draft and has been expressing its support in principle for the recommendations contained within that draft.

NAFI is aware of strong opposition to the continued use of organochlorines from organisations such as Greenpeace who support a ban on these chemicals despite no scientific evidence of human health disorders arising from their use.

NAFI will be continuing to monitor this important report. Needless-to-say termite protection systems are an important part of timber's dominant position in the house construction market.

Attached for your information is a letter from NAFI to the Minister for Primary Industries and Energy, The Hon. Simon Crean, outlining NAFI's position regarding the continued use of organochlorines for termite protection. In addition NAFI has received an advance copy of a NHMRC press release prior to the NHMRC meeting which outlines the key recommendations (see attached copy).

Contact: Chris Althaus

13. TROPICAL FORESTS GROUP MEETING

NAFI attended the recent meeting of the Commonwealth Tropical Forests Group meeting which dealt primarily with the upcoming renegotiation of the International Tropical Timber Agreement.

Contact: Ric Sinclair

14. PRESS CLUB ADDRESS HIGHLIGHTS SUCCESSIVE INQUIRIES - FEW POLICIES

At an address at the National Press Club on 21 October, Robert Bain highlighted a number of inquiries that have been held into the industry in recent years, but the failure of Governments to follow these through with sound policies.

NAFI is very concerned that all the time, costs and effort, together with the many recommendations supporting the industry, will be lost over the next few weeks. The Government is showing no signs of responding to the key recommendations from the RAC or those contained in NAFI's National Forest Industry Policy Statement.

A copy of Robert Bain's speech is enclosed.

15. POLITICAL CLOUT

Addressing the NAFI AGM in Canberra a 28 October political guru, Richard Farmer, again pointed to the need for the forest industries to develop political clout so that we can avoid the risk of political deals being done, especially with the environment lobby, that are to the detriment of our industry.

merely had to prove that it was a *reasonable inference* that a defect in a product was responsible for a loss.

Following an intensive campaign by industry the Legal & Administration Committee of Caucus rejected the idea of an *inference provision* in favour of the EC standard.

Despite the changes industry achieved from the original proposals the new regime will impose greater liability on manufacturers. For your information a brief overview of the new legislation's ramifications, features etc. is attached.

Contact: Chris Althaus

10. PRODUCT LIABILITY AND TIMBER DEFECTS

A quick glance at the preceding NAFI News item will show that product liability legislation is all about defects in products. Defective products may lead to litigation and, as in most legal situations, an accepted definition of defect and defectiveness will be referenced.

This could be the source of a major difficulty for our industry, as we have always referred to the natural features of our products as "defects".

The word defect is common in our Standards, in our grade specifications and in our market literature.

It may be very prudent for the word "defect" to be dropped from the industry's vocabulary. NAFI has prepared a short preliminary evaluation of this issue which can be supplied to

interested readers. The paper outlines the implications for timber standards and suggests that legal opinion be obtained.

Comment by members and from the industry will guide any further action which could be taken by NAFI.

Contact: John Carson

11. NEW PRINT MEDIA CAMPAIGN

NAFI has completed development of its latest series of print media advertisements featuring timber.

The print media campaign will commence in December and use a range of publications including major monthly and weekly womens, homemaker and specifier magazines. The campaign content has been designed to maximise versatility thereby enabling placement of the ads in a wide range of publications relevant to NAFI's public awareness and market development programs.

The campaign will be formally launched in November and State Associations will receive a full briefing to enable them to take advantage of opportunities to link to the campaign with State specific promotions. If you're a NAFI member and you want to link to this campaign please contact Chris Althaus.

12. TERMITE CONTROL REPORT DUE IN NOVEMBER

NAFI has been representing the interests of the timber industry in the debate surrounding the use of organochlorine chemicals which are currently the dominant systems for protection of buildings from termite attack. Concern

8. QUALITY ASSURANCE FOR TREATED TIMBER PRODUCTS

The last NAFI News reported on a national industry meeting which agreed in principle to establish a national quality assurance program for treated timber.

The industry believes a national scheme is the best way to realise the market growth potential for preservative treated timber. By isolating or eliminating the practices which can give treated timber a bad name, the industry is confident it can achieve long term growth in consumer demand.

To achieve success the scheme must address more than just treatment processes and preservative retention. The grade of the timber, its dimensional tolerances and post-treatment handling also affect whether the product will be fit for its purpose.

The industry has also identified the need for product specifications and consumer education if the quality of treated products is to be recognised and demanded.

Substantial work has already been carried out by industry groups and a second meeting held in late October has maintained the momentum.

This meeting was also attended by Ron Daly, Executive Officer of the New Zealand Timber Preservation Council. The NZ Woodmark Scheme provides a very successful model which covers the preservative treatment process. With the assistance of the NZ Council, the procedures to incorporate timber quality and grade into this model could be very efficiently developed. There are good signs that the NZ Council will

participate as one of the industry groups in developing this program, so as to ensure that the Australasian market for treated timber provides the best possible prospects for all producers of reliable, quality products.

Minutes of the two industry meetings are available to interested readers.

Contact: Greg Barnes

9. PRODUCT LIABILITY LEGISLATION

The last 2 years have seen intense debate on proposed changes to product liability legislation. The outcome is an addition to the Trade Practices Act which introduces much stricter product liability provisions which industry should be aware of.

Legislative reform options proposed by consumer groups and the Australian Law Reform Council in 1990 adopted an extremely 'pro consumer' approach that would have significantly disadvantaged manufacturers, by making them responsible for products and their performance regardless of the actions of users.

In response a group of industry associations (including NAFI) retained legal counsel and lobbied the Minister for Justice, Senator Michael Tate to have the new legislation follow the model used by the European Community, whereby a plaintiff *must prove* that a defect in the product caused the loss.

The original draft Bill would have exposed employers to expensive and unwinnable litigation by allowing the courts to rule in favour of plaintiffs who

Cumberlidge and perpetual supporters such as Mark Addis, Chris Northover and John Oldham must remain in our gratitude for enabling the industry to achieve so much so quickly in this area of co-ordinated public communication programs.

Contact: Peter Perkins

6. NORTH WEST TASMANIA

NAFI is assisting the Forest Industries Association of Tasmania, local community groups and concerned residents of north west Tasmania opposed to the World Heritage listing of 345 000 hectares of crown land between the Arthur and Pieman Rivers.

The proposal has been put to the Federal Government by The Wilderness Society.

Less than 30% of the area is designated multiple use forest, and according to the Forestry Commission, up to a third of that won't be logged in accordance with Codes of Practice.

The issue has not created much interest in mainland media yet, but the region is off the beaten track enough to be misrepresented as a pristine wilderness when in fact it has been mined and logged for the best part of a century.

See the "Special Edition" Forests Update attached for further information.

Contact: Jim Devine

7. PINE AUSTRALIA

The establishment of Pine Australia completes a restructuring process which started when the Radiata Pine Association of Australia moved its operations into the NAFI structure in May 1991.

Pine Australia has been set up to represent the Australian plantation softwood timber industry. Pine Australia will operate as a division of NAFI with its own program, funding and membership arrangements under an industry executive committee.

Transfer of membership is automatic for RPAA members. Membership arrangements are also being discussed with Queensland softwood producers.

Having tested its operational arrangements within NAFI, the industry has ratified final terms of reference for the structure of Pine Australia, which fulfil the original objectives set at the 1990 Annual General Meeting of RPAA.

One of Pine Australia's strengths will be the opportunity to build on the achievements and long standing reputation of the RPAA. However, it must quickly establish its own record of performance if it is to assist the industry through the challenges we face in the immediate future.

Contact: Greg Barnes

to further development. If adequately briefed, the Commission could provide useful information for the industry's investment decisions, both collectively and individually, through the next decade.

NAFI's submission will focus on broad issues facing the industry in terms of domestic impediments and international benchmarking of cost structures. It is hoped that this perspective will reinforce the submissions made by individual firms and industry sector groups. Anyone with particular statistics or anecdotal information on these issues should contact NAFI as quickly as possible.

Contact: Ric Sinclair

4. DON MACFARLANE RE-ELECTED NAFI PRESIDENT

Mr Don Macfarlane, Managing Director, Australian Paper Mills, was re-elected President of NAFI at the Annual General Meeting held in Canberra on 28 October 1992. Other key office bearers are:

Vice President

Mr Henry Pens
General Manager
CSR Limited

Vice President

Mr John Morgan
Executive General Manager
North Broken Hill Peko Limited

A list of the full Board is attached with this Newsletter.

5. PUBLIC AWARENESS COMMITTEE

As foreshadowed previously new administrative arrangements have now been put in place to manage the national public awareness and education programs of NAFI. This facilitates another merger of Associations that was a principle objective of establishing the NAFI in the first place.

The Forest Industries Campaign Association (FICA) was established in 1986 as an outcome of the tripartite Forest and Forest Products Industry Council (FAFPIC). It managed all the national public relations of the Forest Industries including national advertising, media, education, community, industry liaison and tactical co-ordination programs.

All these functions remain but, with the formal winding up of FICA, are now transferred to an Executive Committee of NAFI. It is known as the NAFI Public Awareness and Education Committee and is chaired by John Morgan (APPM). Other members are Henry Pens (CSR), Bob Richardson (ACTU), Mark Addis (FIAT), Norm Huon (VAFI), Barry La Fontaine (PPMFA), and Rob Bain (NAFI). One vacancy exists to fill the representative position of the former Petersville Sleigh/Pacific Dunlop group now owned by Boral.

Although the work of FICA will endure through its more well known creations such as the "classroom" series of TV commercials and the "growth and regrowth" eucalypt seedling logo, it is the people behind it that must not be forgotten. In particular, the founding fathers Thorry Gunnensen, Norm Huon and Bob Richardson, chairmen Colin Youren, Bill Paisley and Bob

reservations about the Bill's long-term impacts on development proposals.

The Bill is in its third draft following lengthy negotiations between the Department of Arts, Sport and Territories (DASET) and the Department of Primary Industry and Energy (DPIE). The initial draft of the Bill contained a large number of obvious ambit claims that would have resulted in increased power for the Minister of Environment and green groups. Although many of the original provisions have been diluted following industry representations, the Bill still contains some worrying elements.

Of particular concern, is the fact that the Bill was developed outside the ESD process for political expediency. Despite revisions, it remains a poorly drafted Bill with very loose language that will be open to bureaucratic interpretation. It does not address ESD objectives, so nature conservation is not balanced by social and economic factors.

Much of the discretion for the Minister for Environment in relation to vetoes has been removed, but the Minister still has discretion in the definition of species and ecological communities, impact of proposed conservation orders and temporary conservation orders. It will probably change the balance of probabilities for deciding whether an E.I.S. is required under the *Environment Protection (Impact of Proposals) Act*.

The Bill also increases third party rights for environmental groups. This provision has survived the redrafting process, and probably represents a fundamental claim by the greens. The Bill changes the common law basis for injunctions, but it has been limited to decisions made by the Minister for Environment and the

Director of the National Parks and Wildlife Service.

Despite Cabinet's approval of the redrafting, there are still grounds for concern. In particular, the Bill may be subject to amendments in the Senate by the Democrats who have taken a very strong pro-green position on endangered species protection. Whatever the final outcome, the Bill has shown that a group of industries can be influential when they work together.

Contact: Ric Sinclair

3. INDUSTRY COMMISSION INQUIRY

The Industry Commission Inquiry into adding value to Australia's forest products is currently underway. Many forest industry companies and associations expressed disappointment with the announcement of another inquiry when the Government has failed to implement the recommendations of the previous inquiries, especially the Resource Assessment Commission's Forest and Timber Inquiry.

The issue of NAFT's participation in the Inquiry was addressed at the recent Board of Directors meeting. It was agreed that the industry's opponents and trade competitors may sway the Commission's report if the industry failed to participate.

The Inquiry is focusing on the broader issues facing the industry's competitiveness in an international environment. It is looking at a wide range of industry inputs, such as labour, capital and energy. It will also look at the marketing of forest products, production processes and impediments

1. NATIONAL FOREST POLICY

Negotiations are continuing between the States and the Commonwealth on the main sections of the National Forest Policy.

The key issue is whether the Policy will provide a basis for industry investment and development and protect rural jobs.

It is understood that the Commonwealth Government is resisting the inclusion of provisions for long term wood supply agreements that are legally enforceable with respect to the laws of both State Governments and the Commonwealth Government. They are happy enough for the States to enter into contracts but not prepared for this to have Federal backing.

NAFI is encouraging the States to take a very strong stand on this issue as a National Forest Policy that does not provide for legally enforceable wood supply agreements would be of limited benefit only.

The timing is tight as the Commonwealth wants to obtain an agreement with the State Premiers at the next Commonwealth Heads of Government Meeting in late November/early December. Therefore, the industry's campaign to ensure that we get a worthwhile policy must proceed quickly and strongly.

The Opposition have advised that they will not be releasing a formal forest policy until their entire primary industry policies are announced closer to the Federal election. However, they have given three undertakings in writing:

1. The Coalition will legislate for resource security in a manner that will provide a twelve month

time limit on conservation and heritage assessments and provide for compensation to be determined if the resource is withdrawn after it has been legally provided.

- By providing legislative backing, the Coalition will also give full faith, and affect, to State or regional forest strategies which are drawn up and implemented according to Commonwealth approved procedures.
- The Coalition will also legislate to allow any pulp mill proposal which meets the current pulp mill pollution guidelines and which satisfies relevant heritage social and economic requirements.

2. A Commonwealth research arrangement will be established similar to those operating for other agricultural industries.
3. The Coalition is currently looking at how taxation measures can be improved to assist investment in plantations.

2. COMMONWEALTH ENDANGERED SPECIES BILL

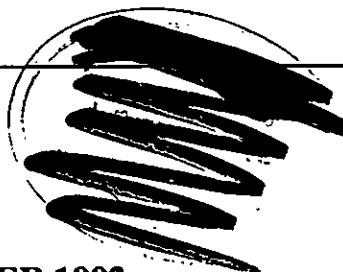
The Commonwealth's Endangered Species Bill has been the subject of concentrated lobbying by a combined industry coalition. This Coalition has managed to secure a number of revisions to the Bill prior to its acceptance by cabinet. Despite the revisions, industry groups still have a number of strong

NAFI NEWS

MONTHLY NEWSLETTER OF THE NATIONAL ASSOCIATION OF FOREST INDUSTRIES

Forest Industries House, 24 Napier Close, Deakin, A.C.T. 2600 P.O. Box E89 Queen Victoria Terrace, Canberra A.C.T. 2600 Tel. (06) 285 3833 Fax (06) 285 3855

A.C.N. 004 621 510



OCTOBER 1992

1. National Forest Policy
2. Commonwealth Endangered Species Bill
3. Industry Commission Inquiry
4. Don Macfarlane re-elected NAFI President
5. Public Awareness Committee
6. North West Tasmania
7. Pine Australia
8. Quality Assurance for Treated Timber Products
9. Product Liability Legislation
10. Product Liability and Timber Defects
11. New Print Media Campaign
12. Termite Control Report due in November
13. Tropical Forests Group Meeting
14. Press Club Address Highlights Successive Inquiries - Few Policies
15. Political Clout
16. Landcare Environment Action Program (LEAP)
17. National Forest Inventory (NFI)
18. Press Club Speech - Media
19. Forests Update
20. Feral Cats
21. Quotes
22. Public Opinion
23. Wilderness Campaigns
24. Chip Chip
25. Dick Smith
26. Pine Australia Industry Open Day - In-grade Testing Project
27. Softwood Industry Statistics
28. USA Election
29. Forthcoming Conferences
30. Back-Copies of AFIJ to be Available from the Forestry Commission of NSW



FOREST INDUSTRIES™
Growth and regrowth for Australia.



Members' NEWSLETTER

**Around the World
by Helicopter**
Watch your TV guide in
November for Dick's docu-
mentary on the 7 network

OCTOBER 1992

THE AUSTRALIAN GEOGRAPHIC SOCIETY IS DEDICATED TO SUPPORTING SCIENTIFIC RESEARCH, PROTECTING AND FOSTERING LOVE FOR OUR ENVIRONMENT AND NATURAL HERITAGE, ENCOURAGING THE SPIRIT OF DISCOVERY AND ADVENTURE AND SPREADING KNOWLEDGE OF AUSTRALIA TO AUSTRALIANS AND THE WORLD.

Forest Industries ad.

Several of our members have written in objecting to the series of advertisements placed in the journal by Forest Industries. The Wilderness Society, which has received financial support from our Society, contacted Dick Smith to ask why we ran the ads and he explained that, aside from the fact that we all use timber products, he felt that it was important to allow groups to run public advocacy ads, whether it be Greenpeace or Forest Industries. He suggested the Wilderness Society run an ad putting its point of view to our readers. The Wilderness Society would pay for the ad and in return AUSTRALIAN GEOGRAPHIC would donate an equal amount to a conservation cause. The offer wasn't taken up.

15/10/92



October 9, 1992

Mr. Peter Perkins,
Executive Director,
National Association of Forest
Industries Limited,
Forest Industries House,
24 Napier Close,
DEAKIN, ACT 2600

Dear Mr. Perkins,

Following the appeal your advertising agency and you made in person to the Federal Council of FACTS on August 11, I would like to advise the following.

Members were acquainted with the details of your appeal and a decision has been made to withdraw the FACTS number for the commercial in question (Wilderness Society - Chip Chip). I must advise, however, this withdrawal does not prohibit any station from using the commercial although, this is most unlikely.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Bob Campbell". The signature is fluid and cursive.

ROBERT B. CAMPBELL
Chairman

23 Grassmere Road
LINDFIELD NSW 2170

16 October 1992

Mr Peter R Perkins
Executive Director
FICA
Forest Industries House
24 Napier Close
DEAKIN ACT 2600

Dear Mr Perkins,

Thank you for your letter, which I received on my return from overseas. Your reaction to the films was entirely understandable, and I hope your Association will continue to advocate responsible forestry policies for Australia. Perhaps another series of TV commercials would be timely in the circumstances.

Yours sincerely,



Evan Williams

NAFI

NATIONAL ASSOCIATION OF
FOREST INDUSTRIES LTD
AC.N. 008 621 510
Forest Industries House
24 Napier Close
Deakin, A.C.T. 2600
P.O. Box E89
Queen Victoria Terrace
Canberra A.C.T. 2600
Telephone (06) 285 3833
Facsimile (06) 285 3855

29 September 1992

Mr Evan Williams
The Weekend Review - Arts
The Australian
2 Holt Street
SURREY HILLS NSW 2010

Dear Sir

I read with interest your reviews of "Blinky Bill" and "Ferngully" and reluctantly agree that both films "are bound to please environmentalists and infuriate the timber industry".

The reason I say reluctantly is that I, like you, appreciate good film making, particularly if it's a good Australian product that even Americans flock to see. But if success is based on a cheap emotional shot at legitimate Australians then I'll remain infuriated.

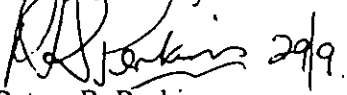
Unfortunately, having seen both films, I now know that the important "cautionary messages about the destruction of our forests" and "a sound ecological message" are well and truly lost in the emotional out-take of "yobbo timber loggers" and "wicked sawmillers".

Interestingly you fear that our response to this might be another series of TV commercials sponsored by us. I'm not sure this is meant as a backhanded compliment to the success of our "classroom" sequences of advertisements, - but we're taking it as such, given the very favourable public response we've witnessed since the commercials first went to air in 1990.

No matter what our response is, however, I want to assure you we will continue to communicate with the 95% of the population who want us to provide factual information about our products and what we do in the forests. That way we may eventually avoid the "fairyland" view of the world that will certainly result if we allow the "environmentalists" free rein.

Meanwhile, I've enclosed some factual information about forestry that may provide some insight into why a sound ecological message is needed if you and I are to have the paper we both need to earn a living.

Yours sincerely


Peter R Perkins
Executive Director, FICA


FOREST INDUSTRIES
Creating the future with the best of the past

SYDNEY MORN. HERALD
October 17, 1992
Page 21

LEO AT LARGE

VARIOUS cat lovers have taken up their pens to protest about my recent par on feral moggies. Perhaps they and others would like to consider the following facts:

- Cats breed at a phenomenal rate. Females are sexually mature at 10 months and can raise two litters of up to six kittens each per year.
- There are an estimated four million domestic cats in Australia.
- Domestic cats are a reservoir for feral populations; ergo, control of feral cats begins with control of pets.
- No studies have been done in Sydney, but it's estimated that in Melbourne, cats kill up to five million birds a year. Throughout Victoria, feral cats are estimated to devour 70 million native animals annually.
- An estimated seven out of 10 domestic pussies take prey.
- Feral cats threaten a number of native species, including the Rufous hare-wallaby, which was once found over 25 per cent of Australia, with extinction. It now exists on two islands off the West Australian coast.
- Eradication of feral cat populations is inordinately expensive. It recently took 128 people 4,000 working days over four years to get rid of 100 feral cats on Little Barrier Island in New Zealand.
- Feral cats have reached plague proportions in western Queensland, which is home to many rare birds. Sharpshooters recently bagged 420 cats there in just three days. At one site in August, Professor Jack Pettigrew and an assistant shot 98 cats out of 73 trees in one evening.
- A single cat can pass up to one billion toxoplasma egg cysts in its faeces within a couple of weeks. These cysts, when ingested by other animals, can cause death from infections to the brain, eye or pancreas. Native animals are especially susceptible to toxoplasmosis.

Now who says feral cats are cute? Or that domestic female cats shouldn't be compulsorily desexed?

Some straight facts about the North West....

Tasmania's North West, bounded by the Arthur River to the north, the Murchison Highway to the east, the Pieman River to the south and the island State's west coast, is an area of about 470 000 hectares, and made up of state forest, crown reserves (Arthur-Pieman Protected Area), unallocated crown land and some private land.

Some 55 per cent of the North West's forests are unavailable for timber production.

Mining, forestry and rural activity have been part of the region's history over more than 100 years. Towns such as Waratah, Luina, Savage River, Corinna, Balfour and Temma along with other coastal settlements are linked by hundreds of kilometres of roads. Forest operations include about 16 000 hectares which have been harvested and regenerated over the past 30 years.

Timber Production

The North West is an important source of special timbers such as blackwood, used extensively by the furniture and woodcraft industries of Tasmania. Some of the forested areas are scheduled to supply 50% of the eucalypt sawlog supplies to Circular Head sawmillers over the next 20 years.

After more than a century of mining, the North West remains one of the most prospective areas in the world.

Conservation Values

The total area of rainforest in the region is 173 500 hectares (Qld Wet Tropics 900 000 ha), of which, under the Tasmanian Forests and Forest Industry Strategy:

- . 69 000 ha are in multiple use forests;
- . 50 300 ha are in deferred forests;
- . 51 300 ha are in recommended areas for protection;
- . 2 800 ha are in 'other lands'.

Areas including Upper Savage River are not available for timber harvesting. Areas of scenic, cultural or heritage value are protected in crown reserves.

It has been estimated that up to 35% of the multiple use forests will not be harvested as special values are protected during normal forest planning.

Some 27% of Tasmania's land area, including large tracts of the North West, are in conservation areas.

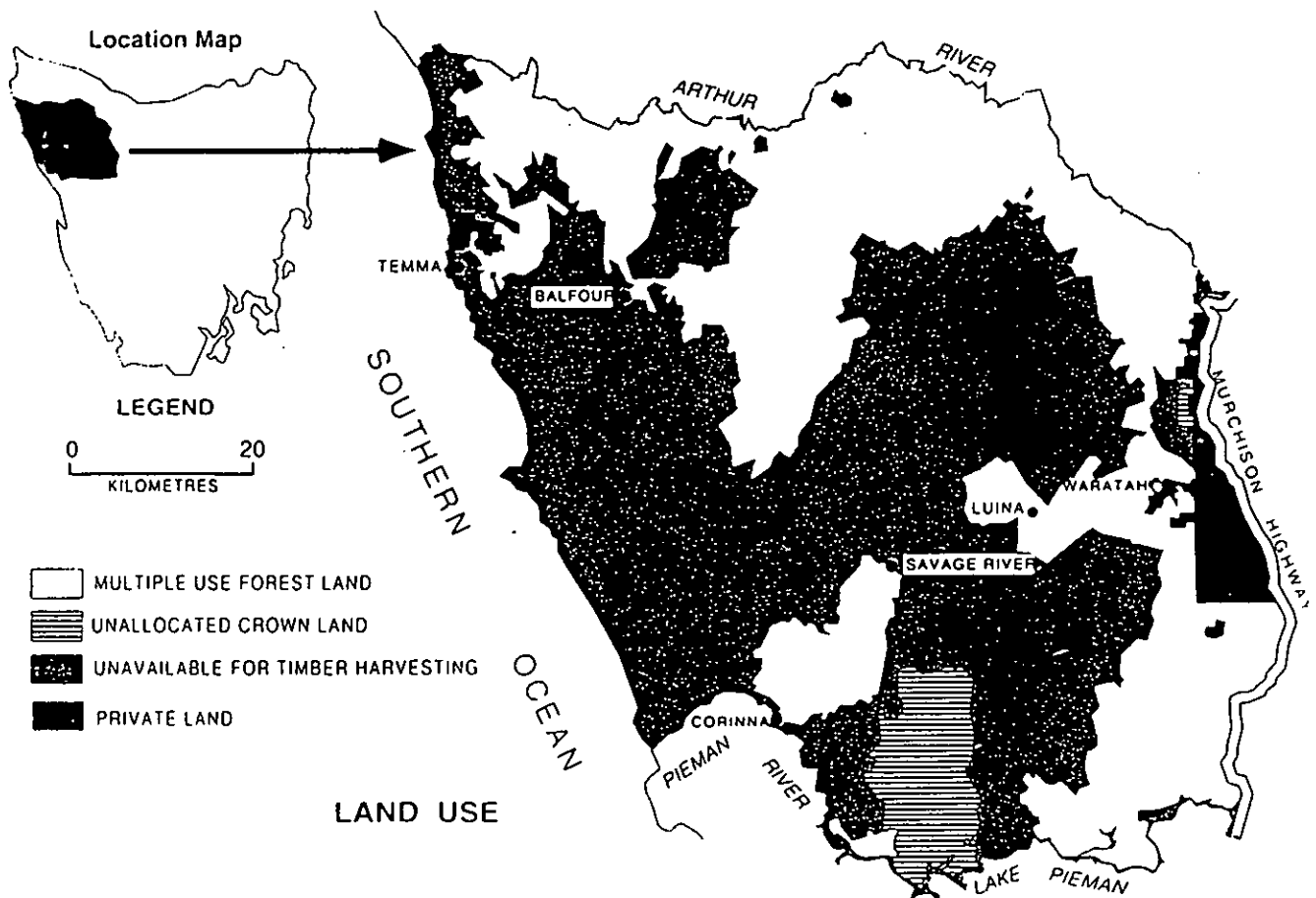
FORESTS

UPDATE

Canberra

Special Edition

THE NORTH WEST FORESTS OF TASMANIA



Source: Forestry Commission, Tasmania

Compiled by the Public Affairs Office of
The National Association of Forest Industries Ltd

MORE FACTS ABOUT.... NATIVE EUCALYPT FORESTS

The eucalypt forests have evolved over many thousands of years through a perpetual cycle of growth, fire, regeneration and regrowth. The flora and fauna in these fire dependent eucalypt forests are robust and resilient as they have adapted to depend on this harsh method of forest renewal for their continual survival.¹

This cycle can take between 80 and 300 years, but eventually eucalypt forests need a major disturbance, such as fire, to clear away the old trees and create suitable light and soil conditions for a vigorous healthy new forest.

A well managed logging program is like this natural disturbance pattern because it ensures the renewal of the forest ecosystem. With proper planning and management, the range of plant and animal life in the forest is maintained over a long time with less risk of indiscriminate damage from wildfires.

Foresters, wildlife experts and recreation and landscape planners use management plans for different areas.² Examples of how forests are cared for include:

- * Leaving unlogged areas along streams and in areas that are important to wildlife. Animals live in these areas during logging but gradually move back into logged areas as the forest regrows.
- * Logging on a long rotation, which means waiting up to 80 years or more before reharvesting an area.
- * Enforcing codes of practice to control short term damage caused by logging.
- * Protecting the trees animals live in by retaining them as "wildlife habitat" trees.
- * Ensuring regeneration by retaining plenty of seed trees to provide seed for the new forest, aerial seeding or planting seedlings where the regeneration can be improved.

Even if it were desirable to replace wood from native forest with trees grown on plantations, there are important economic and biological considerations that may still prove the regeneration of native forests is a far more sensible thing to do.³

The biological diversity of native forests depends considerably upon a continual mosaic of different age classes.

Through planned disturbance of some portion of the forest estate by harvesting we create a mosaic of age classes so that diversity is maintained for the future.⁴

Preserving the entire forest estate would diminish this critical variability in age classes. Optimum biological diversity is best achieved with a balanced representation of well managed and preserved native forests.

It is also important to remember the Resource Assessment Commission found there is no evidence to support a cessation of native forest logging and no evidence to suggest that forestry operations have been responsible for the extinction of a single plant or animal species in Australia.⁵

With modern "adaptive management" techniques, and strict Codes of Practice, native forests can provide the full range of products and benefits on a sustainable basis, indefinitely.

FURTHER READING

- * Carron, L.T. (1985), A History of Forestry in Australia, ANU Press, Canberra
- * Department of Arts, Heritage and the Environment and the Institute of Foresters (1985), Think Trees, Grow Trees, AGPS, Canberra

SCIENTIFIC REFERENCES:

1. Dr Peter Attiwill, School of Botany, University of Melbourne, pers. comm. (1992).
2. For example, WA Department of Conservation and Recreation (1987), *CALM Land in Western Australia*.
3. Joint Scientific Committee, South East Forests (1989), Interim Report, p 11, Canberra.
4. Dr Peter Attiwill, Ibid.
5. Resource Assessment Commission, Ibid, pp 176 - 178

FORESTS

Canberra

UPDATE

No 4 10/92

FOREST POLICY NOW, BAIN TELLS PRESS CLUB

The transformation of Australia's forest estate from political battleground to national asset depended on the adoption of a workable National Forest Policy, the Executive Director of the National Association of Forest Industries, Dr Robert Bain, told a National Press Club lunch on October 21.

Dr Bain said that in the wake of the Resource Assessment Commission Forest and Timber Inquiry, it was clear that the forest inquiry process had done its job and it was now up to Governments to make decisions based on that advice.

"The forest industries have been the focus of a seemingly endless series of inquiries, committees and working groups in recent years, but in terms of size and substance, the Resource Assessment Commission Inquiry which issued its report in March, stands head and shoulders above the others," he said.

To illustrate the point, Dr Bain delivered his nationally televised speech beside a half-metre tall stack of official inquiries and reports.

"Too often, as all the Press Gallery know, inquiries have been instigated to avoid difficult political decisions. This has been very beneficial for the demand for the products of the pulp and paper industry but has caused much uncertainty and, consequently, both investment and employment in the industry are much lower than they should."

Dr Bain said it was clear from the 28-month long, \$50 million RAC Inquiry that forest industries were not only environmentally sustainable but also capable of providing a much needed boost to the national economy.

"With about 85 000 direct employees, Australian forest industries are bigger than motor car manufacturing, are spread much more widely across the country and are not looking for a continuation of tariffs. If Governments can agree to the reforms that the industry and the Resource Assessment Commission believe are so urgently needed, this trade deficit would be very significantly reduced and many more people will keep their jobs," he said.

One of the key microeconomic reforms sought by industry and supported by the RAC was a review of the nation's conservation reserve system.

[The RAC said: '(Australia's) conservation reserves have been created in an ad hoc way and reservation has been in response to local and regional pressures rather than according to a systematic, national design formulated to achieve effective conservation.' (Vol 1, p 203)]

"The Commission was not satisfied that our National Parks and other reserves are fully representative of all the important values of native forests, and the industry supports the RAC's recommendation for a review of the system," he said.

"We must protect our high conservation areas and simultaneously, develop management programs for both reserves and multiple use forests."

"We must identify the reserves and multiple use production forests using the same integrated processes and with legislative backing from State and Federal Governments."

Dr Bain said changing public attitudes about forest values were accepted by the industry and genuine public concerns about forest management had been addressed, but the process had taken a heavy toll.

"Australians cannot expect a few people who are already having a very tough time in rural communities, to bear the brunt of changing values or concerns of essentially a city-based population."

"Thousands of Australians are utterly fed up with the manipulation of their lives which has been a major consequence of the activities of the extreme elements of the 'green' movement in recent years."

"Government now has the chance to put much of this behind us. The RAC Inquiry, all the other reports, and the National Forest Policy provide Government with the opportunity to reach a soundly based, well balanced policy to create long term and secure employment," Dr Bain said.



Compiled by the Public Affairs Office of
The National Association of Forest Industries Ltd

PO Box E89, Queen Victoria Terrace, ACT 2600

Telephone (06) 285 3833, Facsimile (06) 285 3855

FOREST FACTS

(Number 1 in a series)

NATIVE FORESTS

Even before European settlement less than 10% of Australia was covered by forest. However, since European settlement, about one third of our forests have been cleared for farms and urban development. Australians still have more forest per capita than 90% of the world's countries.¹

Woodland and scrub now covers an area of 92m hectares.² This remains the more dominant vegetation because of our generally poor soil and low rainfall. Native forest is usually defined as vegetation of mostly single stemmed trees growing over 5 metres in height, and with canopy cover of more than 30%.³

There are 43.2m hectares of native forest in Australia, evenly distributed over the four major land tenures.⁴

- * **26.5%, 11.5 million hectares** are 'state forests' managed to ensure sustainable wood production and to protect biological values. Of this, 7.1m hectares will be harvested in a perpetual cycle by logging and then regrowing in an annual harvest area of about one per cent of the total tenure.
- * **24.6%, 10.6 million hectares** are crown land of very low timber production capacity. This is mostly leased land for grazing.
- * **22.6%, 9.8 million hectares** are permanently set aside in National Parks and other conservation reserves where timber harvesting is prohibited.
- * **26%, 11.3 million hectares** are privately owned forest.

The main forest groups in Australia include rainforests and mangroves (8%), eucalyptus (60%) and the native pine and open forests (32%). It is the eucalypt forests that are the major timber production source. Of all the forest types approximately 40% are unlogged and 60% are regrowth.⁴

1. Ewing A.J. & Chalk R (1988), 'The Forest Industries Sector; an operational strategy for developing countries', World Bank Technical Paper No 83 Industry and Energy Series, Washington D.C.

2. Resource Assessment Commission (1992), Forest and Timber Inquiry, p 2, AGPS Canberra

3. NFI (1991), 'The National Forest Inventory Objectives', National Forest Inventory News, vol 1, p 3

4. Resource Assessment Commission, Ibid, pp 78-87

FORESTS UPDATE

Canberra

No 3 10/92

NAFI asks Treasurer to delay Industry Commission Inquiry

NAFI has written to the Treasurer, Mr Dawkins, seeking the delay of a proposed Industry Commission Inquiry into value adding in the forest products sector.

Executive Director, Dr Robert Bain, said members were concerned that another inquiry into the industry could delay adoption of a National Forest Policy.

"Recommendations contained in the Resource Assessment Commission's *Forest and Timber Inquiry* and the *National Forest Policy Industry Statement* must be addressed first. While we welcome Government interest in areas such as value adding and microeconomic reform, the fundamental question of resource access must be resolved. That's why taxpayers and industry spent \$50 million on the RAC process," Dr Bain said.

Quest for ESD in danger

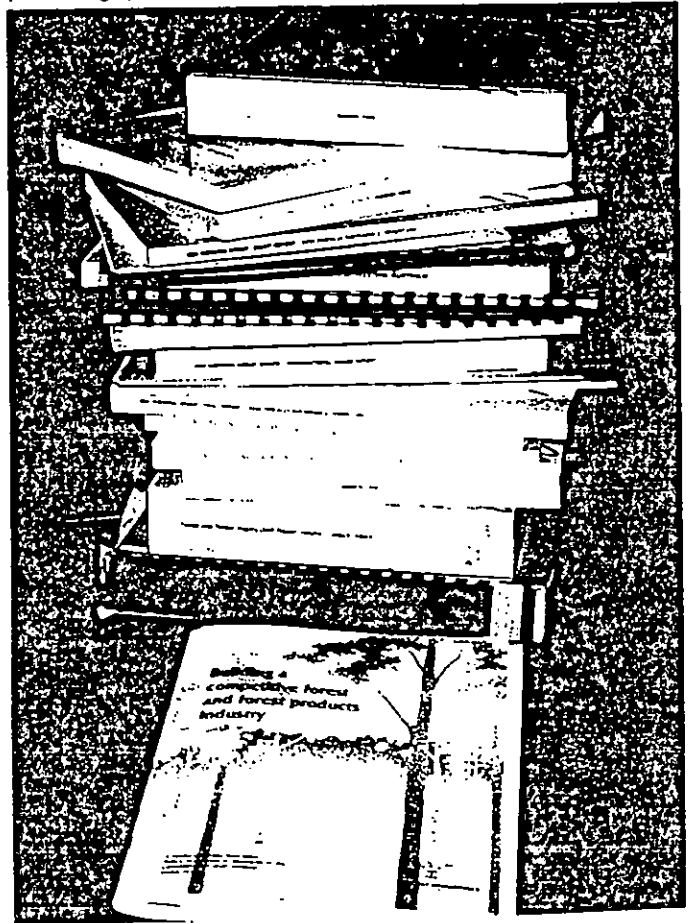
Australia's aim of becoming a world leader in the implementation of *Ecologically Sustainable Development* is being eroded by the progress, in isolation, of Endangered Species Legislation and biodiversity policy.

The underlying philosophy of ESD is the integration of environment and development policies. The Federal Government has been urged by industry leaders and organisations to put ESD back on the agenda by incorporating endangered species and biodiversity issues under the one umbrella.

State Government and industry input into proposed 'stand alone' endangered species legislation has been minimal, in contradiction of the consultative processes promoted through ESD.

Inquiring minds

A measure of the effort that Governments, industry and community have put into forest inquiries is reflected in the number of reports resting in bookshelves around the country. In May 1991, NAFI identified 20 Government processes (eg workshops, inquiries, treaties) which had a direct bearing on Australia's second largest manufacturing sector. With most of those processes now complete, industry is looking to Government to adopt a workable National Forest Policy, such as the one outlined in *Building a competitive forest and forest products industry* (pictured below, with just part of its intellectual parentage).



Compiled by the Public Affairs Office of
The National Association of Forest Industries Ltd

PO Box 489, Queen Victoria Terrace, ACT 2600

Telephone (06) 285 3833 Facsimile (06) 285 3855

WORLD CLASS INDUSTRIES NEED WORLD CLASS FOREST POLICY

The Australian political system's capacity and willingness to address competing demands on a resource of national importance would face its first acid test with the scheduled ratification in November of a National Forest Policy, the Executive Director of the National Association of Forest Industries, Dr Robert Bain, said today.

Dr Bain made the observation in releasing a detailed industry appraisal of a Draft National Forest Policy Statement, prepared by Commonwealth and State officials and released for public comment in July.

Dr Bain said that as a result of the Resource Assessment Commission Forest and Timber Inquiry, Australia's wood processing sector had been clearly recognised as an important national industry and it was now up to Governments to create the environment for its expansion.

"We are not talking about a few local sawmills but a manufacturing sector which turns over about \$10 billion a year," Dr Bain said.

"It employs more people than the car manufacturing industry, is competitive with the top five wood producing nations and has been shown by the Resource Assessment Commission to be not only sustainable but also capable of considerable expansion in terms of new investment, exports and import replacement. It is also vital as a major employer, particularly in rural Australia.

"Against this compelling backdrop Governments have been handed a golden opportunity to create a framework for an industry policy - the first based on the principles of Ecologically Sustainable Development (ESD)."

Dr Bain said industry's greatest concern over the Draft National Forest Policy Statement was its "ability to deliver".

"National policy should be about national goals and objectives. Good intentions are no substitute when the bottom line is commercial investment and jobs.

"The final National Forest Policy must fully and explicitly recognise the commercial importance of the forest and forest products industries in the Australian economy and the role of the Governments as wood producers and sellers.

"It should then clearly endorse the establishment of wood production zones backed by Commonwealth and State resource security legislation."

As part of its submission, NAFI proposes the creation of wood production zones (irrespective of State boundaries), to be established in parallel with a proposal in the draft policy to establish a "comprehensive" reserve system by 1995.

Australia's existing forest reserves were criticised in the RAC Inquiry report as being the product of "ad-hoc" decisions, resulting in a non-representative system.

"The security of wood supply in the zones, backed by Commonwealth and State legislation, should be finalised at the same time as the boundaries of the reserve system are agreed.

"The process of evaluating the wood production zones should consider not only conservation requirements but also the need to maintain wood supply, support communities and develop both plantations and native forest resources.

"This multi-objective approach would take account of the long term industry development prospects, as well as regional employment and other social indicators, together with conservation requirements," the submission notes.

Dr Bain said that with the release of the RAC Forest and Timber Inquiry Final Report, the forest debate had leap-frogged beyond emotion to a level of scientific understanding upon which a progressive National Forest Policy should be endorsed by both Commonwealth and State Governments.

"Now that we know what we are dealing with in terms of our forests and what industry can achieve in terms of turning around a \$2 billion a year forest products deficit, the test will centre on the political and bureaucratic will to create the conditions for new investment and jobs.

"Regrettably the existing draft policy does not guarantee such progress and it would be a tragedy to see Australia's first ESD-based industry policy founder for the lack of such basic direction," Dr Bain said.

FORESTS UPDATE

Canberra

No 2 9/92

INDUSTRY POLICY RESPONSE RELEASED

The formal industry response to the Commonwealth and State Governments' Draft National Forest Policy Statement was released publicly this week by NAFI Executive Director, Dr Robert Bain.

Copies of the document: *Building a competitive forest and forest products industry*, are available from NAFI. A statement which accompanied the document's release appears over.

CONCERN OVER INDUSTRY COMMISSION INQUIRY

News of another 12-month inquiry into the forest products sector - this time by the Industry Commission - has heightened fears that the proposed November launch of a National Forest Policy may be jeopardised.

Industry has willingly contributed to every inquiry to date, and along with Government, attached great importance to the Resource Assessment Commission's Forest and Timber Inquiry - "the Inquiry to end all inquiries".

This unexpected move by the Federal Government has prompted calls for the Commonwealth to defer the inquiry until the RAC's findings are addressed and a National Forest Policy is put into place, incorporating the recommendations of the National Forest Industries Policy Statement (see over) now being forwarded to all Federal politicians.

JARRAH BEAUTY FOR EXPORT

The beauty and durability of Western Australia's unique Jarrah timber is at the heart of a new export drive into the lucrative international furniture and flooring markets.

The joint industry-WA Government promotion is an outcome of the 1987 WA Timber Strategy, which urged a shift in hardwood production to more specialised uses, and hence, the launch of the 'Jarrah' campaign overseas.

Jarrah's reputation for strength in industrial applications is more than matched by its indoor appeal, as illustrated by magnificent floors in Perth's and Canberra's Parliament Houses.

FOREST POLICY v POLITICS AT PRESS CLUB LUNCHEON

Forest Industries will take centre stage at the National Press Club for the first time on 21 October with an address by NAFI Executive Director, Dr Robert Bain.

Dr Bain has titled his address: Forests: Policy v Politics - a subject certain to elicit numerous questions from the Canberra Press Gallery.

WHAT THE RAC SAYS:

Wood production in native forests....

"After taking the precautionary principle and intergenerational equity into account the Inquiry concluded that the cessation of wood production activities in native forests is not justified on the basis of the evidence before it." (Overview, p69)

FOREST FACTS UPDATE

The Resource Assessment Commission, established by the Federal Government in 1989 to report on Australia's Forests and Timber, has completed its two and a half year, 1500-page investigation.

There is a wealth of new information in this report, as expected from "the most comprehensive independent study ever"¹. As a result, we are upgrading our entire information base, but while that process continues, you should note important new data on Australia's forest estate.

Partly because of a redefinition of what is a forest, partly because the rate of land clearing for farms has slowed and partly because of forest regeneration and plantations, the national forest estate is now expanding.

- . Of 69 million hectares of forest present at the time of European settlement, 43 million ha (62%) remains today. A further 92 million ha are described as woodlands, and represent 68% of the original cover
- . There is about 1 million ha of plantations, most of which (91%) are softwoods (pine).
- . Of the 43 million ha of native forests in Australia, 32 million ha are public and 11 million ha privately owned
- . Of public native forests, about 10 million ha are permanently preserved in the conservation reserve system; about 11 million ha are vacant or leased for other purposes such as grazing; about 11 million ha are managed for multiple purposes, including sustainable wood production
- . Of the managed multiple use forests, only about 7 million ha will ever actually be logged because of Codes of Practice to manage water protection, habitat corridors for wildlife and other conservation measures.
- . And further on the subject of managed forests and today's timber harvesting practices, the Commission noted:

"...there has been a shift in the Inquiry's thinking about sustained yield from what was said in the draft report. The Inquiry is satisfied that currently the agencies have in place sustained yield management strategies for wood production. The evidence before the Inquiry is that these strategies are appropriate."

1. RAC Chairperson Justice Stewart, special address to the "Australia's Timber and Forest Industry - a Strategy for the Future" conference, Sydney, May 29 1992

FORESTS UPDATE

Canberra

No 1 9/92

THE NATIONAL ASSOCIATION OF FOREST INDUSTRIES LTD

NAFI has provided a national product development and industry policy focus for Australia's forest-based industries since 1986.

From bush sawmills to metropolitan manufacturing plants, NAFI represents a wide spectrum of processing sector participants along with the aspirations of some 80 000 Australians employed by them.

Through this publication, we want to keep you informed of events in our forests and the wood processing sector - one of Australia's most diverse resource industries and one of the few recognised as genuinely sustainable.

If you would like further information about items contained in Forests Update, contact NAFI at the address below or your State-based industry organisation:

Queensland Timber Board (QTB)
Christine Bongers
(07) 852 1333

NSW Forest Products Association (FPA)
Colin Dorber
(02) 360 4022

Victorian Association of Forest Industries (VAFI)
Stephen Guest
(03) 347 3199

Forest Industries Association of Tasmania (FIAT)
Kevin Broadribb

(002) 24 1033

Forest Industries Federation of WA (FIFWA)

Terry O'Brien

(09) 322 2088

INTRODUCING...

The following progressive Australian companies are NAFI members, and proud to be part of Australia's second largest manufacturing sector:

AMCOR (APM), APPM Forest Products, Australian Newsprint Mills, Boral Timber Division, Bowen & Pomeroy, Bowater Tissue, Brown & Dureau Building Materials, Bunnings Forest Products, Corinthian Industries, CSR Softwoods Group, Davis & Herbert, Fenning Timbers, Harris Daishowa (Aust), Hyne & Son, Kimberly-Clark Australia, Le Messurier Timber, Marbut Gunnensen, Neville Smith Timber Industries, Oceania Forest Products, Presswell Panels, Stegbar, Tablelands Sawmills (Canberra), Wesfi.

These firms, together with NAFI-affiliated associations, represent the overwhelming majority of wood processing facilities in Australia.

FOREST FACTS UPDATE

The findings of the Resource Assessment Commission's Forest and Timber Inquiry have vastly improved our knowledge of Australia's unique forest estate, and has inspired a complete revision of NAFI Fact Sheets. The new series of Fact Sheets will be published soon but in the meantime, we thought you would appreciate the "snapshot" view of new data and comments by RAC Chairperson, Justice Stewart, which appear over.

Compiled by the Public Affairs Office of

The National Association of Forest Industries Ltd

PO Box E89, Queen Victoria Terrace, ACT 2600

Telephone (06) 285 3833. Facsimile (06) 285 3855

CANBERRA TIMES
October 22, 1992
Page 2

Forest industry would be 'better off' with a GST

The peak lobby group for Australia's forest industries came out strongly in support of the Federal Opposition's planned Goods and Services Tax yesterday, although it stopped short of supporting the Coalition outright.

National Association of Forest Industries executive director Dr Robert Bain said at the National Press Club that the wood-processing industry would be "significantly better off" under a GST.

Dr Bain said NAFI was not in a position to assess how a GST might affect the forestry industry in other ways but that in principle a shift toward taxing outputs instead of inputs would boost investment and competitiveness in the industry.

He urged the Government to move quickly to put in place a National Forest Policy to take the heat out of the logging issue for the Government at the next election.

Dr Bain brought with him a me-

tre-high stack of reports into the forestry industry, saying the latest and best of these had been the Resource Assessment Commission's report. Instead of beginning yet another inquiry, he said, the Government should act on the RAC report.

While the Government called for inquiry after inquiry billions of dollars of investment in what was Australia's second largest manufacturing industry was put on hold and jobs in rural towns around

Australia were placed at risk. It was now time the Government made some decisions.

He said rural voters were becoming fed up with having to bear the brunt of the changing values of city dwellers.

There were a number of marginal seats in forestry industry areas, he said, and electoral outcomes in some could depend on the votes of forestry workers, their families and their communities. — DAVID MUSSAREO

SYDNEY MORN. HERALD
October 22, 1992
Page 7

Govt is stalling, says forestry chief

By PAUL CHAMBERLIN

CANBERRA: The forest industry had been the subject of 53 reports in the life of the Labor Government but was still unable to get guaranteed access to resources, the executive director of the National Association of Forest Industries, Dr Robert Bain, said yesterday.

He foreshadowed a furore similar to that seen with endangered species legislation in Federal Government ranks if the soon-to-be-released National Forest Policy was not "workable".

And he accused the Government of instigating a new inquiry by the Industry Commission to give it breathing space before making what may be an unpopular decision with "extreme elements" of the environmental movement.

"Inquiries have been instigated to avoid difficult political decisions," he said at a National Press Club luncheon yesterday.

"This has been very beneficial for the demand for the products of the pulp and paper industry but has caused much

uncertainty and, consequently, both investment and employment in the industry are much lower than they should be."

He cited one inquiry by the Resource Assessment Commission, which took 28 months and \$50 million to complete, saying it proved that forest industries were environmentally sustainable and capable of boosting the economy.

Demand for wood and paper products was so strong that Australia was forced to import about one third of all wood fibre used. This cost \$2 billion a year.

"Thousands of Australians are utterly fed up with the manipulation of their lives which has been a major consequence of the activities of the extreme elements of the Green movement in recent years," he said.

A draft national forest policy was released in July and included recommendations to protect wilderness and the best of Australia's old growth forests by 1995.

The Government is expected to release a final version next month, but Dr Bain fears the inquiry may cause further delays.

Forest policy needed now: lobby

CANBERRA: The Federal Government had failed to devise a plan for the future of Australia's forests despite receiving 53 reports on the industry over the last few years, the National Association of Forest Industries said yesterday.

Association president Robert Bain said people in rural Australia were losing their jobs because the Government had failed to provide security for the industry, which meant investment was either delayed or sent offshore.

By WENDY PRYER

Dr Bain told the National Press Club that the forest industry had been told it would get a policy by the end of the year and that it would reflect the needs of the forest industry.

"Now, I think there will be a lot of Australians, a lot of rural Australians particularly, who will be very, very cross if we do not get a workable national forest policy — the time and money that have gone into these inquiries, the amount of evidence they have given," Dr Bain said.

He said that despite the 53 reports, the Government had announced another review of the industry which would be done by the Industry Commission.

"Everybody has been marking time for these inquiries to finish and the Government has promised us that we will get the type of policy we need at the end of it," he said. "If that doesn't happen there is going to be a lot of very, very cross people in rural Australia."

Dr Bain attacked Environment Minister Ros Kelly for producing draft

endangered species protection legislation, saying it would fail to save endangered species and halt development.

He also criticised the environmental movement, saying conservationists did not have as much support as they claimed.

"Thousands of Australians are utterly fed up with the manipulation of their lives which has been a major consequence of the activities of the extreme elements of the green movement in recent years," he said.

Mrs Kelly yesterday described

sections of Australia's industry as bloody-minded over endangered species.

Mrs Kelly has failed to agree in Cabinet on endangered species legislation, which she said was vital to maintaining diversity of species in Australia.

Business groups and industry ministers, including Primary Industries Minister Simon Crean and Resources Minister Alan Griffiths, have been concerned about the lack of emphasis on social and economic considerations in the legislation.

AGE
October 22, 1992
Page 6

Foresters threaten election challenge

By NICHOLAS JOHNSTON,
Canberra

The forest industry warned the Federal Government yesterday that it could face a campaign against it in the lead-up to the election unless it delivered a favorable national forest policy next month.

The warning came from the executive director of the National Association of Forest Industries, Dr Robert Bain, in an address to the National Press Club.

Dr Bain said the industry was not conducting a political campaign but "clearly the political stance of the thousands who work for the forest industries ... will be conditioned by what is in the national forest policy".

He said that forest workers occupied several marginal seats and the outcomes in some could be determined by them.

"If the Government can provide the national forest policy of substance that is so important for

the future of this industry, we could all do our best to have an election without involving the forests," he said.

Dr Bain endorsed the federal coalition's proposed good and services tax.

The Wilderness Society hit back at Dr Bain, saying he was completely out of touch with the Australian community. The society's director, Ms Karenne Jurd, said Dr Bain did not seem to realise that there were one million hectares of plantations.

HERALD SUN (VIC)
October 22, 1992
Page 36

Forestry jobs 'lost'

By ANGELA LEARY

THE forestry industry is angry that the Federal Government lacks a management plan for Australia's forests after spending up to \$50 million of taxpayers' money on a major inquiry.

National Forest Industries Association executive director Dr Robert Bain said yesterday jobs were being lost while the Government embarked on endless inquiries.

Dr Bain said the indecision and uncertainty was a major disincentive to people considering financing job-creating projects in the forestry industry.

Despite a Resource Assessment Commission inquiry, the Government was no closer to

Government indecision on inquiry angers industry

having a plan to balance development and environmental concerns, he said.

The commission investigation was just one of "a seemingly endless" series of inquiries, committees and working groups.

Dr Bain told the National Press Club that forestry jobs were lost because no firm policies meant no new investment.

"The Government has brought all these inquiries on," he said.

"They started them. They knew they were going to come to an end, they knew they were going to have some recommendations, and we believe you just

can't sweep a pile of reports like that under the carpet.

"And while that's been going on, while we've had all the promises, the industry has not been able to invest."

The Government is due to release its National Forest Policy by the end of the year, but Dr Bain said the industry had "heard that before".

He said it was useless telling prospective financiers who wanted to know what sort of security of resource the industry had that some excellent recommendations were in train when the Government had no policy.

"They will say, 'We'll go away and come back when you've got some policies'," he said.

Dr Bain said the Resource Assessment Commission inquiry, released in March, took more than two years, involved 423 witnesses and an enormous amount of time on the part of public servants, consultants, companies and associations.

He said it was a concern the Government had announced another inquiry, by the Industry Commission, before it released its forest policy.

"Everybody has been marking time for these inquiries to finish, and the Government has promised us that we will get the sort of policy that we need at the end of it," he said.

"If that doesn't happen, there's going to be a lot of very, very cross people in rural Australia."

also same story in Courier Mail under heading "Forestry inquiries cost jobs: Director"

ALSO PUBLIC CONCERNS ARE SWITCHING MORE AND MORE TO THE URGENT URBAN POLLUTION AND LAND CONSERVATION PROBLEMS THAT OBVIOUSLY NEED ATTENTION.

AUSTRALIAN'S PRIORITIES FOR THE FORESTS ARE PRECISELY WHAT A NATIONAL FOREST POLICY WILL ACHIEVE IF IT INCORPORATES BANKABLE RESOURCE SECURITY AND THE RAC RECOMMENDATIONS.

THEREFORE, THE GOVERNMENT HAS A UNIQUE OPPORTUNITY AT THIS TIME TO INTRODUCE POLICIES THAT WILL GUARANTEE ECOLOGICALLY SUSTAINABLE DEVELOPMENT OF THE FORESTS AND PLANTATIONS OF AUSTRALIA.

TURNING TO MARGINAL SEATS. THERE ARE A NUMBER OF MARGINAL SEATS IN AREAS WHERE THERE ARE MANY FOREST JOBS. THE ELECTORAL OUTCOME IN AT LEAST SOME OF THOSE MARGINAL SEATS, COULD, OTHER THINGS BEING EQUAL, BE AFFECTED BY THE ATTITUDE AND, CONSEQUENTLY, THE VOTE OF FOREST INDUSTRY WORKERS, THEIR FAMILIES AND COMMUNITIES.

WE WOULD HOPE HOWEVER, THAT THE PEOPLE IN THE ELECTORATES ARE IN A POSITION TO BASE THEIR CHOICE ON THE FULL RANGE OF ISSUES THAT ARE THE FOCUS FOR THIS ELECTION. IF THE GOVERNMENT CAN PROVIDE THE NATIONAL FOREST POLICY OF SUBSTANCE THAT IS SO IMPORTANT FOR THE FUTURE OF THIS INDUSTRY, WE COULD ALL DO OUR BEST TO HAVE AN ELECTION WITHOUT INVOLVING THE FORESTS.

ENDS

AS I INDICATED EARLIER, GOVERNMENTS SHOULD ESTABLISH WOOD PRODUCTION ZONES EMBRACING BOTH NATIVE FORESTS AND PLANTATIONS. IN THESE ZONES, PRODUCTION AND HARVESTING OF WOOD WOULD BE A MATTER OF RIGHT, PROVIDED ALL THE MANAGEMENT CODES AND ENVIRONMENTAL RULES WERE FOLLOWED.

THE RESOURCE SUPPLIES FROM THESE AREAS WILL NEED TO BE BACKED BY LONG TERM LEGALLY ENFORCEABLE CONTRACTS AT BOTH COMMONWEALTH AND STATE LEVELS, WITH THE COMMONWEALTH GIVING APPROVAL TO ACCREDITED STATE PROCESSES AND REGULATIONS AND ELIMINATING DUPLICATION.

GOVERNMENTS MUST ALSO AGREE THAT ISSUES SUCH AS BIODIVERSITY AND ENDANGERED SPECIES SHOULD BE DEVELOPED AND IMPLEMENTED AS PART OF OVERALL POLICIES OF ECOLOGICALLY SUSTAINABLE DEVELOPMENT, TAKING INTO ACCOUNT SOCIAL AND ECONOMIC ISSUES AS WELL AS ENVIRONMENTAL CONCERNS.

IF GOVERNMENTS ADOPT THIS DEVELOPMENT PATTERN, INVESTMENT PROGRAMS OF AT LEAST \$4 TO \$5 BILLION PROVIDING MANY JOBS AND ECONOMIC GROWTH ARE ACHIEVABLE OVER THE NEXT FEW YEARS. ECONOMIC GROWTH AND IMPROVED STANDARDS OF LIVING ARE AN ESSENTIAL BASIS FOR ACCEPTANCE AND IMPLEMENTATION OF IMPROVED ENVIRONMENTAL STANDARDS.

NOW HOW DO THESE PROPOSALS RELATE TO THE KEY VARIABLES ON THE POLITICAL SCENE AT THE MOMENT? JOBS ARE THE CRITICAL ISSUE. FROM AN EMPLOYMENT POINT OF VIEW OUR PROPOSALS ARE CLEARLY VERY POSITIVE. WE ARE NOT REQUESTING FINANCIAL ASSISTANCE OR TARIFFS, WE ARE PURELY ASKING FOR A STRAIGHT FORWARD GOVERNMENT PROCESS BACKED BY APPROPRIATE LEGISLATION THAT WILL PROVIDE THE BALANCE - THE PROTECTION FOR THE ENVIRONMENT AND THE SECURITY OF THE RESOURCE TO BE USED COMMERCIALY.

THE GOODS AND SERVICES TAX IS ALSO HIGH ON THE POLITICAL AGENDA. A MOVE FROM THE TAXATION OF INPUTS TO THE TAXATION OF OUTPUT FOR AN EXPORTING AND IMPORT COMPETING SECTORS SUCH AS THE FOREST INDUSTRIES HAS THE POTENTIAL FOR MAJOR BENEFITS. IN A STRICT ACCOUNTING SENSE, IT IS CLEAR THAT THE WOOD PROCESSING SECTOR WOULD BE SIGNIFICANTLY BETTER OFF.

THERE ARE, OF COURSE, BROADER ISSUES TO BE CONSIDERED WITH RESPECT TO A GOODS AND SERVICES TAX SUCH AS HOW THE CHANGING PATTERN OF PRICES WILL AFFECT DEMAND FOR DIFFERENT PRODUCTS AND HOW SHIFTS IN INCOME DISTRIBUTION ARE GOING TO BE ADDRESSED. WE ARE NOT IN A POSITION, AS AN INDUSTRY BODY, TO MAKE A JUDGEMENT ON MANY OF THESE ASPECTS. ALL WE CAN SAY IS THAT IN PRINCIPLE, A SHIFT OF TAXATION FROM INPUTS TO OUTPUTS WOULD IMPROVE OUR COMPETITIVENESS AND INVESTMENT.

THE TRADE DEFICIT IS ANOTHER STATISTIC WHICH ATTRACTS CONSIDERABLE MEDIA COVERAGE EVERY MONTH. AGAIN, NO-ONE CAN DOUBT THAT OUR RECOMMENDATIONS WOULD RESULT IN A MEASURABLE REDUCTION IN AUSTRALIA'S TRADE DEFICIT OVER THE REST OF THIS DECADE AND BEYOND. THIS WOULD IN TURN REDUCE THE PRESSURE ON SOME OF THE OTHER MACROECONOMIC VARIABLES SUCH AS INTEREST RATES WHICH PLAY A BIG PART IN THE COMMERCIAL AND PRIVATE LIVES OF AUSTRALIANS.

FINALLY, WHAT ABOUT THE REAL POLITICAL VARIABLES SUCH AS THE GREEN VOTE, MARGINAL SEATS AND INDEPENDENT CANDIDATES. ALL THE POLLS SHOW THAT AUSTRALIANS ARE EXTREMELY CONCERNED ABOUT THEIR JOBS BUT STILL VERY WORRIED ABOUT THE ENVIRONMENT.

BASICALLY, HOWEVER, THEY ARE NOT IN A STATE OF PANIC ABOUT THE FORESTS IN THE WAY THAT SOME ELEMENTS OF THE ENVIRONMENTAL MOVEMENT LIKE TO PORTRAY. THEY WANT MORE INFORMATION AND THEY WANT TO BE SURE THAT THEIR FORESTS ARE BEING REGENERATED AND SUSTAINABLY MANAGED.

THE RAC AND THE OTHER INQUIRIES GO A LONG TOWARDS PROVIDING SUCH INFORMATION AND ASSURANCES.

BUT IT HAS TO BE QUITE CLEAR THAT THE CHANGES WILL ONLY BE MADE AFTER A WELL DEFINED DUE PROCESS HAS BEEN FOLLOWED, NOT IN SOME ELECTION HOT-HOUSE SITUATION.

ALSO, IF AUSTRALIANS WANT CHANGES AND THOSE CHANGES ARE GOING TO CAUSE HARDSHIP FOR INDIVIDUALS AND COMMUNITIES, THERE HAS TO BE PROPER COMPENSATION AND ADJUSTMENT ASSISTANCE.

AUSTRALIANS CANNOT EXPECT A FEW PEOPLE WHO ARE ALREADY HAVING A VERY TOUGH TIME IN RURAL COMMUNITIES, TO BEAR THE BRUNT OF CHANGING VALUES OR CONCERNS OF ESSENTIALLY A CITY BASED POPULATION.

THERE ARE MANY RURAL PEOPLE WHO FEEL THAT THEY ARE ALREADY VERY UNFAIRLY TREATED. WE HAVE HAD MANY MEETINGS WITH FOREST INDUSTRY WORKERS AND COMMUNITIES OVER THE LAST YEAR OR SO. THE NUMBERS THAT HAVE TURNED UP, OFTEN ON BITTERLY COLD NIGHTS, IN UNHEATED COUNTRY HALLS HAVE BEEN AMAZING.

THERE ARE A HUGE NUMBER OF RURAL AUSTRALIANS WHO BELIEVE THAT THEY HAVE BEEN BADLY NEGLECTED BY POLICYMAKERS IN RECENT YEARS. IN MANY CASES THEY ARE TOTALLY OUTRAGED BY THE FACT THAT GOVERNMENTS APPEAR TO HAVE GIVEN IN TO A FEW DEMONSTRATORS THAT HAVE COME FROM OUTSIDE THEIR REGION AND DISRUPTED THE INDUSTRY AND THEIR JOBS. THE DEMONSTRATORS MOVE ON TO THEIR NEXT CAMPAIGN AND THEY DO NOT SEE THE FAILED BUSINESSES AND THE BADLY AFFECTED COMMUNITIES AND FAMILIES THAT THEY LEAVE BEHIND.

I CAN GUARANTEE THAT THOUSANDS OF AUSTRALIANS ARE UTTERLY FED UP WITH THE MANIPULATION OF THEIR LIVES WHICH HAS BEEN A MAJOR CONSEQUENCE OF THE ACTIVITIES OF THE EXTREME ELEMENTS OF THE "GREEN" MOVEMENT IN RECENT YEARS.

THE GOVERNMENT NOW HAS THE CHANCE TO PUT MUCH OF THIS BEHIND US.

THE RAC INQUIRY, THE OTHER REPORTS AND THE NATIONAL FOREST POLICY PROVIDE THE GOVERNMENT WITH THE OPPORTUNITY TO REACH A SOUNDLY BASED, WELL BALANCED POLICY, AND CREATE LONG TERM AND SECURE EMPLOYMENT.

ANOTHER OTHER KEY AREA OF REFORM IS TO ESTABLISH A LEVEL PLAYING FIELD WITH RESPECT TO PLANTATIONS. THE INDUSTRY WISHES TO SEE AS MANY PLANTATIONS AS POSSIBLE ESTABLISHED TO PROVIDE A LONG TERM SECURE WOOD SUPPLY IN CONJUNCTION WITH PRODUCTION FROM NATIVE FORESTS. AT THE MOMENT THERE ARE MANY LOCAL RESTRICTIONS, ADDED COSTS AND TAXATION ARRANGEMENTS BIASED AGAINST LONG TERM INVESTMENT IN TREES. THESE ARE SLOWING DOWN THE RATE OF PLANTATION ESTABLISHMENT.

ALSO THE STATE GOVERNMENTS MUST RECOGNISE THEIR ROLE AS COMMERCIAL WOOD PRODUCERS, IN TERMS OF THE WAY THEY MANAGE BOTH THE NATIVE FORESTS AND THE PLANTATIONS. THE STATE GOVERNMENTS MUST PROVIDE THE MAIN RAW MATERIAL FOR THE INDUSTRY AT AN INTERNATIONALLY COMPETITIVE COST AND ON A RELIABLE BASIS, OR IT WILL NOT BE POSSIBLE FOR OUR WOOD PROCESSING INDUSTRIES TO COMPETE AGAINST PRODUCTS FROM OVERSEAS.

THE WHOLE AREA OF FOREST INDUSTRY REGULATION NEEDS TO BE REVIEWED, SO THAT ONLY CONTROLS THAT ARE DIRECTLY NECESSARY FOR GOOD FOREST MANAGEMENT ARE APPLIED. REGULATIONS ON INDUSTRY MUST BE REDUCED TO THE MINIMUM NEEDED TO ENSURE THAT GOVERNMENTS' OVERALL INDUSTRY POLICIES ARE COMPLIED WITH. THE USE OF "BACKDOOR" METHODS OF INDUSTRY CONTROL TO TRY AND ACHIEVE ENVIRONMENTAL OUTCOMES IN THE FOREST MUST CEASE. AS THE RESOURCE ASSESSMENT COMMISSION HAS POINTED OUT, CONCERNS ABOUT FOREST MANAGEMENT SHOULD BE ADDRESSED IN THE CONTEXT OF REVIEWING THE FOREST RESERVE SYSTEM AND ESTABLISHING CODES OF FOREST MANAGEMENT AND NOT BY INDIRECT METHODS SUCH AS EXPORT CONTROLS.

IN RECENT YEARS, WHILE THE INDUSTRY HAS CONTINUED TO INVEST AT LEAST \$400 TO \$500 MILLION EVERY YEAR, THE RATE AND PATTERN OF DEVELOPMENT HAVE BEEN MUCH LESS THAN COULD HAVE BEEN ACHIEVED AND EVERYBODY, PARTICULARLY RURAL WORKERS, ARE WORSE OFF BECAUSE OF IT.

I DO NOT WISH TO REVISIT THE ISSUES SURROUNDING THE CLOSURE OF FORESTS IN NORTH QUEENSLAND, FRASER ISLAND, TERANIA CREEK, SOUTHERN NSW, EAST GIPPSLAND AND TASMANIA, BUT JUST TO SAY THAT POLITICS PLAYED A VERY LARGE PART IN ALL OF THEM.

THIS HAS FREQUENTLY LEAD TO AN OUTCOME AT LEAST PARTLY AT ODDS WITH THE SCIENTIFIC ANALYSIS. PROMISES AND DECISIONS ONCE MADE WERE IN MANY CASES NOT LASTING. WRITTEN AGREEMENTS WERE BROKEN, SOMETIMES WITHIN MONTHS. UNDERTAKINGS GIVEN TO INDUSTRY AND COMMUNITIES HAVE BEEN IGNORED.

IF THE NATIONAL FOREST POLICY IS TO HAVE SUBSTANCE, IT MUST CONTAIN A PACKAGE OF MICROECONOMIC REFORM WHICH WILL GREATLY REDUCE THIS UNCERTAINTY, ENABLE THE INDUSTRY TO CONFIDENTLY INVEST AND ACHIEVE AN INTERNATIONALLY COMPETITIVE FOREST PRODUCTS SECTOR.

MANY OTHER NATIONS, PARTICULARLY AROUND THE PACIFIC RIM, HAVE RECOGNISED THE EXCELLENT LONG TERM GROWTH POTENTIAL OF THE MARKET FOR FOREST PRODUCTS, AS DEMAND IS HIGHLY RESPONSIVE TO IMPROVING INCOMES IN OUR REGION. ALSO, THE FOREST PRODUCT TRADE DOES NOT, BY AND LARGE, SUFFER THE RESTRICTIONS AND DISTORTIONS THAT CHARACTERISES MANY AGRICULTURAL PRODUCTS.

COUNTRIES SUCH AS CHILE, NEW ZEALAND, INDONESIA, MALAYSIA, THAILAND AND SOUTH AFRICA ARE ACHIEVING MAJOR DEVELOPMENT OF THEIR TIMBER AND PULP AND PAPER SECTORS.

GOVERNMENTS IN THESE COUNTRIES ARE PROVIDING A WIDE RANGE OF SUPPORT AND ASSISTANCE MEASURES AS WELL AS A SECURE LONG TERM FRAMEWORK FOR INVESTMENT. THOUSANDS OF AUSTRALIAN JOBS DEPEND ON US BEING ABLE TO ACT POSITIVELY IN A SIMILAR WAY TO MATCH THESE OVERSEAS DEVELOPMENTS.

WITHOUT NEW FACILITIES, WE WILL FIND IT HARDER AND HARDER TO COMPETE, EXISTING PLANTS WILL BE PHASED DOWN OR CLOSED, EMPLOYEE NUMBERS REDUCED AND THE FOREST PRODUCT IMPORT BILL WILL CONTINUE ITS RELENTLESS UPWARD TREND. THE MAJOR PULP AND PAPER AND TIMBER COMPANIES WILL NOT BUILD IN AUSTRALIA UNLESS THIS COUNTRY IS PREPARED TO PROVIDE A COMPETITIVE INVESTMENT CLIMATE THROUGH MICROECONOMIC REFORM.

WHAT DO WE MEAN BY MICROECONOMIC REFORM FOR THE FOREST SECTOR?

WE ARE CONCERNED ABOUT SUCH GENERAL ISSUES SUCH AS TRANSPORT, ENERGY COSTS AND WATERFRONT REFORM BUT WE ALSO HAVE SOME SPECIFIC NEEDS.

THERE MUST BE A CAREFUL REVIEW OF OUR RESERVE SYSTEM TO ENSURE THAT THE HIGH CONSERVATION FORESTS ARE PROPERLY PROTECTED AND MANAGED. AT THE SAME TIME AND IN PARALLEL WITH THE REVIEW OF THE RESERVES, WOOD PRODUCTION ZONES MUST BE ESTABLISHED WITH SIMILAR LEGAL BACKING TO THE NATIONAL PARKS AND RESERVE SYSTEM. THE TWO THINGS MUST GO HAND IN HAND. WE MUST PROTECT OUR HIGH CONSERVATION AREAS AND SIMULTANEOUSLY, DEVELOP MANAGEMENT PROGRAMS FOR BOTH THE RESERVES AND THE MULTIPLE USE FORESTS. WE MUST IDENTIFY THE RESERVES AND MULTIPLE USE PRODUCTION FORESTS USING THE SAME INTEGRATED PROCESSES AND WITH LEGISLATIVE BACKING FROM STATE AND FEDERAL GOVERNMENTS.

RULES FOR LATER CHANGING THE BOUNDARIES MUST BE CLEARLY SET OUT. BOUNDARIES WILL HAVE TO BE CHANGED OVER THE YEARS AS WE LEARN MORE ABOUT THE NATIVE FORESTS. IN SOME AREAS, IT MAY BE POSSIBLE TO EXPAND THE MULTIPLE USE OPERATIONS IN OTHERS THERE MAY BE A NEED TO INCREASE RESERVES OR CHANGE MANAGEMENT PRACTICES.

AND IN THE MEANTIME THE SMALL, MEDIUM AND LARGE PROJECTS THAT AUSTRALIA NEEDS SO BADLY WILL REMAIN "ON HOLD", OR WORSE STILL, MOVE OVERSEAS.

WITH ABOUT 85,000 DIRECT EMPLOYEES, THE AUSTRALIAN FOREST INDUSTRIES ARE BIGGER THAN MOTOR CAR MANUFACTURING, ARE SPREAD MUCH MORE WIDELY ACROSS THE COUNTRY AND ARE NOT LOOKING FOR A CONTINUATION OF TARIFFS.

NEVERTHELESS, AUSTRALIAN DEMAND FOR TIMBER AND WOOD PRODUCTS IS SO STRONG THAT, IN ADDITION TO OUR DOMESTIC OUTPUT, WE ARE FORCED TO IMPORT ABOUT ONE THIRD OF ALL THE WOOD FIBRE THAT WE USE. AT AROUND \$2.0 BILLION PER YEAR, THIS IS ABOUT 10 PER CENT OF THE NATION'S TRADE DEFICIT.

IF GOVERNMENTS CAN AGREE TO THE REFORMS THAT THE INDUSTRY AND THE RESOURCE ASSESSMENT COMMISSION BELIEVE ARE SO URGENTLY NEEDED, THIS TRADE DEFICIT WOULD BE VERY SIGNIFICANTLY REDUCED AND MANY MORE PEOPLE WILL KEEP THEIR JOBS.

HOWEVER, WHAT ABOUT THE ENVIRONMENT ISSUE?

EVERYBODY LIKES WOOD AND TIMBER PRODUCTS. THEY ARE WARM, NATURAL AND RENEWABLE. THE ONLY PROBLEM IS THAT YOU HAVE TO CUT DOWN TREES TO GET THEM.

A NEWLY HARVESTED AREA OF FOREST OR PLANTATION, HOWEVER CAREFULLY MANAGED, WILL NEVER BE A PRETTY SIGHT FOR THE FIRST ONE OR TWO YEARS.

BUT AUSTRALIA'S NATIVE FORESTS DO REGENERATE AND COME BACK STRONGLY BECAUSE THEY HAVE BEEN SUBJECT TO FIRES, CYCLONES, DROUGHTS AND FLOODS FOR THOUSANDS OF YEARS AND THEY HAVE ADAPTED TO DISTURBANCE. IN ANY ONE YEAR THE IMPACT OF THE FOREST INDUSTRIES IS MINOR COMPARED TO THE NATURAL DISTURBANCE THAT TAKES PLACE.

FORTUNATELY, THE RESOURCE ASSESSMENT COMMISSION HAS RECOGNISED BASIC FEATURES OF EUCALYPT ECOLOGY AND HAS FIRMLY CONCLUDED THAT THE PUBLICLY OWNED NATIVE FORESTS ARE BEING MANAGED ON A SUSTAINABLE BASIS. IN OTHER WORDS, TREES ARE BEING ESTABLISHED AT LEAST AS FAST AS THEY ARE BEING REMOVED.

IN ADDITION, THE RAC HAS FOUND THAT THERE IS NO CASE FOR THE CESSATION OF THE LOGGING OF NATIVE FORESTS.

AUSTRALIA HAS ABOUT 40 PER CENT LESS NATURAL FOREST THAN IT DID WHEN EUROPEAN SETTLERS FIRST ARRIVED. BUT THOSE FORESTS HAVE BEEN CLEARED FOR FARMING, FOR URBAN DEVELOPMENT, FOR ROADS, RAILWAY LINES AND DAMS BUT NOT FOR COMMERCIAL FORESTRY. IN FACT, WITHOUT THE INDUSTRY BECAUSE THE INDUSTRY HAS BEEN ACTIVELY INVOLVED IN REGENERATING FORESTS AND PLANTING TREES FOR MOST OF THIS CENTURY, WE CERTAINLY HAVE CONSIDERABLY MORE FORESTS AND PLANTATIONS TODAY THAN WOULD HAVE BEEN THE CASE.

NEVERTHELESS, THE COMMISSION WAS NOT ENTIRELY SATISFIED THAT OUR NATIONAL PARKS AND OTHER RESERVES ARE FULLY REPRESENTATIVE OF ALL THE IMPORTANT VALUES OF THE NATIVE FORESTS. THE INDUSTRY SUPPORTS THE RAC'S RECOMMENDATION FOR A REVIEW OF THE RESERVE SYSTEM.

DECISIONS ON THE BOUNDARIES OF BOTH THE RESERVED AND MULTIPLE USE FORESTS NEED TO BE MADE SOON AND ON A LONG TERM BASIS SO THAT AUSTRALIA CAN ACHIEVE THE FULL RANGE OF CONSERVATION, SOCIAL AND ECONOMIC VALUES OF OUR FORESTS.

**ADDRESS TO THE NATIONAL PRESS CLUB
BY DR ROBERT BAIN, EXECUTIVE DIRECTOR
NATIONAL ASSOCIATION OF FOREST INDUSTRIES**

EMBARGOED 1.00PM - 21 OCTOBER 1992 - CHECK AGAINST DELIVERY

AFTER SOME 200 YEARS OF FORESTRY IN THIS COUNTRY, AUSTRALIA COULD BE ABOUT TO ACHIEVE A REALLY SIGNIFICANT NATIONAL FOREST POLICY. THIS OPPORTUNITY HAS BEEN CREATED BY A SERIES OF OFFICIAL REPORTS OVER THE LAST FEW MONTHS.

THE FOREST INDUSTRIES HAVE BEEN THE FOCUS OF A SEEMINGLY ENDLESS SERIES OF INQUIRIES, COMMITTEES AND WORKING GROUPS IN RECENT YEARS.

IN TERMS OF SIZE AND SUBSTANCE, THE RESOURCE ASSESSMENT COMMISSION (RAC) INQUIRY, WHICH ISSUED ITS REPORT LAST MARCH, STANDS HEAD AND SHOULDERS ABOVE THE OTHERS. THE RAC INQUIRY TOOK OVER TWO YEARS, INVOLVED 423 WITNESSES AND AN ENORMOUS AMOUNT OF TIME ON THE PART OF PUBLIC SERVANTS, CONSULTANTS, COMPANIES AND ASSOCIATIONS.

IT HAS BEEN ESTIMATED THAT THE TOTAL TIME AND COSTS OF EVERYBODY INVOLVED WERE BETWEEN \$40 AND \$50 MILLION. IT IS ESSENTIAL THAT THIS MASSIVE INVESTMENT IN THE RAC INQUIRY IS NOW TRANSLATED INTO A WORKABLE NATIONAL FOREST POLICY.

OTHERWISE THE FORESTS AND THE MANY JOBS, PARTICULARLY RURAL JOBS AND THE COMMUNITIES THAT GO WITH THEM, FACE A VERY BLEAK FUTURE. WE HAVE BEEN ASKED WHAT THE NAFI ATTITUDE WILL BE TO THE VARIOUS PARTIES AND CANDIDATES IN THE NEXT FEDERAL ELECTION.

AT THE PRESENT TIME WE ARE NOT CONDUCTING ANY FORM OF POLITICAL CAMPAIGN. CLEARLY THE POLITICAL STANCE OF THE THOUSANDS OF MEN AND WOMEN WHO WORK FOR THE FOREST INDUSTRIES AND THEIR FAMILIES WILL BE CONDITIONED BY WHAT IS IN THE NATIONAL FOREST POLICY THAT THE GOVERNMENT HAS PROMISED THEM BEFORE THE END OF THE YEAR.

THEY WILL WANT TO KNOW THAT THE POLICY HAS RELEVANCE, ACTIONS AND SUBSTANCE AND IS NOT A SERIES OF "MOTHERHOOD" STATEMENTS.

WHAT I WILL DO THIS AFTERNOON IS OUTLINE WHAT WE MEAN BY THE POLICY HAVING "SUBSTANCE" AND THE RELATIONSHIP BETWEEN THESE "SUBSTANCE" FACTORS AND THE KEY POLITICAL VARIABLES THAT SEEM LIKELY TO INFLUENCE THE NEXT ELECTION.

FIRSTLY, WE MUST NOW GO BEYOND THE INQUIRY STAGE. TOO OFTEN, AS ALL THE PRESS GALLERY KNOW, INQUIRIES HAVE BEEN INSTIGATED TO AVOID DIFFICULT POLITICAL DECISIONS. THIS HAS BEEN VERY BENEFICIAL FOR THE DEMAND FOR THE PRODUCTS OF THE PULP AND PAPER INDUSTRY BUT HAS CAUSED MUCH UNCERTAINTY AND, CONSEQUENTLY, BOTH INVESTMENT AND EMPLOYMENT IN THE INDUSTRY ARE MUCH LOWER THAN THEY SHOULD BE.

IT IS VERY WORRYING THAT THE GOVERNMENT HAS NOW ANNOUNCED AN INDUSTRY COMMISSION INQUIRY INTO THE FOREST INDUSTRIES BEFORE IT HAS DEALT WITH THE NATIONAL FOREST POLICY OR THE OUTCOME OF THE RAC AND THE OTHER RECENT INQUIRIES.

IF THE INDUSTRY COMMISSION INQUIRY GOES AHEAD BEFORE THE NATIONAL FOREST POLICY IS COMPLETED, THE WITNESSES WILL JUST GET OUT THEIR OLD RAC SUBMISSIONS, DUST THEM OFF, ADD ANOTHER YEAR OF STATISTICS AND THE WHOLE PROCESS WILL START ALL OVER AGAIN.

3/11/92

news release

NATIONAL
HEALTH AND
MEDICAL RESEARCH COUNCIL



NHMRC CALLS FOR TOUGHER RESTRICTIONS ON CYCLODIENE INSECTICIDES

The National Health and Medical Research Council (NHMRC) today called for tougher restrictions to be placed on the use of cyclodiene insecticides.

Chairman of the NHMRC's Panel on Cyclodiene Insecticide Use in Australia, Professor Geoffrey Duggin, said the insecticides were developed in the 1940s and 50s and their current use had to be seriously looked at.

"In the past, cyclodienes such as chlordane, heptachlor, aldrin and dieldrin were commonly used as insecticides in the home, as agricultural chemicals to prevent crop destruction and in termite control," he said.

"Their use has been tightened up over the years and with these new recommendations it will be even tougher."

Professor Duggin said research had shown that the unrestricted use of cyclodienes resulted in high levels of concentration in the environment which were slow to breakdown.

"It has been revealed that cyclodienes also cause tumours in mice, they build up in the human body and we are not sure yet of the long term effects," he said.

Key recommendations from the NHMRC's report, Cyclodiene Insecticide Use in Australia include:

- advice to the Australian Agricultural and Veterinary Chemicals Council (AAVCC) that cyclodienes, aldrin and dieldrin should cease to be registered for all pesticide uses when current stocks are exhausted. Further importation of these chemicals not be permitted;
- that chlordane and heptachlor be permitted to be imported and registered for use only as termiticides in the construction of housing and buildings and its use be restricted to under slab usage and in crawl space under houses in accordance with the newly developed Standards Australia code; and
- chlordane and heptachlor will be phased out in two years if suitable alternatives are available;
- that registration of the use of chlordane and heptachlor in agriculture and other non-termiticidal applications cease.

Professor Duggin said while there was no evidence to suggest children were at risk of cyclodiene contamination if they crawled underneath houses, the practice should not be encouraged.

"Cyclodienes rapidly soak into the soil, their concentrations are lowest at ground surface level and therefore pose no significant health risk to children or tradespeople," he said.

These recommendations were made at the NHMRC's 114th session in Canberra.

Media enquiries: Liz Lang (06) 289 7585, mobile, (018) 622 989
John Rogers (06) 289 7413, mobile

COPY FOR YOUR
INFORMATION

NAFI

NATIONAL ASSOCIATION OF
FOREST INDUSTRIES LTD
A.C.N. 008 621 510
Forest Industries House
24 Napier Close
Deakin, A.C.T. 2600
P.O. Box 589
Queen Victoria Terrace
Canberra A.C.T. 2600
Telephone (06) 285 3833
Facsimile (06) 285 3835

-2-

16 October 1992

The Hon. Simon F. Crean, MP
Minister Primary Industries and Energy
Parliament House
Canberra 2600

Dear Minister,

The purpose of this letter is to express concern at recent comments by Greenpeace suggesting a ban on use of cyclodiene chemicals in Australia. Cyclodiene chemicals, namely chlordane and heptachlor, currently provide the most viable means of protecting buildings against termite attack.

NAFI is aware that you recently met a delegation, including representatives of Greenpeace and that one of the issues discussed was the use of cyclodiene chemicals in Australia which is the subject of a current National Health and Medical Research Council (NHMRC) inquiry. NAFI is also aware of comments made by Greenpeace suggesting the Government should ban the use of cyclodiene chemicals in Australia.

Based on a very detailed inquiry into the use of cyclodienes from social, environmental and health perspectives the NHMRC Working Group's final draft report as presented to the Public Health Committee on September 3/4 1992 recommends that chlordane and heptachlor continue to be used to protect buildings from termite attack.

NAFI has been a strong participant in the NHMRC's inquiry and agrees in principle with the findings of the final draft report which essentially recommends: -

- continued use of chlordane and heptachlor as termiticides, under strict controls and in accordance with the relevant Australian standards,
- a review of chlordane and heptachlor usage and potential alternative termite protection systems in 2 years time,
- continual monitoring of health and safety standards related to chlordane and heptachlor use,
- an increase in emphasis to be given to research into more 'environmentally friendly' systems for termite protection.

NAFI remains very concerned that the use of chlordane and heptachlor be appropriately controlled without diminishing the level of termite protection afforded to either the structural integrity or contents of houses and buildings. NAFI is also seeking to encourage an increased research effort into development of more 'environmentally friendly' termite protection systems which will deliver appropriate protection levels at reasonable cost to the community. At this stage however, existing research projects are unlikely to have delivered any fully tested, practicable alternatives within the next two years.

It is NAFI's view that a ban on use of chlordane and heptachlor prior to viable alternatives becoming available would have major ramifications for home and building owners and would force wholesale changes in construction materials and housing affordability.

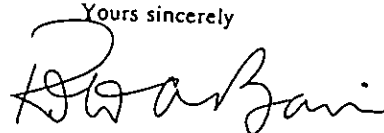
NAFI is unaware of the depth of economic analysis undertaken by the NHMRC in its final report however, it would be critical from industry's perspective that a detailed analysis be undertaken prior to any consideration being given to the suggestion that termite protection systems that use chlordane and/or heptachlor be removed from the market.

Given the findings of the NHMRC inquiry, which has concentrated on health and environmental issues, it would seem most inappropriate to consider a ban on chlordane and/or heptachlor which remain the most effective way of termite protection currently available.

NAFI looks forward to the release of the final NHMRC report as drafted and its adoption by Government.

Should you want any further details from NAFI please do not hesitate to contact me or Mr Chris Althaus at the NAFI office.

Yours sincerely



Robert Bain
EXECUTIVE DIRECTOR

FOREST INDUSTRIES
Environmental Management Australia

Defences

Defences will be available where:

- the defect did not exist at the time the goods were put into circulation;
- the defect only existed because there was compliance with a mandatory section imposed by the Commonwealth government (in which case the Commonwealth Government assumes any liability);
- at the time the goods were put into circulation, the state of the scientific and technical knowledge was not such as to enable the existence of the defect to be discovered;
- the manufacturer's goods are comprised in "finished goods", and the manufacturer can establish that the defect in the finished goods is attributable only to the design, marking, instructions or warnings given by the manufacturer of the finished goods.

Other Common Law Remedies Retained

The new Part VA does not affect the provisions of the *Trade Practices Act* regarding product recalls, nor does it replace any existing common law or other rights of redress in relation to product liability - including rights arising in the law of negligence. Thus, once the three year period has expired it would still be open for a prospective litigant to

institute proceedings at common law where the limitation period in the jurisdiction permitted:

Part VA Provisions Not To Be Excluded

Any term of a contract that purports to exclude or modify the application of Part VA (including the rights conferred, or liability arising, under Part VA) is void.

Ramifications for Industry

The long term ramifications for industry are anticipated to be significant. The design and implementation of a satisfactory product liability strategy will be vital to ensure corporate survival under the new regime. This may involve a review of:

- the nature and placement of warnings and instructions in/on goods;
- contractual arrangements - particularly between foreign manufacturers and importers; manufacturers and the providers of raw materials; manufacturers and suppliers; and wholesale and retail suppliers;
- the procedures taken by manufacturers/importers/suppliers in relation to product knowledge and product safety;
- insurance arrangements;
- the role which intermediaries may play in the supply of goods.

For further information or assistance in relation to this report please contact:

Melbourne:	Penny Pengilley or Irene Zettler	(03) 288 1234
Sydney:	Geoff McGiellan	(02) 225 5000
Brisbane:	Robert Channon	(07) 231 6666
Perth:	Peter van Hattem	(09) 327 5777
Canberra:	Bettie McNea	(06) 249 7711

This newsletter is published as an information service and without assuming a duty of care. It contains general information only and should not be relied on as a substitute for legal or other professional advice.

SYDNEY MLC Centre Martin Place Sydney 2000 New South Wales Tel (02) 225 5000 Fax (02) 233 6430 Fax (02) 232 1374 Telex AA121885 DX 361 Sydney	MELBOURNE 101 Collins Street Melbourne 3000 Victoria Tel (03) 288 1234 Fax (03) 288 1567 Telex AA33004 DX 240 Melbourne	PERTH Australia Place 15 William Street Perth 6000 Western Australia Tel (09) 327 5777 Fax (09) 322 5934 Telex AA92937 DX 104 Perth	CANBERRA London Court 13 London Circuit Canberra 2601 ACT Tel (06) 249 7711 Fax (06) 248 9582 Telex AA92937 DX 5666 Canberra	BRISBANE Central Plaza II 66 Eagle Street Brisbane 4000 Queensland Tel (07) 231 6666 Fax (07) 220 0038 DX 255 Brisbane	LONDON Birchall Court 20 Birchall Lane London EC3V 9D Tel (071) 283 9006 Fax (071) 454 9630	SINGAPORE 6 Battery Road #13-01 Singapore 0104 Tel (65) 225 1288 Fax (65) 225 3314 Fax (65) 222 0990 Telex (RS) 42674
---	---	--	---	--	---	--

REPRESENTED IN BANGKOK AND JAKARTA

FREEHILL, HOLLINGDALE & PAGE

•CLIENT NEWSLETTER•

New Strict Liability Scheme

STOP PRESS

Major Ramifications for Industry

Legislation has now been passed inserting a new Part VA into the *Trade Practices Act*. It is called "Liability of Manufacturers and Importers for Defective Goods". Royal Assent will be given shortly. Part VA introduces to product liability, a strict liability regime providing a right to compensation to persons who are injured or whose property is damaged as a result of defective goods.

Part VA establishes a new legal concept in that the individual seeking compensation will not have to prove negligence on the part of the manufacturer of the goods.

Features of Part VA

Defective Goods

A "manufacturer" who supplies goods will be liable under Part VA if the goods supplied are "defective" goods. A product is defective when it does not provide the safety which persons generally are entitled to expect. Matters which are relevant when applying this standard include:

- the manner in which, and the purposes for which, the goods have been marketed;
- the packaging or marking of the goods (including the existence of adequate instructions or warnings);
- what might reasonably be expected to be done with or in relation to the goods;
- the time when the goods were supplied by the manufacturers.

The Explanatory Memorandum to the legislation also indicates that the role which intermediaries play in relation to the supply of the goods may also be a relevant consideration.

Product Liability Update

Who is Liable?

The following entities may be potentially liable as "manufacturers" of defective goods:

- a corporation which grows, extracts, produces, processes or assembles goods;
- a corporation which holds itself out as the manufacturer of goods;
- a corporation which applies its name, or its business or brand name, to goods supplied by it;
- a corporation which imports the goods of a manufacturer located outside Australia.

Suppliers of Goods

Corporations which supply defective goods may also be deemed the manufacturer of the goods if they are requested in writing to identify the manufacturer of the goods supplied by them, and fail to do so within thirty days of the request.

Who can Claim?

Persons able to claim include not only persons who have been injured but also:

- persons who suffer loss as a result of that person's injury (typically, this might be a spouse or child);
- persons whose goods (not being the defective goods) are damaged provided those goods are of a kind ordinarily acquired for personal, domestic or household use and are so used;
- persons whose buildings or land are damaged provided such building or land are of a kind ordinarily acquired for personal, domestic or household use and are so used.

**NAFI BOARD OF DIRECTORS
FOR 1992/93**

	NAME	REPRESENTING	POSITION/COMMITTEE
1.	Kerry Pidcock	NSW	
2.	Greg McCormack	VIC	
3.	John Hancock	QLD	Marketing Committee*
4.	Nick Le Messurier	SA	
5.	John Oldham	WA	
6.	Glenn Britton	TAS	
7.	Steve Balcombe	ANM	
8.	Norm Cleland	Bowater	
9.	Thorry Gunnensen	Marbut Gunnensen	R&D Committee*
10.	Don Macfarlane	AMCOR	President*
11.	Ian Mackenzie	Bunnings	
12.	John Morgan	North Broken Hill	Vice President & Public Awareness Committee*
13.	Henry Pens	CSR	Vice President*
14.	Keith Sullivan	Boral	Resources Committee*
15.	John Tompkins	Brown & Dureau	Pine Australia Committee*
16.	Roger Hudson	Merchants	Audit Committee*
17.	Warren Hyne	Non Radiata Softwoods	
18.	Alan Dagger	Hardwood Sector	
19.	Richard Neville Smith	Hardwood Sawmillers	
20.	Steve Stevenson	Timber Importers	
21.	David Bills	Woodchip Exporters	Treasurer*
22.	Michael Hall	Australian Forest Growers	

* NAFI Executive



TREASURER

**PRESS
RELEASE**

NO. 156

EMBARGO

**STATEMENT BY THE MINISTER ASSISTING THE TREASURER
THE HON PETER BALDWIN, MP.**

**APPOINTMENT OF DR NEIL BYRON AND PROFESSOR CLIFF WALSH AS
PART-TIME ASSOCIATE COMMISSIONERS OF THE INDUSTRY
COMMISSION**

The Minister Assisting the Treasurer, Peter Baldwin, announced today the appointment of Dr Neil Byron and Professor Cliff Walsh as part-time Associate Commissioners of the Industry Commission.

Dr Byron has been appointed to work on the Commission's inquiry into Adding Further Value to Australia's Forest Products. He is currently the Director of Graduate Studies in Environmental Management and Development, National Centre for Development Studies, at Australian National University. Dr Byron is an economist whose particular skills and interests are in forest policy.

Professor Walsh has been appointed to work on the Commission's inquiry into Impediments to Regional Industry Adjustment. He is currently Professorial Director of the Centre for South Australian Economic Studies, a joint centre of the University of Adelaide and the Flinders University of South Australia. Professor Walsh is an economist with particular expertise in Federal-State financial issues.

Mr Baldwin is confident that both Dr Byron and Professor Walsh will make a valuable contribution to the Commission's inquiries.

CANBERRA
19 October 1992

Enquiries: Sarah Taylor
Mr Baldwin's Office
(06) 277 7540

John Spasojevic
Industry Commission
(06) 264 4719

27. SOFTWOOD INDUSTRY STATISTICS

Pine Australia has established the framework for a comprehensive Management Information System covering the production, productivity and sales of the Australian plantation softwood sawmilling industry.

With full industry participation the system will provide a powerful decision making tool for participants, and assist the competitiveness of the softwood industry.

A detailed outline of the proposed system has been sent to potential participants for comment before a trial run is conducted.

Once the system has been fully tested it will be introduced for the 1993 year.

Contact: Greg Barnes

28. USA ELECTION

With the the widely expected election of Democrat Bill Clinton as US President relatively little attention has been paid to the role played by his Vice-Presidential running mate Al Gore. He is a well known sympathiser of the environment movement and author of "Earth in the Balance". With this pair installed in the White House it would be reasonable to expect that the American green movement will rise in stature and credibility.

This is particularly because environmental groups have campaigned strongly for the Democrat platform in some key States and against many "unfriendly" incumbents in Congressional districts. Unfortunately much of this

campaign has focused only on forest issues and has included a Hollywood backed anti-timber industry promotion with Paul Newman and singer Gary Morris urging permanent preservation of America's national forests.

Contact: Peter Perkins

29. F O R T H C O M I N G CONFERENCES

Woodtech, Indochina '92 - 15-18 February 1993, Ho Chi Min City, Vietnam - details available from NAFI

30. BACK-COPIES OF AFIJ TO BE AVAILABLE FROM THE FORESTRY COMMISSION OF NSW

Mr Lembke has advised NAFI that the bound annual volumes of AFIJ will be permanently available to industry representatives and others through the library of the Wood Technology and Forest Research Division, Forestry Commission of NSW, West Pennant Hills, Sydney.

Back copies make interesting reading. In April 1973, Con Lembke was urging the industry to get together, stand up and be counted. He claimed that the industry had no sense of public relations, externally or internally.

Fortunately, no-one could claim that there is a deafening silence from industry today. However, our opposition has toughened and it is much harder to obtain positive decisions from Government than would have been if the industry had mounted its campaign back in the early 1970's.

24. CHIP CHIP

The TWS anti-woodchipping TV commercial "Chip Chip" has finally been invalidated through the withdrawal by the Federation of Australian Commercial Television Stations (FACTS) of its broadcast permit number (see letter attached).

It is important to note that at a local level it is still possible for members of the environment lobby to pressure/extort local TV station managers into broadcasting the commercial as a "community service announcement".

While we now expect good sense to prevail now they know the commercial to be false and misleading, members are urged to be ever vigilant and ensure the commercial remains off air.

Contact: Peter Perkins

25. DICK SMITH

The environment lobby's campaign to discredit well known conservationist and publisher of Australian Geographic, Dick Smith, for allowing Forest Industries advertisements to appear in his magazine, has backfired.

We accepted an invitation to address magazine staff in Sydney and after a very healthy exchange of views, full recognition did emerge for our case and the accuracy of the facts we place before the public. In addition the offer made by the publisher for equal space did not generate a response (see attached).

Contact: Peter Perkins

26. PINE AUSTRALIA INDUSTRY OPEN DAY - IN-GRADE TESTING PROJECT

Pine Australia is currently undertaking a major in-grade evaluation of structural, Australian grown, machine stress graded pine. The collaborative research project between Pine Australia and the CSIRO involves the sampling and testing of thousands of sticks of structural pine from mills around the country. In addition to the extensive material testing programme at CSIRO, grade checking and some testing is underway at the Forestry Commission of NSW. Potentially the outcomes from the project will set the pace for the future of marketing in the Australian timber industry.

Pine Australia held a successful industry open day at CSIRO in Melbourne on 16 October. The day was designed as an information transfer exercise to describe the intricacies of in-grade testing, and the current project, to members of Pine Australia. Held in conjunction with the final Annual General Meeting of the RPAA, the event was attended by approximately 40 management, marketing, technical and quality control staff representing the bulk of pine producers in Australia. The concept of in-grade testing and details of the important project were conveyed to key industry staff by means of a series of technical presentation and hand on laboratory demonstrations.

The industry open day was a tremendous success and similar events will be planned in the future.

Contact: Stephen Bolden

Members of the NAFI Public Affairs Group are among industry recipients of the publication.

Contact: Jim Devine

20. FERAL CATS

Occasionally vociferous industry critic and newspaper columnist, Leo Schofield, has added to the growing data bank on feral cats and their impact on native fauna (see SMH attachment).

The fact that feral cats are overrunning sparsely populated western Queensland seriously questions green claims that "wilderness" is an effective feral animal barrier.

One of the largest feral cats ever recorded (26kg), was captured in Lamington National Park south of Brisbane.

Contact: Jim Devine

21. QUOTES

"Making money is my prime objective. I wouldn't do something just because it's right. If it was going to cost a lot, I wouldn't even talk about it."

Rodney Adler, FAI Insurance Chairman, after investing a reported \$24 million in the anti-forestry animated film feature, "Ferngully: The Last Rainforest".

(See letter to film reviewer and reply in attachments)

"It is the brown issues, the urban issues, which are also important now. The greens haven't caught up with that. The greenies are still in the trees."

Federal Environment Minister, Mrs Ros Kelly, "Urban Issues Take Over Green Debate", Business Review Weekly, 16.10.92

"On the strength of her performance on this issue (Bender's Quarry), Mrs Kelly is proving to be a Minister for Environmental Destruction - doing more harm than good."

Ms Karenne Jurd, Executive Director, The Wilderness Society

22. PUBLIC OPINION

In September, Brisbane's Courier-Mail newspaper polled 900 Queenslanders on what they regarded as the biggest threat to their lives, and not surprisingly, 51% nominated unemployment.

Only 3% nominated "environmental desecration", and a staggering 70%-plus of Queenslanders "thought that preserving jobs should take precedence over conserving the environment in the next 12 months," according to the Courier-Mail.

Contact: Jim Devine

23. WILDERNESS CAMPAIGNS

The anti-industry campaigns of The Wilderness Society have received a number of setbacks in recent months. The major rallies, demonstrations and protests in particular have been poorly attended suggesting even its supporters are tiring of rhetoric and extremism.

Contact: Peter Perkins

What Farmer made clear however was this did not mean backing one or other of the principle political parties, but rather remaining independent. This is a critically important distinction that all members are urged to remember. Our interests will be best served if we remain apolitical, develop strong public support, and force the politicians to earn our vote.

Contact: Peter Perkins

16. LANDCARE ENVIRONMENT ACTION PROGRAM (LEAP)

NAFI has been provided with brochures which outline the program structure and we are being encouraged to ask our firms and associations whether they wish to participate.

Details can be provided from Mr Chris Evans, Director, Landcare Section, Employment Program Division, Department of Employment, Education and Training on (06)276 9240.

17. NATIONAL FOREST INVENTORY (NFI)

We have been advised that a new three year strategic plan for NFI has been developed and that NAFI will be provided with a copy. A number of members have expressed concern about the NFI and particularly the nature of the consultants who are doing the work on it.

We would be grateful for any information suggesting that the conservation groups were playing a major role in the preparation of the NFI.

18. PRESS CLUB SPEECH - MEDIA

Varying degrees of journalistic enthusiasm were generated by Robert Bain's nationally televised Press Club address on October 21.

With the exception of The Australian, all major newspapers carried a report (see attachments), but The Canberra Times was the only publication to highlight the GST aspect, which occupied one paragraph of a 20 minute presentation.

The Herald-Sun story by Angela Leary was also carried by the Brisbane Courier-Mail and the Adelaide Advertiser.

Contact: Jim Devine

19. FORESTS UPDATE

Five editions of this double-sided A4 publication (see attachments) have been delivered on a fortnightly basis to all Federal politicians, selected State Ministers, senior public servants and journalists to bring them up to date with industry events.

Feedback, particularly from Federal politicians, has been strong and positive in view of the low media profile afforded industry in the absence of conflict.

Forests Update has also provided an effective medium for the promotion of updated Forest Facts sheets which have been revised in accordance with the findings of the Resource Assessment Commission Forest and Timber Inquiry.

about the use of organochlorines exists across a wide range of perspectives however, the very public debate about their impact on the environment and possible link to human health disorders has thrust organochlorine use onto the political agenda.

The Federal Government commissioned a National Health and Medical Research Council Inquiry into the use of these chemicals in Australia. This inquiry, commenced in 1990, will deliver its final report on November 4th, 1992. NAFI has received a copy of the final draft and has been expressing its support in principle for the recommendations contained within that draft.

NAFI is aware of strong opposition to the continued use of organochlorines from organisations such as Greenpeace who support a ban on these chemicals despite no scientific evidence of human health disorders arising from their use.

NAFI will be continuing to monitor this important report. Needless-to-say termite protection systems are an important part of timber's dominant position in the house construction market.

Attached for your information is a letter from NAFI to the Minister for Primary Industries and Energy, The Hon. Simon Crean, outlining NAFI's position regarding the continued use of organochlorines for termite protection. In addition NAFI has received an advance copy of a NHMRC press release prior to the NHMRC meeting which outlines the key recommendations (see attached copy).

Contact: Chris Althaus

13. TROPICAL FORESTS GROUP MEETING

NAFI attended the recent meeting of the Commonwealth Tropical Forests Group meeting which dealt primarily with the upcoming renegotiation of the International Tropical Timber Agreement.

Contact: Ric Sinclair

14. PRESS CLUB ADDRESS HIGHLIGHTS SUCCESSIVE INQUIRIES - FEW POLICIES

At an address at the National Press Club on 21 October, Robert Bain highlighted a number of inquiries that have been held into the industry in recent years, but the failure of Governments to follow these through with sound policies.

NAFI is very concerned that all the time, costs and effort, together with the many recommendations supporting the industry, will be lost over the next few weeks. The Government is showing no signs of responding to the key recommendations from the RAC or those contained in NAFI's National Forest Industry Policy Statement.

A copy of Robert Bain's speech is enclosed.

15. POLITICAL CLOUT

Addressing the NAFI AGM in Canberra a 28 October political guru, Richard Farmer, again pointed to the need for the forest industries to develop political clout so that we can avoid the risk of political deals being done, especially with the environment lobby, that are to the detriment of our industry.

merely had to prove that it was a *reasonable inference* that a defect in a product was responsible for a loss.

Following an intensive campaign by industry the Legal & Administration Committee of Caucus rejected the idea of an *inference provision* in favour of the EC standard.

Despite the changes industry achieved from the original proposals the new regime will impose greater liability on manufacturers. For your information a brief overview of the new legislation's ramifications, features etc. is attached.

Contact: Chris Althaus

10. PRODUCT LIABILITY AND TIMBER DEFECTS

A quick glance at the preceding NAFI News item will show that product liability legislation is all about defects in products. Defective products may lead to litigation and, as in most legal situations, an accepted definition of defect and defectiveness will be referenced.

This could be the source of a major difficulty for our industry, as we have always referred to the natural features of our products as "defects".

The word defect is common in our Standards, in our grade specifications and in our market literature.

It may be very prudent for the word "defect" to be dropped from the industry's vocabulary. NAFI has prepared a short preliminary evaluation of this issue which can be supplied to

interested readers. The paper outlines the implications for timber standards and suggests that legal opinion be obtained.

Comment by members and from the industry will guide any further action which could be taken by NAFI.

Contact: John Carson

11. NEW PRINT MEDIA CAMPAIGN

NAFI has completed development of its latest series of print media advertisements featuring timber.

The print media campaign will commence in December and use a range of publications including major monthly and weekly womens, homemaker and specifier magazines. The campaign content has been designed to maximise versatility thereby enabling placement of the ads in a wide range of publications relevant to NAFI's public awareness and market development programs.

The campaign will be formally launched in November and State Associations will receive a full briefing to enable them to take advantage of opportunities to link to the campaign with State specific promotions. If you're a NAFI member and you want to link to this campaign please contact Chris Althaus.

12. TERMITE CONTROL REPORT DUE IN NOVEMBER

NAFI has been representing the interests of the timber industry in the debate surrounding the use of organochlorine chemicals which are currently the dominant systems for protection of buildings from termite attack. Concern

8. QUALITY ASSURANCE FOR TREATED TIMBER PRODUCTS

The last NAFI News reported on a national industry meeting which agreed in principle to establish a national quality assurance program for treated timber.

The industry believes a national scheme is the best way to realise the market growth potential for preservative treated timber. By isolating or eliminating the practices which can give treated timber a bad name, the industry is confident it can achieve long term growth in consumer demand.

To achieve success the scheme must address more than just treatment processes and preservative retention. The grade of the timber, its dimensional tolerances and post-treatment handling also affect whether the product will be fit for its purpose.

The industry has also identified the need for product specifications and consumer education if the quality of treated products is to be recognised and demanded.

Substantial work has already been carried out by industry groups and a second meeting held in late October has maintained the momentum.

This meeting was also attended by Ron Daly, Executive Officer of the New Zealand Timber Preservation Council. The NZ Woodmark Scheme provides a very successful model which covers the preservative treatment process. With the assistance of the NZ Council, the procedures to incorporate timber quality and grade into this model could be very efficiently developed. There are good signs that the NZ Council will

participate as one of the industry groups in developing this program, so as to ensure that the Australasian market for treated timber provides the best possible prospects for all producers of reliable, quality products.

Minutes of the two industry meetings are available to interested readers.

Contact: Greg Barnes

9. PRODUCT LIABILITY LEGISLATION

The last 2 years have seen intense debate on proposed changes to product liability legislation. The outcome is an addition to the Trade Practices Act which introduces much stricter product liability provisions which industry should be aware of.

Legislative reform options proposed by consumer groups and the Australian Law Reform Council in 1990 adopted an extremely 'pro consumer' approach that would have significantly disadvantaged manufacturers, by making them responsible for products and their performance regardless of the actions of users.

In response a group of industry associations (including NAFI) retained legal counsel and lobbied the Minister for Justice, Senator Michael Tate to have the new legislation follow the model used by the European Community, whereby a plaintiff *must prove* that a defect in the product caused the loss.

The original draft Bill would have exposed employers to expensive and unwinnable litigation by allowing the courts to rule in favour of plaintiffs who

Cumberlidge and perpetual supporters such as Mark Addis, Chris Northover and John Oldham must remain in our gratitude for enabling the industry to achieve so much so quickly in this area of co-ordinated public communication programs.

Contact: Peter Perkins

6. NORTH WEST TASMANIA

NAFI is assisting the Forest Industries Association of Tasmania, local community groups and concerned residents of north west Tasmania opposed to the World Heritage listing of 345 000 hectares of crown land between the Arthur and Pieman Rivers.

The proposal has been put to the Federal Government by The Wilderness Society.

Less than 30% of the area is designated multiple use forest, and according to the Forestry Commission, up to a third of that won't be logged in accordance with Codes of Practice.

The issue has not created much interest in mainland media yet, but the region is off the beaten track enough to be misrepresented as a pristine wilderness when in fact it has been mined and logged for the best part of a century.

See the "Special Edition" Forests Update attached for further information.

Contact: Jim Devine

7. PINE AUSTRALIA

The establishment of Pine Australia completes a restructuring process which started when the Radiata Pine Association of Australia moved its operations into the NAFI structure in May 1991.

Pine Australia has been set up to represent the Australian plantation softwood timber industry. Pine Australia will operate as a division of NAFI with its own program, funding and membership arrangements under an industry executive committee.

Transfer of membership is automatic for RPAA members. Membership arrangements are also being discussed with Queensland softwood producers.

Having tested its operational arrangements within NAFI, the industry has ratified final terms of reference for the structure of Pine Australia, which fulfil the original objectives set at the 1990 Annual General Meeting of RPAA.

One of Pine Australia's strengths will be the opportunity to build on the achievements and long standing reputation of the RPAA. However, it must quickly establish its own record of performance if it is to assist the industry through the challenges we face in the immediate future.

Contact: Greg Barnes

to further development. If adequately briefed, the Commission could provide useful information for the industry's investment decisions, both collectively and individually, through the next decade.

NAFI's submission will focus on broad issues facing the industry in terms of domestic impediments and international benchmarking of cost structures. It is hoped that this perspective will reinforce the submissions made by individual firms and industry sector groups. Anyone with particular statistics or anecdotal information on these issues should contact NAFI as quickly as possible.

Contact: Ric Sinclair

4. DON MACFARLANE RE-ELECTED NAFI PRESIDENT

Mr Don Macfarlane, Managing Director, Australian Paper Mills, was re-elected President of NAFI at the Annual General Meeting held in Canberra on 28 October 1992. Other key office bearers are:

Vice President

Mr Henry Pens
General Manager
CSR Limited

Vice President

Mr John Morgan
Executive General Manager
North Broken Hill Peko Limited

A list of the full Board is attached with this Newsletter.

5. PUBLIC AWARENESS COMMITTEE

As foreshadowed previously new administrative arrangements have now been put in place to manage the national public awareness and education programs of NAFI. This facilitates another merger of Associations that was a principle objective of establishing the NAFI in the first place.

The Forest Industries Campaign Association (FICA) was established in 1986 as an outcome of the tripartite Forest and Forest Products Industry Council (FAFPIC). It managed all the national public relations of the Forest Industries including national advertising, media, education, community, industry liaison and tactical co-ordination programs.

All these functions remain but, with the formal winding up of FICA, are now transferred to an Executive Committee of NAFI. It is known as the NAFI Public Awareness and Education Committee and is chaired by John Morgan (APPM). Other members are Henry Pens (CSR), Bob Richardson (ACTU), Mark Addis (FIAT), Norm Huon (VAFI), Barry La Fontaine (PPMFA), and Rob Bain (NAFI). One vacancy exists to fill the representative position of the former Petersville Sleigh/Pacific Dunlop group now owned by Boral.

Although the work of FICA will endure through its more well known creations such as the "classroom" series of TV commercials and the "growth and regrowth" eucalypt seedling logo, it is the people behind it that must not be forgotten. In particular, the founding fathers Thorry Gunnensen, Norm Huon and Bob Richardson, chairmen Colin Youren, Bill Paisley and Bob

reservations about the Bill's long-term impacts on development proposals.

The Bill is in its third draft following lengthy negotiations between the Department of Arts, Sport and Territories (DASET) and the Department of Primary Industry and Energy (DPIE). The initial draft of the Bill contained a large number of obvious ambit claims that would have resulted in increased power for the Minister of Environment and green groups. Although many of the original provisions have been diluted following industry representations, the Bill still contains some worrying elements.

Of particular concern, is the fact that the Bill was developed outside the ESD process for political expediency. Despite revisions, it remains a poorly drafted Bill with very loose language that will be open to bureaucratic interpretation. It does not address ESD objectives, so nature conservation is not balanced by social and economic factors.

Much of the discretion for the Minister for Environment in relation to vetoes has been removed, but the Minister still has discretion in the definition of species and ecological communities, impact of proposed conservation orders and temporary conservation orders. It will probably change the balance of probabilities for deciding whether an E.I.S. is required under the *Environment Protection (Impact of Proposals) Act*.

The Bill also increases third party rights for environmental groups. This provision has survived the redrafting process, and probably represents a fundamental claim by the greens. The Bill changes the common law basis for injunctions, but it has been limited to decisions made by the Minister for Environment and the

Director of the National Parks and Wildlife Service.

Despite Cabinet's approval of the redrafting, there are still grounds for concern. In particular, the Bill may be subject to amendments in the Senate by the Democrats who have taken a very strong pro-green position on endangered species protection. Whatever the final outcome, the Bill has shown that a group of industries can be influential when they work together.

Contact: Ric Sinclair

3. INDUSTRY COMMISSION INQUIRY

The Industry Commission Inquiry into adding value to Australia's forest products is currently underway. Many forest industry companies and associations expressed disappointment with the announcement of another inquiry when the Government has failed to implement the recommendations of the previous inquiries, especially the Resource Assessment Commission's Forest and Timber Inquiry.

The issue of NAFI's participation in the Inquiry was addressed at the recent Board of Directors meeting. It was agreed that the industry's opponents and trade competitors may sway the Commission's report if the industry failed to participate.

The Inquiry is focusing on the broader issues facing the industry's competitiveness in an international environment. It is looking at a wide range of industry inputs, such as labour, capital and energy. It will also look at the marketing of forest products, production processes and impediments

1. NATIONAL FOREST POLICY

Negotiations are continuing between the States and the Commonwealth on the main sections of the National Forest Policy.

The key issue is whether the Policy will provide a basis for industry investment and development and protect rural jobs.

It is understood that the Commonwealth Government is resisting the inclusion of provisions for long term wood supply agreements that are legally enforceable with respect to the laws of both State Governments and the Commonwealth Government. They are happy enough for the States to enter into contracts but not prepared for this to have Federal backing.

NAFI is encouraging the States to take a very strong stand on this issue as a National Forest Policy that does not provide for legally enforceable wood supply agreements would be of limited benefit only.

The timing is tight as the Commonwealth wants to obtain an agreement with the State Premiers at the next Commonwealth Heads of Government Meeting in late November/early December. Therefore, the industry's campaign to ensure that we get a worthwhile policy must proceed quickly and strongly.

The Opposition have advised that they will not be releasing a formal forest policy until their entire primary industry policies are announced closer to the Federal election. However, they have given three undertakings in writing:

1. The Coalition will legislate for resource security in a manner that will provide a twelve month

time limit on conservation and heritage assessments and provide for compensation to be determined if the resource is withdrawn after it has been legally provided.

- By providing legislative backing, the Coalition will also give full faith, and affect, to State or regional forest strategies which are drawn up and implemented according to Commonwealth approved procedures.

- The Coalition will also legislate to allow any pulp mill proposal which meets the current pulp mill pollution guidelines and which satisfies relevant heritage social and economic requirements.

2. A Commonwealth research arrangement will be established similar to those operating for other agricultural industries.
3. The Coalition is currently looking at how taxation measures can be improved to assist investment in plantations.

2. COMMONWEALTH ENDANGERED SPECIES BILL

The Commonwealth's Endangered Species Bill has been the subject of concentrated lobbying by a combined industry coalition. This Coalition has managed to secure a number of revisions to the Bill prior to its acceptance by cabinet. Despite the revisions, industry groups still have a number of strong

NAFI NEWS

MONTHLY NEWSLETTER OF THE NATIONAL ASSOCIATION OF FOREST INDUSTRIES

ACN 008 521 510

Forest Industries House, 24 Napier Close, Deakin, A.C.T. 2600 P.O. Box E89 Queen Victoria Terrace, Canberra A.C.T. 2600 Tel. (06) 285 3833 Fax (06) 285 3855

OCTOBER 1992

1. National Forest Policy
2. Commonwealth Endangered Species Bill
3. Industry Commission Inquiry
4. Don Macfarlane re-elected NAFI President
5. Public Awareness Committee
6. North West Tasmania
7. Pine Australia
8. Quality Assurance for Treated Timber Products
9. Product Liability Legislation
10. Product Liability and Timber Defects
11. New Print Media Campaign
12. Termite Control Report due in November
13. Tropical Forests Group Meeting
14. Press Club Address Highlights Successive Inquiries - Few Policies
15. Political Clout
16. Landcare Environment Action Program (LEAP)
17. National Forest Inventory (NFI)
18. Press Club Speech - Media
19. Forests Update
20. Feral Cats
21. Quotes
22. Public Opinion
23. Wilderness Campaigns
24. Chip Chip
25. Dick Smith
26. Pine Australia Industry Open Day - In-grade Testing Project
27. Softwood Industry Statistics
28. USA Election
29. Forthcoming Conferences
30. Back-Copies of AFIJ to be Available from the Forestry Commission of NSW