Office of John Faulkner
Minister for the Environment, Sport and Territories

20th February 1996

Robin Ramsay
Wombat Forest Society Inc
PO Box 51
Trentham, Vic, 3458

Dear Robin,

I am writing to confirm some of the issues we recently discussed after receiving your letter of 1st February 1996.

The Forest package announced by the Government in December last year has many positive conservation initiatives which directly affect the Wombat Forest. They include the following

- no export of woodchips from logging operations in the Wombat Forest. Midways previous licence to export 64,000 tonnes of woodchips from logging operations in the Wombat has been cancelled.
- the commencement of a flora and fauna study in the Wombat as part of the Comprehensive Regional Assessment process.
- the designation of Special Protection Zones of about 13,000 hectares which extends the level of reservation of the Moist Foothill Forest types in the Wombat Forest.
- the undertaking that the Commonwealth will participate in the public review of the Forest Management Area plan for the Wombat, including the sustainable yield implications of that plan.
- The Government is also committed to a proper assessment and consultation process where the full range of environment, heritage and economic values of the Wombat Forest are considered before reaching a Regional Forest Agreement. The Wombat Forest Society will be an important participant in the Regional Forest Agreement process.

The Deferred Forest Agreement (DFA) provides for the interim protection of areas of forests that are likely to be required for a comprehensive, adequate and representative reserve system. This reserve system will be determined as part of the Regional Forest Agreement (RFA) process. The RFAs will be where important conservation objectives are permanently set in place. These include the establishment of the reserve system, ecologically

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sustainable practices outside the reserve system and the determination of the sustainable yield for forest regions.

The DFA with Victoria allows for an urgent review in the event of the identification unforeseen and significant conservation values which may be threatened or where there are newly identified and significant threats to existing conservation values. This ensures that options for a comprehensive, adequate and representative reserve system are not compromised during the RFA process.

It is also true that there are exceptional circumstances allowed for unforeseen and significant changes in market conditions. However any review will not compromise options for a proper reserve based on the Commonwealth's reserve criteria. Public consultation will generally take place before any change is contemplated to the DFA.

Further these DFA exceptional circumstances provisions in no way overrides the decisions made by the Resources Minister to issue export licences under the Export Control Act.

The Minister for Resources has already decided in December last year to terminate Midways 64,000 tonnes licence which had previously enabled them to export woodchips directly from pulp logs from the Wombat Forest. This decision has its legislative basis under the Export Control Act and Regulations and cannot be overridden by any DFA agreement. As the national ceiling has been set and legislated for it not possible for the Resources Minister to increase export woodchips from the Wombat. Licences for this year have been issued up to the national ceiling minus 20% of the Western Australian export volumes as Western Australia are the only State yet to sign DFAs with the Commonwealth Government. Western Australia's 20% volume is not transferable to other states.

There is therefore no truth whatsoever in the assertion that after the election the Wombat will be export-woodchip driven. This would require legislative changes which a Labor Government has no intention of doing. Such a proposition would also go against the thrust of the Government's Wood and Paper Industry Strategy which focuses on the need for the native forest based industry to phase out of export woodchipping in favour of downstream processing.

More generally the Government's last December woodchip package also ensures

- that DFA areas are fully protected through the licence process
- that minimal affects on environment occur outside DFA's and
- that licences can be suspended where environment protection conditions and other licence conditions have not been met

- the prohibition of the export of woodchips sourced from agricultural land clearing operations and from the logging of rainforests.

- that there will be no woodchip driven operations in old growth forests.

The woodchip package was also enhanced by the focus in the Government's Wood and Paper Industry Strategy which restated the objective of phasing out the export of woodchips from native forests in favour of downstream processing by the year 2000. The newly formed Wood and Paper Industry Council has been asked to examine, as a matter of priority, ways in which this objective can be implemented. The Coalition have not matched this policy objective in their forest industry policy. Instead they state that export woodchip companies will be provided with long term approvals for the export of woodchips.

I also want to reiterate that, contrary to some assertions being made by a particular political candidate, the Commonwealth Government remains committed to its stated reserve criteria which includes the 15% pre European biodiversity protection, 60% to 100% of oldgrowth and 90% to 100% of wilderness protection. This will form the basis of a comprehensive, adequate and representative reserve system which will be developed under the RFA process.

However, until a Regional Forest Agreement is finalised in the Wombat Forest and a comprehensive, adequate and representative reserve system is established, the Victorian Government has agreed to an increase in the Special Protection Zones of about 13,000 hectares which substantially extends the level of reservation of the Moist Foothill Forest types in the Wombat Forest. The reserve system in the Wombat will be finalised only after full consultation with conservation groups, unions, industry and other community representation and in the context of the RFA.

As you know the Coalition has failed to commit itself to the Commonwealth criteria for a National Reserve system. The best they could do was to recognise that the 15% biodiversity protection was a "worthwhile objective" which would not be met in regions where this created difficulties. The coalition have also been silent on what the appropriate level of protection for old growth and wilderness should be.

I also want to confirm that Commonwealth officials have made some preliminary requests for information and data on the flora and fauna in the Wombat which may be held by the Victorian Department of Conservation and Natural Resources. I am also informed that the proposed flora and fauna study in the Wombat Forest will be considered at the inaugural CRA technical meeting between Commonwealth and State officials which will be held shortly. These are important prerequisite steps in the development of a project proposal for the study. This study will make a significant contribution to the CRA process in the Wombat Forest and remains one of the priority areas for assessment in Victoria this year.

I am aware of the general support members of the Wombat Forest Society have for the CRA/RFA process and trust they will be involved in the process. The Government is committed to the high level of stakeholder participation in the conduct of CRAs and the development of RFAs. In this regard stakeholder participation and access to appropriate data and information was written into the Scoping Agreements at the Commonwealth instigation.

I hope that I have been able to clarify a number issues for you. Please do not hesitate to contact me if you or your committee members require any additional information or further clarification.

Yours sincerely



George Masri