



Tasmanian Government Budget Submission 2012-13

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Introduction

The greatest economic advantage Tasmania has in a world increasingly crowded polluted and despoiled is our natural environment. Tasmania is world famous for the uniqueness, diversity and integrity of its natural environment, contains some of the world's most remarkable wild places, landscapes, natural phenomena and wildlife, and is recognised as one of the world's most beautiful, clean and pristine places to live. Our clean, green image is key to our ability to market and export fresh produce at a premium, is crucially important to our agricultural and fishing sectors, underpins our tourism industry, and our outstanding lifestyle is vital to the attraction and retention of entrepreneurs, business-people and professionals.

Tasmania is currently an economy in significant transition – most starkly illustrated by the changes in the forestry industry. The public expectation for the protection of our native forests has merged with growing consumer awareness and market expectations that companies no longer engage in the destruction of the natural environment. What this has meant for the forestry sector is that the old model is not sustainable, and that a pathway forward that seeks to resolve the conflict with the environment movement and broader community is necessary and prudent for the forestry industry to have a strong and sustainable future.

The economic challenges of this century will be in sustainability, and the emerging crises around water security, food, climate change and peak oil, which will collectively put immense pressure and strain on the global economy. Conversely, the great economic opportunities of this century will be in sustainability, renewable energies, environmental technologies and innovation.

In this context, this year is a critical one for Tasmania, with the opportunity to resolve a crippling generational conflict over forests, deliver a ground-breaking nature conservation outcome, and a substantial regional development package to diversify and strengthen our economy. In the context of the current challenges facing our budget and the uncertain global economic outlook, now is the time for the Tasmanian government to be taking on the challenge of helping Tasmanians through this economic transition, diversifying our economy, and protecting and fostering our economic advantages in environmental protection.

Executive Summary

Given the State's current difficult budget situation, and stated strategy of focussing on priority services and on further savings measures, we have sought to find low-cost or no-cost policy measures and initiatives that deliver strong nature conservation and environmental outcomes for Tasmania, whilst also pointing to opportunities for revenue from such sources as the Tasmanian Forests Intergovernmental Agreement, Carbon Farming Initiative and a restructure of Forestry Tasmania.

The key outcomes that our recommendations seek to achieve are a completion of the Tasmanian Forests Intergovernmental Agreement through legislated protection of forests, and a harnessing of the significant economic opportunities offered to Tasmania through the IGA. We seek a progression of the Tasmanian Government's Marine Protected Area Strategy, along with a progression of commitments to deliver coastal protection and reform. There is a need to strengthen the role of the climate ministry and genuinely drive emissions reductions across all agencies, whilst exploring opportunities for revenue from legislated forests protection.

Some important measures for protecting the health of rural landscapes are proposed, along with initiatives to improve urban sustainability. Tasmania is also in need of an independent stand-alone Environment Department, and better outcomes can be delivered more efficiently with an agency that does not have conflicting portfolio responsibilities.

In the context of the expanded reserves system from the IGA, this is an important opportunity to consolidate an expanded protected area system under the management of the Parks & Wildlife Service and deliver a genuinely sustainable funding model for the PWS via extra allocations from the State government and via the \$7million p.a. funding committed by the Commonwealth government via the IGA. A restructure and reform of Forestry Tasmania is also long overdue to ensure that the organisation is fit-for-purpose in a post IGA world, and delivers a sound commercial return.

The "conflict" model of development has failed Tasmanians economically, socially and environmentally, and a strengthening of the planning system, and new focus on building a consensus model is the way to build a much more vibrant economic climate for Tasmania.

Recommendations

We have grouped our key recommendations under 6 key themes for nature conservation and environmental protection, followed by overarching government agency reform key to the successful delivery of a strong and holistic framework for nature conservation and environmental protection in Tasmania.

1. FORESTS, WILDLIFE & WILDCOUNTRY

A. Forests Protection & Transition out of commodity timber production in Native Forests:

Complete the implementation of the Tasmanian Forests Intergovernmental Agreement, including the legislated protection of high conservation value forests, a transition of the commodity forestry industry from public native forests into suitable plantations, and other important reforms

B. Deliver on Economic Opportunities from Tasmanian Forests Intergovernmental Agreement:

Harness the economic opportunities from the IGA through;

- Supporting a restructure of the forestry industry onto a sustainable business model not based on commodity timber production from native forests
- Facilitating, through implementation of the IGA, an end to the crippling decades long divide in the community over forestry
- Diversifying and strengthening Tasmania's economy through the \$120 million economic diversification package

2. MARINE

- A. **Marine Protected Areas:** Implement a 3 year Marine Protected Area planning process to deliver a state-wide network of Marine Protected Areas, as per the Tasmanian Marine Protected Area Strategy (2001), by committing to a \$1 funding allocation over three years from 2012 – 2015

3. COASTS

- A. **Implement a comprehensive, strong State Coastal Policy:** A comprehensive coastal management framework is required, and we urge the government to recognise that comprehensive coastal reform and protection is an investment in Tasmania's future and to commit existing resources to achieving that outcome in 2012/2013.

4. CLIMATE

- A. **Strengthen the powers of the Climate Ministry:** Put in place strengthened powers for the Climate Ministry in the delivery of cross-agency and cross-departmental initiatives to cut Tasmania's greenhouse emissions.
- B. **Implement the budget recommendations from Climate Action Hobart in their budget submission, including their 10 Steps to a safe climate:** Emission reduction targets, fully accounting for forests carbon, reduced energy use, 100% renewable by 2020, strong planning laws, improved public transport, support communities transition, promote healthy lifestyles, eliminate waste and promote climate education
- C. **Explore opportunities from forests protection:** Government should consider the Carbon Farming Initiative (CFI) as a possible revenue source for Tasmania upon the delivery of the legislative protection of areas of public native forests as part of the Intergovernmental Agreement. The Tasmanian Parks & Wildlife Service should be the manager of the protected forests for biodiversity and carbon, and must be appropriately resourced for this role, via increased recurrent allocations

5. WATER, CATCHMENTS & RURAL LANDSCAPES

- A. **Immediately implement the *Cat Management Act 2009*:** This is critical to curb the impact of feral cats on biodiversity, and to tackle the spread of toxoplasmosis
- B. **Water quality protection:** Improve funding to water testing & monitoring, and implement improvements to the *Chemicals (Control of use) Amendment Bill 2011*
- C. **Biosecurity & GE-free Tasmania:** Provide funding support to strengthen the State's biosecurity, and a continuance of Tasmania's GE-free status is critical for Tasmania's natural environment and agricultural sector

6. URBAN ENVIRONMENT

- A. **Implement container deposit legislation:** Implement this economically and environmentally

sound mechanism to reduce waste.

- B. **Develop a world class public transport system:** Allocate a significant proportion of the road & transport infrastructure budget allocation to the development over time of a world class public transport system for Tasmania.
- C. **Implement an environmental grants program:** Implement an environmental grants program for not-for-profit environment groups, including in environmental law.

7. GOVERNMENT AGENCY REFORM & PLANNING

- A. **Establish an independent Environment Department:** Consolidate environment related government policy and spending areas, including Parks, into a stand-alone Environment Department that doesn't house conflicting portfolio areas
- B. **Develop a strengthened, 'fit-for-purpose' Parks & Wildlife Service:** The implementation of the IGA will lead to a major expansion of the reserve system. The new reserves and where appropriate existing forest reserves should be consolidated under the management of the PWS. To achieve a strengthened PWS, a substantial increase in recurrent funding will need to be delivered – this can be achieved through the \$7million recurrent IGA funds, increased Tas govt contribution, and potentially via opportunities from the CFI.
- C. **Re-structure Forestry Tasmania and ensure the GBE delivers a return to treasury:** The structure and business model for Forestry Tasmania is out-of-date and is failing Tasmanians. The agency needs to be re-structured to be a smaller, fit-for-purpose agency that transitions out of commodity native forests logging, and is required to deliver a commercial rate-of-return to the Tasmanian government
- D. **Support a strong planning system:** The Tasmanian Planning System must be well resourced and supported, along with a strong overarching policy frame that looks to a consensus based development model that brings economic development together with the strong public desire for and responsibility to protect our natural environment

Organisation's Role and Function

Environment Tasmania is Tasmania's peak environment body - a conservation council that is not-for-profit and that currently represents 25 nature conservation and environment non-government organisations across Tasmania, with collective representation of over 5000 Tasmanians.

Environment Tasmania's principle purpose is the protection and enhancement of the natural environment in Tasmania and to provide a representative body for groups or organisations whose primary purpose is working towards the protection, conservation and rehabilitation of the Tasmanian environment. Environment Tasmania's policies are formed by its member environment groups at General meetings, and it has membership open only to non-government organisations that have the protection, conservation, or rehabilitation of the natural environment as a principal purpose. Environment Tasmania's membership is not open to political parties or government bodies.

Environment Tasmania and our member groups work on a wide range of environment and conservation issues in Tasmania, including land, forest, coast and marine conservation, rehabilitation, pollution issues, development issues, water issues, pesticide use, the management



of our Parks & Reserves and many other important conservation issues. Geographically, our member environment groups are spread across much of the state.

Environment Tasmania is strictly non-party political and our focus is on support for the protection of Tasmania's natural environment and representation and advocacy for the policies of our member organisations.



The conservation movement is a key stakeholder in the protection of Tasmania's natural environment and economic future, and we would ask that the government look closely at the views, ideas and suggestions of the conservation council in our submission on the Tasmanian government's 12/13 budget.

Protecting Nature and Growing a Sustainable Economy

1. FORESTS, WILDLIFE & WILDCOUNTRY

Tasmania has some of the world's most remarkable native forests, wilderness areas, wildlife and natural landscapes. The key vision for the Tasmanian government must be to ensure a policy and budget setting that provides for a protection of these natural assets, a reversal of degradation in quality and extent of natural habitat in Tasmania, and an improvement in the specific conservation status of Tasmania's flora, fauna and ecological processes.

Specifically in 2012, this will require the completion of the implementation of the Tasmanian Forests Statement of Principles to lead to an agreement (SOP's) and the Tasmanian Forests Intergovernmental Agreement (IGA), by; legislating to protect high conservation value forests on public land, delivering a plan to transition the commodity forest industry out of public native forests to suitable plantations, providing voluntary incentives to help support the protection of high conservation value forests on private land, and to support the provision of whole of landscape ecological conservation planning.

The opportunity to resolve the conflict over the logging of our native forests is a critical economic necessity for Tasmania – with the conflict having caused a crippling divide in the Tasmanian community for decades. Similarly, the business model that the timber industry has been based around – large-scale logging of native forests for commodity products – is fundamentally broken and unsustainable in today's world – this restructure to a largely plantation based forestry industry in Tasmania is fundamental to the medium to long-term viability of that sector.

In addition, the current restructure of the timber industry, increase in size of our protected area system, and in perpetuity funding offered through the IGA offer a critical opportunity to deliver a long-overdue reform to government agencies to ensure that they are fit-for-purpose and financially sustainable. See more details in regard to recommended agency reform in 7.

Tasmania's economy is going through a period of significant change, and the \$120 million economic diversification package offered through the IGA is critical to strengthening and diversifying Tasmania's economic base and putting our economy on a strong future footing. Critical to the success of this package will be focussing on the emerging sustainable industries, building community consensus around a development model that integrates economic growth with environmental protection, avoiding the failed conflict development model of the past, and ensuring that the \$120 million package is wisely spent on fostering sustainable initiatives rather than subsidising 'pet projects' that aren't based on a sound business case.

Recommendations:-

A. Forests Protection & Transition from commodity timber production in Native Forests:

Complete the implementation of the Tasmanian Forests Intergovernmental Agreement, including the legislated protection of high conservation value forests, a transition of the commodity forestry industry from public native forests into suitable plantations, and other important reforms

B. Deliver on Economic Opportunities from Tasmanian Forests Intergovernmental Agreement:

Harness the economic opportunities from the IGA through;

- Supporting a restructure of the forestry industry onto a sustainable business model not based on commodity timber production from native forests
- Facilitating, through implementation of the IGA, an end to the crippling decades long divide in the community over forestry
- Diversifying and strengthening Tasmania's economy through the \$120 million economic diversification package

2. MARINE

Tasmania has a spectacular and diverse marine environment, home to an unusually large number of unique species and rare ecosystems within pristine underwater wilderness areas (see Environment Tasmania recent *"Nowhere Else On Earth"* report for more details, at www.et.org.au.) The policy and budgetary framework should be aimed at delivering a healthy, vibrant, diverse and resilient marine environment that is supported by Tasmanian communities and their lifestyles

The critical immediate term requirement to progress this vision is the implementation of the Tasmanian Marine Protected Area Strategy. Environment Tasmania and Ocean Planet Tasmania recognise that the Tasmanian Government has committed to delivering a state-wide network of Marine Protected Areas in line with the Tasmanian Marine Protected Area Strategy (2001), and recommend that the Government allocate one million dollars over three years from 2012 – 2015 to deliver this network in order to protect Tasmania's unique and diverse marine biodiversity, support sustainable fishing, contribute to our international marine science and research program, build resilience to climate change impacts, and boost tourism opportunities particularly in regional areas.



We understand that the current budget circumstances are difficult, but pressures on the marine environment are not easing up and unless our unique biodiversity is protected and our fishing and tourism industries supported, we risk losing more, economically, socially and environmentally.

The recent report *Stocking Up: Securing Our Marine Economy* (Centre for Policy Development 2011) identified that Australia's marine economy supports



thousands of regional jobs through commercial fishing, tourism and recreational fishing, yet our fiscal records only reflect a fraction of this. It recommends five simple measures to secure these resources for all Australians, including protecting our assets (in marine protected area networks), re-building fish stocks, ensuring all commercial fisheries are sustainably managed, establish baseline data for recreational catch, and support local communities through marketing and business innovation.

Whilst Tasmania manages just a fraction of Australia's total marine territory, we have equal responsibility in securing it for future generations. The current threats of the invading pest *Centrostephanus rodgersii* on wiping out critical habitat for important commercial species Rock Lobster and Abalone, increasing threats from climate change, and declining fish populations for key recreational favourites such as Bastard Trumpeter, are having a major impact on the health and resilience of our marine environment. Research and science suggests that a well-designed network of Marine Protected Areas would make a positive contribution to dealing with these threats, and boost tourism opportunities.

Commitments to a Marine Protected Area Network for Tasmania

The Tasmanian Government has committed to delivering a representative network of Marine Protected Areas (MPAs) through the implementation of the Tasmanian Marine Protected Areas Strategy (TMPAS).

Tasmania has MPA's in 3 of the 8 bioregions (excluding Macquarie Island). The Tasmanian Government is poised to embark on the final delivery of the Tasmanian Marine Protected Areas Strategy in the remaining 5 bioregions, and there is now a permanent Marine Reserves Officer in the Department of Parks and Wildlife to boost capacity and outreach in this area.

Federally, the Commonwealth Government is in the final stages of planning a National Representative System of Marine Protected Areas, which, when completed, will reserve more marine territory than in any other country in the world. Tasmania is obliged and expected to protect its state waters to complement this national system.

Tasmania Together also identifies a state-wide network of marine reserves as a priority for the state, with *Goal 11 – Built and natural heritage is valued and protected* – specifying the establishment of a network of reserves in all 8 marine bioregions by 2015.

Environment Tasmania and Ocean Planet believe that Tasmania can benefit both socially and fiscally from a 3 year Marine Protected Area planning process costing one million dollars and using existing human resources from within the Parks and Wildlife Service, Wild Fisheries department, Institute for Marine and Antarctic Science, Tasmanian Planning Commission and Tourism Tasmania. This process could deliver a well-designed network of Marine Protected Areas that protects marine biodiversity and supports sustainable fisheries and tourism industries, based on good science and input from an educated and engaged community.

Recommendations:

- A. **Marine Protected Areas:** Implement a 3 year Marine Protected Area planning process to deliver a state-wide network of Marine Protected Areas, as per the Tasmanian Marine Protected Area Strategy (2001), by committing to a \$1 funding allocation over three years from 2012 – 2015

3. COASTS

Tasmania is blessed with some of the world's most stunning coasts and coastal landscapes. The policy and budgetary framework must be focussed on ensuring that Tasmania has healthy coastal environments where coastal values are protected and cherished by the Tasmanian community. To achieve this, a clear, enforceable and evidence-based integrated coastal planning and management system for Tasmania is needed. This can be achieved if the State government delivers on the commitment made by the Premier in May 2011 to develop a comprehensive coastal management framework for Tasmania.



Environment Tasmania is part of the Tasmanian Coastal Alliance (TasCA), an alliance of NGOs and professionals with relevant expertise in coastal matters, working towards protection and sustainable management of Tasmania's coastal zone. We are active advocates for investigating fresh approaches to coastal management in Tasmania and, as outlined in the TasCA position paper ("A New Approach to Coastal Management in Tasmania" available online - http://bit.ly/TasCA_paper_05122011), we believe that this outcome can be achieved in the 2012/2013 financial year without any

significant new budget allocation. Implementation of a comprehensive and effective coastal management framework would also result in long term savings for government and improved investor confidence.

The current State Coastal Policy 1996 has failed to provide certainty to the community, developers and local government on coastal outcomes, due largely to the lack of consistent, clear and prescriptive guidance offered to decision-makers. Unclear interpretation has resulted in the State Coastal Policy 1996 being subject to numerous legal challenges, at considerable expense to all parties (including government agencies). For example:

- Bejah Insurance & Financial Services Pty Ltd v Manning & Ors [2002] TASSC 36 and Allen v Kingborough Council [2002] TASSC 98 both successfully challenged the validity of the policy, forcing the government to enact the State Coastal Validation Act 2003;
- Since 2007, at least four cases regarding interpretation of key provisions of the State Coastal Policy have been determined by the Supreme Court:
 - St Helens Landcare and Coastcare Association Inc v Break O'Day Council [2007] TASSC 15
 - Attorney-General (Tas) v Cameron [2007] TASSC 22 (special leave to appeal against this determination to the High Court was refused, however the application demonstrates a continuing level of dissatisfaction with the lack of clarity in the State Coastal Policy 1996)
 - Luencris Pty Ltd v Resource Planning and Development Commission [2007] TASSC 46
 - Skipper v Resource Planning and Development Commission [2007] TASSC 83
 - The assessment of the proposed Lauderdale Quay canal estate development is estimated to have cost the State government over \$1M, approximately \$700,000 of which has yet to be recovered. The economic burden on the community was in excess of \$650,000 in costs and lost productivity, and the cost to the developer is likely to have been in excess of \$3M. While the ultimate determination was that the proposal was not consistent with the State Coastal Policy 1996, a clearer, prescriptive policy would have allowed that conclusion to be reached without the considerable investment of time and resources by all stakeholders.

Lack of clear planning guidance is regularly cited by the development sector as a disincentive to invest in Tasmania, and is recognised as a significant impediment to appropriate management of Crown land in coastal areas. Equally, lack of clear guidance places undue burdens on under-resourced local governments and the community regarding assessment and enforcement, and can result in development outcomes that threaten Tasmania's iconic coastline and the tourism brand which is reliant on it.

TasCA believe that it is critical to get Tasmania's coastal management framework right in order to secure more sustainable development outcomes, streamline assessment resources and provide greater certainty to investors. TasCA also believe that investing resources into delivering a clear, prescriptive and enforceable management framework will result in significant long term cost savings for all levels of government.

The cost of the previous, largely ineffective, review of the State Coastal Policy has yet to be comprehensively detailed in public budget figures. However, TasCA believes that genuine reform can be achieved simply by better utilising the considerable internal expert capacity already within government. While not wholly coordinated, there are currently over 30 State government employees with expertise in coastal zone planning and management (see TasCA position paper, available online - http://bit.ly/TasCA_paper_05122011). Redirecting these resources to reflect that improved coastal management is a government priority has the potential to deliver much needed reform with economic, community, and ecological benefits.

In contrast, failure to respond to deficiencies in the current State Coastal Policy 1996 in the 2012/2013 financial year will not only mean Tasmania will miss out on the opportunities for real savings across Governments in coordination, increased efficiencies, and planning, but will continue to leave the State open to the ongoing real costs of inadequate coastal management.

Recommendations:

- A. Implement a comprehensive, strong State Coastal Policy:** A comprehensive coastal management framework is required, and we urge the government to recognise that comprehensive coastal reform and protection is an investment in Tasmania's future and to commit existing resources to achieving that outcome in 2012/2013.

3. CLIMATE

The overarching strategic policy and budget frame should be for Tasmania to be a leading light in the global effort to reduce Greenhouse emissions, transition to a low carbon future, and build a strong economy based around a leadership role in climate protection.

The passage of the carbon tax legislation through the Commonwealth parliament in 2011, along with further movement globally on pricing carbon, creates an even greater economic incentive for Tasmania to play a leadership role in tackling climate change. Climate change is the greatest challenge facing our planet this century, and those regions or countries that will fare best will be those that move early and strongly to cut pollution and adopt new technologies.

There are a number of critical policy recommendations and measures that the Tasmanian government must adopt, centred around greater regulatory and legislative 'teeth' given to the climate portfolio for the implementation of strong climate policy and mechanisms to cut emissions across all government departments and agencies. The well-thought out '10 Steps to a Safe Climate' and budget submission made by our member group Climate Action Hobart, who have outlined low or no cost initiatives to mitigate greenhouse gas emissions, should be implemented and funded through the 2012 budget.

There are also potential funding opportunities through the legislative protection of Tasmania's native forests that the Tasmanian government must also explore, potentially via both the Carbon Farming Initiative (CFI) and the Biodiversity Fund. In order to demonstrate climate benefit, it is generally accepted that any emissions avoidance or sequestration activities must fulfill the criteria of permanence, additionality and avoiding leakage (displacement), and these criteria must therefore be fulfilled in the event that the Tasmanian government pursues Carbon Farming Initiative Projects via the CFI. (See further details in Appendix A below)

The Tasmanian Parks and Wildlife Service is the appropriate manager of reserves for biodiversity, landscape protection and the protection of carbon in the landscape and management of any associated CFI project, with any new reserves to be transferred from the management of Forestry Tasmania to the PWS. The PWS will need to be resourced appropriately to take on the additional role of protecting carbon in the landscape along with the other biodiversity, landscape and nature conservation goals that the PWS is responsible for in managing Tasmania's protected areas.

Recommendations:

- A. **Strengthen the powers of the Climate Ministry:** Put in place strengthened powers for the Climate Ministry in the delivery of cross-agency and cross-departmental initiatives to cut Tasmania's greenhouse emissions.
- B. **Implement the budget recommendations from Climate Action Hobart in their budget submission, including their 10 Steps to a safe climate:** Emission reduction targets, fully accounting for forests carbon, reduced energy use, 100% renewable by 2020, strong planning laws, improved public transport, support communities transition, promote healthy lifestyles, eliminate waste and promote climate education
- C. **Explore opportunities from forests protection:** Government should consider the Carbon Farming Initiative (CFI) as a possible revenue source for Tasmania upon the delivery of the legislative protection of areas of public native forests as part of the Intergovernmental Agreement. The Tasmanian Parks & Wildlife Service should be the manager of the protected forests for biodiversity and carbon, and must be appropriately resourced for this role, via increased recurrent allocations

4. WATER, CATCHMENTS & RURAL LANDSCAPES

The policy and budgetary vision should focus on the delivery of clean, healthy river systems and water, avoidance of pollution, and healthy agricultural and rural landscapes. The goal is to ensure that Tasmania's water catchments and rural landscapes are healthy (and repaired where necessary) and making positive and growing contributions to the states biodiversity, food supply, communities and economy. Some key initiatives that can and should be implemented in 2012-13 include;

Implementation of the Cat Management Act 2009

Environment Tasmania supports the immediate implementation of the ***Cat Management Act 2009***. We accept that there are costs associated with the implementation and that it will present a challenge within a tight fiscal environment. However, the feral cat population within Tasmania is a major threat to the environment and the broader rural community and economy.

From an environmental perspective this invasive pest is a major contributing factor to bio-diversity loss throughout Tasmania and is also the disease vector by which Toxoplasmosis has spread throughout the State infecting many native species most notably wallabies and bandicoots. Marsupials in particular are susceptible to this disease and it is often fatal which results in significant population deterioration for the disease infected native species. The spread of feral cats has arguably been enhanced by the decline in devil numbers due to the facial tumour disease; this has resulted in a reduction in predator competition and removed a primary threat to feral cat litters.

Toxoplasmosis represents a major threat to the rural sector through its ability to cause spontaneous abortions in sheep and rejection of infected meat for human consumption. Overlying these economic and animal welfare factors is the very real risk to human health, where infection can result in spontaneous abortions and severe health consequences for immune suppressed individuals.

On balance the costs associated with the implementation pale when balanced against the very real economic costs to the community through lost production, health care costs and the incalculable costs associated with bio-diversity loss.

Given our continuing support for the Fox Task force it would also appear to be a natural fit to expand its remit to incorporate control and eradication of feral cats in Tasmania. We are of the view that this would go a long way to easing the political angst around the task force and will allow them to readily demonstrate productive and cost effective outcomes.

Water Quality

Environment Tasmania requests the government allocate funds for ongoing and expansion of water monitoring throughout the State. It is unacceptable to have Agri-chemical residues in raw drinking water in the 21st Century in Tasmania. Funds allocation must also be provided to allow for the resources to investigate contamination and where necessary prosecute and/or undertake remedial action without delay. There is a community expectation that our drinking water and foodstuffs will be free of chemical contamination, no matter what the source.

Further refinements are also required to the ***Chemicals (Control of use) Amendment Bill 2011*** and funding will need to be allocated for this purpose. While elements of the proposed amendments are positive there are still a number of components that allow for potential contamination by Agri-chemicals into the broader environment and community. We urge the Government to implement the ‘precautionary principle’ in relation to licensing Agri-Chemicals and in implementing the Bill. There are currently a significant number of Agri-chemicals registered for use within Tasmania that do not currently meet the rigorous standards applied by the EU, as a State we need to be demonstrating world’s best practise in this area as we currently do in so many others.

Biosecurity

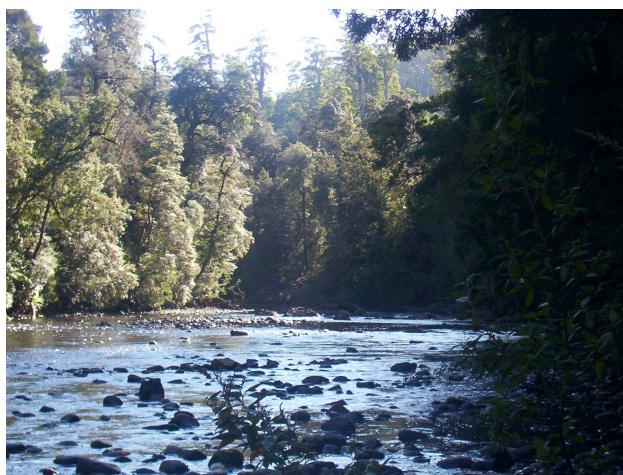
Environment Tasmania supports the Tasmanian Biosecurity Strategy, however funding must be provided to upgrade all aspects of bio security for the State. We are currently facing a raft of biosecurity risks any one of which would have severe negative economic and environmental outcomes if they were able to secure a hold in Tasmania. The community has an expectation that the Government will protect both the environment and the Tasmanian economy from biological incursions that will jeopardise the inherent strength of both.

GE-free Tasmania

Protecting Tasmania’s GE-free status should continue to remain a core policy objective of Tasmania’s agricultural strategy due to the strong environmental and economic benefits delivered through this policy approach.

Recommendations:

- A. Immediately implement the *Cat Management Act 2009*:** This is critical to curb the impact of feral cats on biodiversity, and to tackle the spread of toxoplasmosis
- B. Water quality protection:** Improve funding to water testing & monitoring, and implement improvements to the *Chemicals (Control of use) Amendment*



Bill 2011

- C. Biosecurity & GE-free Tasmania:** Provide funding support to strengthen the State's biosecurity, and a continuance of Tasmania's GE-free status is critical for Tasmania's natural environment and agricultural sector

5. URBAN ENVIRONMENT & COMMUNITIES

The policy and budgetary framework should be structured to enable healthy, safe and sustainable urban environments in Tasmania's cities and towns, along with progressively developing a world class public transport system.

Container Deposit Legislation

Key policy and budgetary outcomes for 2012-13 should include the delivery of container deposit legislation (CDL) for Tasmania. The economic and environmental case for CDL's is strong, and it is not acceptable for this to continue to be bounced back and forth from the State to COAG. South Australia already has an effective and well demonstrated system in place, and the Northern Territory has recently followed suit – Tasmania can and should continue to build the strengthen of our brand via implementation of a robust container deposit system to reduce waste.

Develop a world class public transport system

Given the importance of tourism to our State's economy, the emerging challenges of climate change and peak oil, and the social and health benefits associated with the use of public transport, the investment over time in the development of a world class public transport system in Tasmania should be a high priority for the government.

Whilst we have a Metro bus service, a Redline state-wide bus service and some city bike lanes, there is very little else in terms of public transport infrastructure or capacity in Tasmania. State-wide bus services for Tasmanians or tourists who wish to travel across the state, particularly to rural and regional areas, are infrequent and expensive. Similarly there are some significant short-falls in adequate coverage or frequency of bus services of some parts of urban Tasmania in terms of Metro services. Increased spending in service allocations and infrastructure investment in public transport over time can transform this currently patchy and ad hoc provision of public transport in Tasmania into one of the world's best public transport systems.

There has been a significant under investment in public transport infrastructure in the context of the overall budget allocations to road and transport infrastructure, and it is proposed that a significant proportion of the annual transport budget allocation be focussed on the development over time of a world class public transport system. Options include the establishment of extensive public cycle-ways in Tasmanian cities and key towns, the provision or subsidisation of more extensive, affordable and regular bus services, and the progression of such initiatives as the Hobart light-rail proposal.

Community Environmental Grants program

Community environment and conservation groups and not-for-profit environment charity organisations play a crucially important role in our community in ensuring the protection of the environment. They raise public awareness. They get the community involved – in terms of on-the-

ground work, rehabilitation, monitoring, reporting of environmental harm, or in changing our own day to day activities. And they also play a critically important role in bringing the attention of the public, policy makers, and politicians, through community awareness, events and other activities, of important environmental issues that affect us all.

A community environment grants program will assist small not-for-profit environment groups across the Tasmanian community, and key programs in particular areas of environment policy.

Areas of funding assistance that would greatly help community groups that work to protect our natural environment, include;

- * core administrative / operating grants
- * climate change grants
- * nature conservation programs & projects
- * restoration projects – such as the pilot project in the Skyline Tier in North-East Tasmania
- * the living environment – pollution, urban sustainability and sustainable living
- * legal assistance, including relating to legal advice and law reform (including support for the critical role that the EDO plays in providing education and legal advice to the Tasmanian community)
- * other specific programs

Recommendations:

- A. **Implement container deposit legislation:** Implement the economically and environmentally sound mechanism to reduce waste.
- B. **Develop a world class public transport system:** Allocate a significant proportion of the road & transport infrastructure budget allocation to the development over time of a world class public transport system for Tasmania.
- C. **Implement an environmental grants program:** Implement an environmental grants program for not-for-profit environment groups, including in environmental law.

7. GOVERNMENT AGENCY REFORM & PLANNING

A strong, well-funded and independent Environment Department and Parks Agency is needed to enable the delivery of cohesive and strong environmental protection and nature conservation policies and initiatives in Tasmania, similarly a strong planning system that protects our natural environment and enjoys public confidence, is critical for Tasmania's future.

Establishing an independent Environment Department

The reform of government agencies, and the establishment of a strong, independent Environment Department and Parks & Wildlife service is a fundamental reform required to underpin the range of other recommendations provided for in this paper. The protection of Tasmania's natural environment has been fundamentally undermined by a weak, ad hoc, and frequently changing set of bureaucratic arrangements for the implementation of environment, pollution control, nature conservation and other environment related policy areas. Another completely unacceptable institutional arrangement has been the housing of environmental protection agency areas within conflicting departmental areas such as primary industries. This, in combination with chronic under-

funding of these critical policy areas, has critically undermined the morale, cohesiveness and effectiveness of work in environmental protection and nature conservation within government. This can be restored without overall allocations through a consolidation of environment spending within government under one Department without conflicting portfolio areas.

Following the abolishing of the former Department of Parks Heritage and the Arts (DEPHA) in 2009, most environment-related spending is now housed within the Department of Primary Industries, Parks, Water and Environment, with some spending separately under Climate Change and some spending also contained within Justice. The dispersal of environment related spending across several Departments and Ministers diffuses and dilutes the efficiency and effectiveness of spending on the environment by the Tasmanian Government. There are also severe conflicts of interest in the housing of environment related departmental areas within the Department of Primary Industries, Parks, Water and Environment in particular. Environmental management, pollution control, the EPA and regulatory functions are contained within the same department that also manages forestry, mining, agriculture, fisheries and resources. There are often conflicts between resource use, allocation, extraction, industry and the environment – and it is absolutely crucial that there is capacity for independent, frank and fearless advice to be brought to cabinet by an Environment minister that has jurisdiction for all environment related policy areas and no conflicting policy areas.

It is Environment Tasmania's belief that environment related policy areas should be housed within a single, stand-alone Department of Environment, Lands and Sustainability supervised by one Minister. Significant efficiencies, economies of scale, and improvement in environmental policy outcomes would be achieved by such structural reform. Looking at how environment spending is structured in other states – most states have stand-alone Environment Departments, or at worst – no conflicting portfolio areas contained within the same department. The way that Tasmania has structured its environment spending is quite unusual, and leads to conflict, inefficiency, and unnecessary duplication.

A fit-for-purpose Parks & Wildlife Service based around a strong funding model

The Parks & Wildlife service is charged with the conservation, management and protection of Tasmania's world renowned reserve and park system – a system of reserves encompassing 19 national parks and over 400 reserves under the *Nature Conservation Act 2002*, covering nearly 2.5 million hectares of land in Tasmania. The PWS also assists in the management of reserves on private land in Tasmania. The verification process under the Tasmanian Forests Intergovernmental Agreement is assessing the values of 572,000 hectares of native forests nominated by environment groups for formal protection as additions to the reserves system under the *Nature Conservation Act 2002*, and to be managed by the Parks & Wildlife Service. The new National Parks & reserves to be gazetted as protected areas under the implementation of the Tasmanian Forests Intergovernmental Agreement would genuinely allow Tasmania to host one of the world's greatest protected area systems. The addition of the Tarkine, Styx valley of the giants, Blue Tier, Bay of Fires and other iconic natural icons to our parks system, is an extraordinary opportunity for Tasmania.

Consolidation of reserves system under PWS management

There are currently significant inefficiencies and illogical management outcomes that arise from not having a consolidated public reserves system in Tasmania. The Parks & Wildlife service is the agency

that has primary responsibility for the management of reserved land and protected areas, yet significant areas of gazetted reserves are managed by Forestry Tasmania as 'Forest Reserves' under the Forestry Act 1920 rather than the Nature Conservation Act. This makes no logical sense, and is a poor legacy and strategic planning issue that can be fixed as part of the IGA implementation.

As part of the establishment of the new National Parks & protected areas under the IGA, it is a logical and appropriate time to consolidate the reserve system to ensure that most reserves are managed by the PWS, including the new reserves created under the IGA, and where appropriate, the consolidation of existing Forest Reserves under the management of the PWS.

As many Forest Reserves are adjacent to or surrounded by land managed by the PWS already, this along with the expansion in the reserve system that will arise from implementation of the IGA will logically mandate that the PWS will be best placed to most efficiently and effectively manage most of Tasmania's public reserve system. Significant improvement in efficiency through greater economies of scale and reduction of duplication of allocation of government resources will occur through this reserve consolidation. It is the firm view of Environment Tasmania that Forestry Tasmania is not the appropriate land manager for protected areas, with its primary role being for timber production rather than conservation, which should be the primary role of a land manager charged with management of a protected area system.

A sustainable funding model for Parks

However, it is critical that this Parks expansion encompasses a genuine invigoration and support for the Parks & Wildlife Service (PWS) to ensure that the PWS has a sound funding model and the resources to protect, service and actively manage our stunning soon to be expanded parks system.

Over recent years – there has been an unfortunate legacy of governments choosing to run-down, neglect, and de-fund the PWS, and the service is working with funding levels short of what is needed for core rangers, research staff and other needed staff capacity – to adequately protect and manage our Parks system. This hasn't been helped by budget cuts in the most recent budget. We are strongly urging the Tasmanian government to reverse these funding cuts through provision of increased funding for staffing costs, core operating & ongoing maintenance components of the PWS budget on a recurrent basis.

Key Needs for Increased core funding;-

- 1) Staff numbers – in terms of rangers and on the ground staff to manage the Service's day to day and ongoing management responsibilities.
- 2) Expert staff & more funding for conservation research, monitoring and short, medium and long-term planning.
- 3) Funding for ongoing maintenance requirements for infrastructure and facilities within Tasmania's Parks & Reserves.
- 4) Overall core operating budget (including staff and maintenance as listed above). A significant proportion of the funding allocated to the Parks & Wildlife Service is grant, project specific or tied funding – rather than funding that can be allocated by the service towards its day to day management responsibilities, and ongoing maintenance requirements for Parks facilities and infrastructure.

The funding allocation promised via the Tasmanian Forests Intergovernmental Agreement is an extraordinary commitment that needs to be properly harnessed via a strengthened, fit-for-purpose Parks & Wildlife Service. Clause 35 of the IGA provides for \$7 million per financial year, indexed to CPI to support management of the additional reserves. This funding should represent a corresponding increase in core funding for the PWS for the management of the new reserves, and it is the Tasmanian governments responsibility to also increase its share of recurrent funding to the PWS accordingly to properly fund the PWS across Tasmania's entire protected area estate.

We support the need for the PWS to generate an ongoing incoming stream through fees and services, and as noted in the climate section of this submission, we believe that there are additional opportunities for a revenue stream if the PWS' remit can be expanded to ensure for the protection of carbon in the landscape, and the fulfilment of the criteria required to satisfy requirements of the Carbon Farming Initiative.

Re-structure Forestry Tasmania

Forestry Tasmania, the State-owned Forestry GBE, is failing to deliver on its core purposes for the Tasmanian community, and needs to be significantly reformed. Forestry Tasmania has based its business model around the large scale export of low value commodity native forests products, and this is no longer an acceptable or successful model for the Tasmanian community, investment community or market-place. The business model for commodity timber production from Tasmania's public native forests is broken, and has for a period of years now bled hundreds of millions of dollars of funding from the public purse. The protection of our native forests and a restructure of the timber industry to be largely based on plantations offers an opportunity to establish a sustainable business model for FT. This must be based around the State government removing responsibility for reserve lands management from Forestry Tasmania, mandating a commercially accountable rate of return, and ceasing any further public subsidies or taxpayer handouts to the agency. The agency should face the same tough budget realities that have been enforced on other parts of the State bureaucracy and not continue to be protected from budgetary accountability whilst other agencies are making significant forced cuts due to the current budget circumstances.

An analysis prepared by actuary Naomi Edwards in May 2011, for example, found that the State government should expect a total return from Forestry Tasmania of around \$43 million each year from its commercial forestry operations, despite having returned zero for three of the last four years. If Forestry Tasmania was performing to target, the analysis found, its \$43 million contribution to state finances would finance 500 public sector jobs at \$87,000 each. A comparison with Forestry SA revealed a return of \$45 million in 2010 to the S.A government off a smaller revenue and sales base than Forestry Tasmania. Whilst Forestry Tasmania is in a more difficult position now – with the subsequent sale of some of its profitable plantation assets since this analysis – the analysis is still indicative of the failure of the agency to perform to its responsibility. As with other GBEs, Forestry Tasmania is required under the act to deliver a return to the shareholder, and yet has failed to do so for several years. This is in an environment where the agency is spending significant amounts of money on political advertising, media campaigns, and a range of activities which should not be core business for a government business enterprise, and that have been at odds with the policy direction of the government as stated in the IGA.

A re-structure of the agency is needed, with a consolidation of the role and purpose to being a smaller, fit-for-purpose agency which acts in a manner consistent with the Statement of Principles, IGA and a transition out of commodity timber production in our native forests, and consistent with a sound financial return to treasury.

Planning

Focus on a consensus development model and planning model to improve certainty for business and the natural environment. There is a strong desire across most Tasmanians for strong measures to protect our natural environment and the amenity of local communities. The 'conflict' planning model, where attempts to shortcut environmental protection and proper planning inevitably leads to significant public and community conflict, and a divisive, debilitating and unstable investment environment. It also has debilitating impacts on local communities.

The calls by some small sections of the business community to take big steps backward by removing rights for third party appeals and creating dodgy short-cuts in the planning system is not the right approach to deal with public sentiment about environmental protection - and would lead to much worse outcomes for our community, the environment and the economy. The case in point for why poor planning and 'short-cuts' actually deliver worse outcomes for business – is the reaction inflamed across the Tasmanian community by the abortion of the RPDC assessment of the Tamar Valley pulp mill and the 'fast-tracking' of the mill. Similarly, the attempt to overturn an existing conservation reserve at Ralph's bay to build a destructive canal-estate development – led to years of community conflict before the proposal was shelved.

Much better outcomes will be delivered through a planning system that is strong, clear, firm and consistent on the rules for development. A clear, transparent and understandable framework will minimise the scale of 'environment vs development' conflict in Tasmania and create a more predictable and vibrant investment climate in Tasmania where environmental protection and economic development can go hand-in-hand. If business knows what the 'dos and don'ts' are, these are clear, and not open to attempted political interference or short-cuts, and that the public expectations on strong measures to protect our natural environment and strong public participation in the planning process are achieved – then the public is much more likely to accept and support the outcomes of such a robust process either way.

To strengthen and support our planning system – ongoing commitment and funding to the Tasmanian Planning Commission is critical.

Recommendations:-

- A. **Establish an independent Environment Department:** Consolidate environment related government policy and spending areas, including Parks, into a stand-alone Environment Department that doesn't house conflicting portfolio areas
- B. **Develop a strengthened, 'fit-for-purpose' Parks & Wildlife Service:** The implementation of the IGA will lead to a major expansion of the reserve system. The new reserves and where appropriate existing forest reserves should be consolidated under the management of the PWS. To achieve a strengthened PWS, a substantial increase in recurrent funding will need to be delivered – this can be achieved through the \$7million recurrent IGA funds, increased

Tas govt contribution, and potentially via opportunities from the CFI\

- C. **Re-structure Forestry Tasmania and ensure the GBE delivers a return to treasury:** The structure and business model for Forestry Tasmania is out-of-date and is failing Tasmanians. The agency needs to be re-structured to be a smaller, fit-for-purpose agency that transitions out of commodity native forests logging, and is required to deliver a commercial rate-of-return to the Tasmanian government
- D. **Support a strong planning system:** The Tasmanian Planning System must be well resourced and supported, along with a strong overarching policy frame that looks to a consensus based development model that brings economic development together with the strong public desire for and responsibility to protect our natural environment

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APPENDIX A: Fulfilling the permanence, additionality and avoiding leakage criteria for avoiding emissions and sequestration via Forests protection

Permanence

The protection of the ENGO identified HCV forest reserves from logging activities will immediately avoid substantial greenhouse gas emissions alternatively maintaining them as carbon stores (In some cases wet sclerophyll forests in Tasmania may store up to 1500 tonnes of carbon per hectare, amongst the highest forest carbon density in the world). Additionally the permanent protection of these forests will enable these ecosystems to continue to regulate the climate by sequestering and storing carbon out of the atmosphere providing incremental gains in carbon sequestration.

To demonstrate permanence the forest areas must be protected under the Nature Conservation Act 2002 as secure conservation reserves.

This will require moving that land from multiple use forests currently managed by Forestry Tasmania and some other tenures to secure legislated protected areas. Governments should commit to secure the highest possible conservation tenure for the new protected areas - these forests should become IUCN protected areas categories I – IV. The protected areas will need to be managed by the Parks & Wildlife service.

Carbon Farming Initiative projects should only commence after the delivery of secure legislative protection in the highest IUCN Category possible.

Additionality

A reduction in logging effort must be demonstrated alongside the removal of forest areas from wood production into permanent protection in order to claim a reduction in emissions of benefit to the climate.

The Tasmanian Government must deliver a reduction in the high quality sawlog requirement from 300,000m³ as currently outlined in the Forestry Act 1920. The initial reduction in native forest logging has been delivered by the commercial settlement with Gunns Limited, and further reductions from the 155,000m³ will occur from the completion of the State & Commonwealth governments voluntary exit mechanism to reduce native wood supply capacity.

Avoiding Leakage

The legislative package to implement the Tasmanian Forests Intergovernmental Agreement should incorporate a transition to a plantation based forestry industry which would allow the government to demonstrate that the logging effort will not be displaced to similarly high carbon forests on private land or interstate. Transition to a plantation base has the advantage that plantations usually store far less carbon than native forests on similar sites. The climate package should be supported by a regional development package that assists delivery of the transition away from native forests into a plantation based industry.