



COMMONWEALTH OF AUSTRALIA

## Proof Committee Hansard

# HOUSE OF REPRESENTATIVES

SELECT COMMITTEE ON REGIONAL AUSTRALIA

### **Inquiry into Regional Australia**

(Public)

TUESDAY, 26 MAY 2020

CANBERRA

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## HOUSE OF REPRESENTATIVES

### SELECT COMMITTEE ON REGIONAL AUSTRALIA

Tuesday, 26 May 2020

**Members in attendance:** Mrs Archer, Mr Drum, Dr Haines, Mr Pasin, Ms Swanson, Mr Zappia.

#### **Terms of Reference for the Inquiry:**

To inquire into and report on:

The House of Representatives on 25 July 2019 resolved that:

1. a Select Committee on Regional Australia be appointed to inquire into and report on;
  - a. Examining the effectiveness of existing regional service delivery and development programs;
  - b. Examining the contribution and role of regional Australia to our national identity, economy and environment;
  - c. Promoting the development of regional centres, cities, towns and districts including promoting master planning of regional communities;
  - d. Promoting private investment in regional centres and regional infrastructure;
  - e. Examine the key drivers for unlocking decentralisation opportunities for both the private and public sectors;
  - f. Promoting the competitive advantages of regional location for businesses;
  - g. Investigate the development of capital city size regional centres in strategic locations and the benefits this offers regional cities, capital cities, the Australian economy and lifestyle;
  - h. Examine the potential for new developments, towns and cities to be built in regional Australia;
  - i. Examining international examples of nations who have vast and productive regional areas, which are sparsely populated;
  - j. Examining ways urbanisation can be re-directed to achieve more balanced regional development;
  - k. Identifying the infrastructure requirements for reliable and affordable health, education, transport, telecommunications, clean energy, water and waste in a new settlement of reasonable size, located away from existing infrastructure; and
  - l. Consider other measures to support the ongoing growth and sustainability of regional Australia.

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**FITZGERALD, Mr Ian, Member, RecFish SA**

**HUTCHINS, Mr Neil, Director, RecFish SA**

**SCHRODER, Ms Laura, Director, RecFish SA**

*Evidence was taken via teleconference—*

**Committee met at 11:35**

**CHAIR (Mr Pasin):** I will begin by declaring open the public hearing of the House of Representatives Select Committee on Regional Australia for the inquiry into regional Australia today, held virtually. In accordance with the committee's resolutions of 19 September 2019, this hearing will be broadcast on the parliament's website, and the proof and official transcripts of proceedings will be published on that site also. Those here today are advised that filming and recording are permitted during the hearing. I remind members of the media who might be present or, more likely, listening on the web of the need to fairly and accurately report the proceedings of the committee.

I now welcome representatives of RecFish SA, who are giving evidence today. Do you have any comments to make on the capacity in which you appear?

**Mr Fitzgerald:** I am an honorary life member and former director of RecFish SA and I'm based in Adelaide, South Australia. With me, virtually, I have Mr Neil Hutchins, who's a director of RecFish SA and resides in Keith, South Australia, and Ms Laura Schroder, who's also a director of RecFish SA and resides in Keith, South Australia.

**CHAIR:** Although the committee does not require you to give evidence under oath, I should advise you that this is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege.

I now invite you to make a brief opening statement, Mr Fitzgerald, should you wish to make one. We will then proceed to questions.

**Mr Fitzgerald:** Thank you, Chair. RecFish SA is pleased to provide this concept for the recreational development, including recreational fishing, of the south-east lakes of South Australia, wholly within the federal electorate of Barker, with reference to selection committee criteria 1(c), improving and promoting the development of regional centres and regions, and criteria 1(d), promoting private investment in regional centres and regional infrastructure. RecFish SA proposes that the south-east lakes of South Australia, also labelled the 'Kakadu of the south', be developed for recreational water opportunities, including recreational fishing, bringing long-term jobs and visitor numbers to the south-east region in all seasons in a post-COVID-19 world.

Compared with Victoria, New South Wales, Queensland and Tasmania, South Australia has very few non-River-Murray freshwater lakes, and they are concentrated in the south-east. The recreational uses of the south-east lakes for locals and visitors that could be developed include boating, kayaking, recreational fishing, fish conservation elements for rare and endangered fish species in the south-east, sailing, safe access to protected fishing locations for families and school groups, walking trails, mountain bike and riding trails, caravan parks and villages, and picnic areas. The south-east water bodies could become part of the RecFish SA recreational fishing trail that stretches from Aroona Dam, near Leigh Creek, down through the mid-north reservoirs Baroota, Beetaloo and Bundaleer and through the metropolitan reservoirs Warren, South Para, Oak Valley, Happy Valley, Myponga et cetera, on which the state Labor and Liberal governments have been authorised to spend up to \$20 million since 2014.

This concept will keep the momentum building for recreational fishing initiatives for the 277,000 recreational fishers in South Australia, as well as for interstate visitors. National parks and conservation parks are adjacent to many water bodies, which are owned by the state government and would provide complementary activities such as camping, walking, possible Aboriginal interpretation centres, and appreciation of wildlife. Fish stocking of desirable species to attract recreational fishers would be necessary. For example, Valley Lake, in the middle of Mount Gambier, is one of the most advanced water bodies, needing mainly only recreationally attractive fish.

My second point is that the south-east coastal lagoon of Lake Bonney, near Millicent, is the largest coastal lagoon in South Australia. It is 24 kilometres long and four kilometres wide and could easily contain all the SA water reservoirs' surface area. None other than the Environment Protection Authority declared the water satisfactory for human contact a decade ago, and unpowered craft were authorised by the minister for transport in September 2013 as a result of a RecFish SA request. The then mayor of Wattle Range Council, Peter Gandolfi, enjoyed a kayak adventure at that time.

A fish passage from marine waters, similar to that provided in the Goolwa Barrages, would be needed to enable access by the fish. This relates to recommendation 1 of our submission. Lake George, adjacent to Beachport, is over 5,700 hectares and would require marine engineering works to enable marine water access on a regular basis, with marine fish known in this large estuary. The Lake George management committee has a keen interest in providing regular marine access, and Commonwealth funds may be available for the capital works. This relates to recommendation 2.

Environmental water from south-east water sources would be required for some lakes, such as Greenrise Lake, near Penola, and Leg of Mutton and Browns lakes, near Mount Gambier, as they are currently empty, but all were significant recreational assets decades ago. Engineering studies with the advice of the South Eastern Water Conservation and Drainage Board would be required. Environmental water is a key community asset in the River Murray and has provided for the River Torrens, the South Para River and the Onkaparinga River, all in the metropolitan area. The Wimmera Development Association noted in its 2017 study of the Victorian region just over the SA-Victoria border that the use of environmental water to refill Green Lake et cetera generated a socioeconomic benefit of \$27.5 million per annum in 2016-17. This relates to recommendations 4 and 8 of our submission.

Finally, this RecFish SA concept, when progressively implemented, could result in tens of millions of dollars per annum of socioeconomic benefit for the south-east region. A steering committee made up of local government and development organisations, including RecFish SA and local angling clubs, would be needed in the next 12 months to develop the detailed plans and priorities of the multitude of projects involved, in conjunction with the community. Thank you.

**CHAIR:** There's a specifically South Australian element to the submission, but RecFish SA is the only recreational fishing body that has made a submission. So I wonder whether you, Ms Swanson, and Mr Wilson and Mrs Archer could deal with the kind of Australia-wide elements of recreational fishing and these things, and maybe Mr Zappia and I, when we ask a question or two, can just touch on the South Australian and more local questions.

**Ms SWANSON:** Chair, I'm happy to just let you have a little bit more time talking about—

**CHAIR:** Well, I'll start, and then I might go to Mr Zappia, given the South Australian element. What do you think are the factors that have led to the decrease in participation in recreational fishing in recent years?

**Mr Fitzgerald:** The increasing non-availability of marine fish—and there's a major buyout by the state government going on at the moment—has made it harder for people to go out and catch a definite feed of fish. The other aspect, which is quite positive, regarding South Australia's share of freshwater fishing in the last major national study, which was in 2000-01, was that 10 or 11 per cent of recreational fishing activities were done on the River Murray and the other freshwater lakes. In Victoria they are getting something in the order of 25 to 30 per cent, and the demand that we have seen from people for going into the mid-north reservoirs and the metropolitan reservoirs have encouraged the state government to increase its funding for the 2018 to 2022 period from \$5 million to \$20 million.

**CHAIR:** Your submission is that the decrease in participation is a product of the limited opportunities, and, if governments of whatever sear were to increase the number of fishing opportunities and increase the attractiveness of those opportunities, then that would lead to an increased participation in the activity, in the sport, and the economic activity that comes with that. Is that correct?

**Mr Fitzgerald:** Definitely. I would add that lots of ordinary people like to be near the water and just go kayaking and sailing and all those other activities. That's the multiplier effect of making these water bodies easily accessible and attractive to a whole variety of people.

**Mr ZAPPIA:** A moment ago you talked about the major buyout. Could you explain, for the benefit of the committee members, what the buyout is and how long it's been in place?

**Mr Fitzgerald:** That's not really the topic of our discussion today, but I understand that Minister Whetstone announced a few days ago a \$24 million buyout of something like half of the marine scalefish fishers. These are the people that fish for King George whiting and snapper and gar and calamari. They've been given something like six to eight months to accept the government's offer. Then they would change from an unlimited amount of fish they can catch generally to a quota system called the TACC, total allowable commercial catch, which will be quite a radical change for the marine scalefishers.

**Mr ZAPPIA:** This is perhaps for my benefit as well: is that because there is a view that the fish stocks are being depleted?

**Mr Fitzgerald:** Definitely. You non-South Australians may not know but they've closed the snapper fishery for three or four years for summer fishing seasons due to the lack of snapper fish stocks, except in the south-east of South Australia, where the waters are much more turbulent and the fish stocks come from Victoria.

**CHAIR:** Even then, Mr Fitzgerald, I think it's a lottery in terms of the government ballot to get the entitlement to fish there.

**Mr Fitzgerald:** That is correct. You need to go into the ballot and win five tags, and there are a lot of unhappy people in South Australia because of that.

**CHAIR:** I can absolutely confirm that.

**Mr ZAPPIA:** Mr Fitzgerald, you quoted the figures of 10 to 11 per cent of fishers in South Australia as compared to 25 to 30 per cent in Victoria that do what I would call the lakes and river fishing. Is that simply because of government policies, or is it a reflection of the depleted fish stocks?

**Mr Fitzgerald:** The marine stocks for snapper—the seasons have been closed now for three years. King George whiting—it was closed for an extended period during their breeding season. I think garfish stocks were significantly depleted there in the last decade. This makes it very hard for kids to go fishing off a jetty and wade and catch their fish. Victoria has a lot of rivers and it has a lot of dams, as does Tasmania. Ms Archer would know about the freshwater fisheries: they're regularly stocked, there's a separate fee, there are all sorts of rules that people abide by and a lot of their fishing in fresh water is catch and release. Because Victoria is so small there are a lot of benefits to their cities and towns that are adjacent to the best water bodies.

**Ms SWANSON:** Thanks, Mr Fitzgerald, for your contribution this morning. I guess we're talking about economic development for regional areas today—that is the focus of our inquiry. Just to give you some sort of concept of my electorate and the reason I'm asking this is we have a very large rec fishing fraternity. I represent Port Stephens in New South Wales, which you may or may not be familiar with, but there's an enormous amount of recreational fishing. But we also have a marine park, and I know when that was first introduced there was a lot of stress and consternation. However, I think that, as time has gone forward, a lot of rec fishers have in fact identified that the stocks have been able to be replenished because of the limits and the marine park. So I'm just trying to get my head around what recommendations you would like this committee to make in relation to how we generate economic development from recreational fishing whilst balancing the need to manage the environment and have the fish there for people to be able to catch?

**Mr Fitzgerald:** I understand the economic development issue. I have been to Port Stephens. I'm aware of the marine parks. We have lots of marine parks in South Australian waters. The areas that really concern our recreational fishers are the no-fishing areas, which they call sanctuary zones in South Australia. There are something like 83 of those, and there was considerable discussion—I'm using a polite word—in the early 2010s about the whole concept of marine parks.

You've asked what recommendation we would like the committee to make. We would like the committee to support the concept of a steering committee being put together in South Australia of the various state and local governments and RecFish SA in the next 12 months to do all the detailed plans that are necessary for this whole concept to have a viable future.

**Ms SWANSON:** Is this concept the fishing trail that you're referring to?

**Mr Fitzgerald:** The 'south-east lakes' is a standalone concept. It would then be able to fit easily into the overall recreational fishing trail that I referred to, which goes right up into the outback—as the South Australian members would know—300 kilometres north of Port Augusta, then down through the mid-north and then through the metropolitan area. In the map that RecFish SA sent in the first submission, you can see that it sweeps from basically in the desert right down through the famous mid-north farming area, through the metropolitan area, where 70 per cent of the population is, and then down through the south-east—

**Ms SWANSON:** Did you finish your answer, Mr Fitzgerald?

**Mr Fitzgerald:** I'm sorry, I didn't get that last question.

**Ms SWANSON:** Have you concluded your answer? You stopped abruptly.

**Mr Fitzgerald:** Yes, I completed my answer to your question.

**Ms SWANSON:** How do you think these plans would extrapolate out across Australia more broadly? Is this something that you foresee us being able to implement in other states and territories? I'm interested in what's the big idea for regional Australia, but with absolute understanding of your focus on South Australia. This committee needs to make recommendations pertaining to the whole country, so I'm interested in how we might expand that out in terms of the big idea for all of regional Australia.

**Mr Fitzgerald:** There are many applications of recreational fishing to the water bodies in the fresh water in South Australia—and the coastal lagoons—to make the activity more accessible, more friendly and adjacent to caravan parks. I have been contacted by people in Western Australia who would like access to their reservoirs. I understand there's increasing analysis in New South Wales and Victoria on some of their water bodies. I think Tasmania has it fairly well sorted out—congratulations, Tasmania!

**Ms SWANSON:** So when you say reservoirs, are you suggesting drinking-water reservoirs where fishing could take place from the shore?

**Mr Fitzgerald:** Indeed. The reservoirs that I mentioned there are in the metropolitan area and are virtually all drinking-water reservoirs.

**Ms SWANSON:** Thank you.

**Mrs ARCHER:** I don't really have any questions. I just want to confirm what was said there in response to Ms Swanson's question, that even last week here there were reports of restocking of a drinking water reservoir with fish for recreational fishing, so it is something that actually does happen here in Tasmania and works quite successfully.

**Ms SWANSON:** Thanks, Bridget.

**CHAIR:** Mr Fitzgerald, Mr Hutchins and Ms Schroder, I thank you for making yourselves available today. I'm particularly grateful for RecFish SA's submission, for the time you took to make the submission and for your focus on the south-east of South Australia. I'm also grateful for the big idea in terms of—in answer to Ms Swanson's question—the broader national impact that could be had by this approach to recreational fishing. You will be sent a copy of the transcript of your evidence and will have an opportunity to request corrections to any transcription errors. You haven't been asked to provide any additional information. Thank you so much again. I think it's been important that we have heard from the recreational fishing sector in South Australia, but, in particular, with ideas across the national and international perspective.

**Mr Fitzgerald:** Thank you. We look forward to the transcript and your recommendations.

**HAMPTON, Mr Ross, Chief Executive Officer, Australian Forest Products Association**

*Evidence was taken via teleconference—*

[12:02]

**CHAIR:** Welcome. Do you have any comment to make on the capacity in which you appear?

**Mr Hampton:** I'm here on behalf of the many men and women around Australia who work in all facets of our forest industries in every state and territory.

**CHAIR:** Excellent. Although the committee doesn't require you to give evidence under oath, I should advise you this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The evidence given today will be recorded by Hansard and attracts parliamentary privilege. I invite you to make a brief opening statement before we proceed to discussion.

**Mr Hampton:** This is a very welcome inquiry—really welcome indeed—and extremely timely, obviously, with everything that's going on. Before I talk about the matters before this inquiry, though, on behalf of all our members I want to thank all of our political leaders for keeping us safe during this difficult time. Politics is not always a place you go to be thanked—a lot of brickbats come your way; we understand that—but, working together, we've seen Australia kept safe, when we look around the world. So let me just table thanks to the government for its leadership and the national cabinet and all of you.

In relation to this particular inquiry, I'm glad some members of the '\$100 billion by 2030' inquiry are also here today, because these inquiries obviously intersect quite specifically and dramatically. I want to make some broad observations first of all, which are no doubt already in your minds, and then come to forestry. I think we've seen two big shifts, because of the bushfires and the virus, which have happened whilst the inquiry has been underway, which is no doubt already informing your thinking. These are unseen events for all of us, but what it's really exposed for all of us in Australia is the important part regional Australia plays in adding a level of security to Australia. We've always seen this in relation to biosecurity, for example, if we've got bugs or pests coming in through the ports which might decimate our forest industries. No-one ever really thought about it in terms of a virus like this but, if we look around Australia now, places like Oberon are still humming away with all their sawmills operating, as is Mount Gambier, where you are, Chair. These places are operating like islands within Australia's own island. I think in a new world which perhaps has to confront more of this thing, that's going to be something that will make the strength of the arm of regional Australia's arguments even greater.

The second part is the obvious one that everyone's talking about, and that's manufacturing a self-reliance. It's already bubbled to the surface, of course, as we ran out of things like face masks, and our members were filling those shelves with toilet paper and packaging as fast as we ever could. But thank you again to all the politicians who resolved pretty quickly that, since we supply all the packaging for supermarkets, we'd better be an essential industry, and we kept running. But now the conversation, post protecting us, is going to be about: 'What are the strategically important industries for Australia?' I'm delighted by this because I think it exposes another conversation that I think we should have been having for years, and which I think this committee has been set up to contemplate or to grapple with, and that is: 'Why don't we make more things here now?' When we all went to school—I think most people on the call are about my age—about half of the people we went to school with could expect to go off and leave school and make something in their occupation. As I'm sure you all know, that's no longer the case. About 25 per cent of people who leave school go off and make things. We're largely a service industry country.

That brings me more specifically to forest industries, because one of the arguments we've been making for quite a while is that we in Australia should be doing much more with what we have onshore and the natural resources we have. If you take forest industries, it's very pronounced now that a lot of tourism has been hit both by the bushfires and by the virus, and we are the mainstay still driving those little economies forward. If you take the South Coast around Eden, in New South Wales, for example, it's pretty much a ghost town except for the woodchip mill, the sawmills, the trucking companies and the harvest and haul people. They're all still working as hard as ever they can. The same goes for many parts of Australia. I could name a forestry location in each one of your electorates, of course.

As that's the case, we've seen a decline in the numbers in forest industries in Australia and a continual attack on the native side of our forest industries by some. I'm not wanting to be partisan on this call, but I have to mention that the Andrews government has taken a very poor step in Victoria, we think, by announcing that it will get out of native forestry in that state, notwithstanding the fact that people still want to furnish their homes and offices

with appearance-grade hardwood timbers, which no doubt will come from other parts of the world, where they may not do forestry unsustainably as we do in Australia.

Moving into this, I think you're going to want to look at the bigger picture for the whole of Australia. Our view is that forestry is an example of one of the things that we should be doubling down on as an industry based in regional Australia where we have comparative and competitive advantage. We're the seventh-most-forested nation in the world. We have 132 million hectares of native forest full of fine species with which we can make all the things. For example, I'm looking into the committee room in Parliament House and seeing a lot of Australian native timbers, and yet we access at the moment only about seven per cent of that 132 million hectares, and that's about half of one per cent a year that is regenerated and regrown by law. As it stands, we have a lot of pressures on us to forever reduce the amount of timber available, so it's becoming harder and harder to use timber out of our own bush. Of course, what happens is that we leave it, it sits there and it goes up in a bushfire later on anyway.

On the plantation side of it, which we think is very important as well, we had a plan to get to three million hectares by 2020. Many of you will know it; it was called 2020 Vision. We got to about 2.1 million hectares and now that's receded back to about 1.7 million or 1.8 million hectares. By the way, we have 365 million hectares of agricultural land, as some of you have heard me say before, so we think that two million is probably okay for trees for production, and if we can get to 2½ million hectares we can keep our sawmills humming at a globally efficient rate and keep those jobs in Australia. Because we have high energy costs and high labour costs, we have to be superefficient to keep our place.

I am coming to a close. The macro point—and this is where we want to pay a little thanks to the government—is that we shouldn't be forever terrified of not 'picking winners' but at least having a sense of what is the right shape or fit for a particular part of Australia. We don't try and set up a bluefin tuna fishing operation up at Townsville; we do it where it makes sense. Forest industries make sense where we can grow the trees. The government's taken a step towards that, and we thank you, government members—and it was supported by the opposition. By announcing regional forest industry hubs, which are areas where there will be some sort of—although not completely—philosophical focus, at least there'll be an interest in forest industries in those areas. We think that's a great step. That is my opening statement. Thank you for your patience, everyone.

**CHAIR:** Thank you, Ross. I'll hand over to you, Ms Swanson.

**Ms SWANSON:** Thanks, Chair. Good to see you, Ross, and thanks for your opening remarks. Indeed, thanks to your industry for keeping lots of regional areas humming along. Weathertex, in my seat, has continued to produce cladding for many homes across Australia, and that's a fabulous thing. I want to go to the comment that you made about forestry and, in fact, losing a lot of the source product to fire. Has there been any thought given by the Forestry Products Association about what we've come to know as the cool-burning technique, or the Indigenous people's technique? Are you doing any work in that space? We've perhaps got some really important steps we could take forward—and it's Sorry Day today—towards reconciliation and also getting people thinking about forestry. We know that our Indigenous people actually manage the bush very well through cool burning and cutting down trees. They were the original foresters of this land. I wonder whether you have some thoughts on that and how we might progress that forward. There's perhaps a real way for us to, in the future, bring some people over who might not normally be fans of forestry.

**Mr Hampton:** We know you're a great supporter of Weathertex on the North Coast of New South Wales—the hardwood industry. It is something that we're working on. I agree with you 100 per cent, as does my board. We think that dealing more with our traditional owners in relation to the methods of cool burns, as you put it—cultural burning—is a really important step. It's one of the things we're going to look at doing more, and we hope that the royal commission will say some things about this when we get its findings towards the end of the year. We're working closely, mostly in the Northern Territory, with a couple of big companies who are doing quite a bit of this sort of work already. I think your point is more about the other forests in Australia where all of this used to happen. I think we all know that the early white explorers going up the coast of Australia reported in their diaries that there was a blanket of smoke from the beginning of the coast all the way up, because that's what was happening in the winter when our Indigenous communities, or First Australian communities, were burning.

What we also say, though, is that we won't be able to go back to those days. We obviously can't blanket our communities in smoke for half a year. It's just impossible. What we have said to the royal commission—and we're really pleased there is a national royal commission to try to address some of the really big questions that haven't been looked at in the many state inquiries—is that you have to use mulches as well as matches. That's how we put it. You can't just do this work through cool burns anymore. There's not enough community buy-in to that. It would be alright if it were a cultural thing, but it won't be sufficient. In Australia, we're pushing very hard to pick up some of what they're doing in California and Arizona, where they're spending about a billion dollars on

clearing out and reducing the intensity of the bush around communities and the access roads into those communities and so on. But we get complete push-back from activists, academics and some commentators who refuse to have the material, once it's pushed over or cleared, moved out of the bush. They say, 'No, you've got to leave it there for habitat,' but we say, 'But we're just creating fuel for next summer.' We're not saying, 'Take out all the bush'; we're just saying, 'If there are areas that make sense.' Those areas can even be along the roads that, for example, go into national parks, if that's what the national parks service would want.

The bushfire risk has to be reduced. We've seen that time and again, and we saw it in a profound way over the last summer—in an absolutely devastating way, as you all know. Ten million hectares or so was actually touched by fire. We must use this opportunity to not repeat all the mistakes of the past. We have all those different land management regimes—five or six of them across Australia, depending on what you're dealing with. The fire, of course, doesn't stop at the fence and say, 'That's a national park; I'd better behave differently.' It just runs across all the landscape, operating as a fire does. We operate differently. I could talk for a long time about bushfires and the royal commission. Your point was well made.

**Ms SWANSON:** Thanks for that. In terms of regional economic development, my sense from you, Ross, through the Forestry Products Association, is that the hubs are obviously a good idea. How do you think we can promote the idea of regional economic development? You've worked with Greening Australia. My philosophy on this, in terms of economic development and forestry generally, is we have to try and work with the more green-leaning, if you like, and say, 'We can't just open forests like we used to, and the industry knows that.' It seems to me that you are doing really good work with those who may have been, in the past, against cutting and forestry. How do we really generate some economic development and work with these groups? I'm interested in your ideas on that as well because I think it's the only way forward. If we just keep butting our heads against them, we're going to lose the battle.

**Mr Hampton:** Yes. I agree 100 per cent. I'm glad you've noticed our work with Greening Australia. There's our work on climate-proofing Australia and our work with farmers, Climate Action, the Red Meat Advisory Council and Greening Australia. That is our approach. We think that this is actually a win-win-win situation if we get it right. A lot of the messaging has to change. It shouldn't be as adversarial as it has been in the past. I think that the global winds of change are actually in Australia's favour. I'm the deputy chair of a UN advisory body through the FAO. We have meetings regularly in Rome when we're allowed to travel. We talk about how on earth we will supply the quadrupling of the world's timber and fibre demands by 2050 when we have 9½ billion people to house, clothe and feed. The only way we're going to do it is to get countries like Australia, which do certified sustainable forest management, to do more of it and to do it in a way that everyone agrees with.

One of the problems we've had in Australia is that, because the areas available to us keep reducing, because we've had a binary approach, we've had to say, 'We have a multiuse forest for forestry or we have the rest of the forest,' and then all the attention is on the multiuse forest and that gets smaller and smaller, so the operations get 'harsher and harsher'—I don't think they're harsh, but they look harsh—and that creates more animosity with the small groups in that area. If we could have a broader approach to forestry in Australia—native forestry, not plantation forestry—then I think the impacts on communities would be far more tolerated. If people understood the global story and the need to move to using more of the earth's interests, not its capital, which is what good forestry can be, then we would also garner a lot more support than we have now. I do admit that we are behind the eight ball. I don't think we've done it terribly well over the decades—forestry—in terms of making this message clear. The macro trends in the world, which I see in my international work, are saying that we are what the world needs. As climate change becomes more of a reality and climate policies become more of a strongly endorsed thing internationally—for example, if people want to have a climate-neutral building they'll have to build it out of timber. All those things are going to mean a growing interest in where we get our timber from.

Australia, if we do it well, has everything in place. We have sustainable forest management systems, we've got great people, great foresters, and we know how to look after animals and plants. If we get the social purpose right—I prefer 'social purpose' to 'social licence'—then I think we can do that in Australia forever.

**Mr DRUM:** I have been listening attentively. It is an absolute head-spin that the different states—certainly Victoria—put all these restrictions on our native timber supplies yet our demand and our thirst for timber products continues to go through the roof. The only result from these types of state restrictions on our native timber supplies is that our importers have to import our timber products from other jurisdictions that have ridiculously poor standards of compliance. As a global player, it is the most ridiculous policy ever.

**CHAIR:** Damian, in the words of Tony Jones, I will take that as a comment not a question—one I agree with, I've got to say.

**Dr HAINES:** Thanks, Mr Hampton, for your submission and opening statement. I note that in your opening statement you commented about how much has changed since November, when your submission originally came in, and those major things are bushfires and COVID. Can you describe for me, please, the estimated impact of the recent bushfires on the forestry industry and associated products, and can you speak to any region-specific impacts?

**Mr Hampton:** Certainly. It's lovely to talk to you. I don't think we've met since you got into parliament. Congratulations. In your electorate you've got—

**Dr HAINES:** Thank you. Over 1,000 jobs in my electorate are directly through forestry.

**Mr Hampton:** Yes, including that wonderful CLT plant, our only one in Australia making those wonderful panels of pine, which, as I said earlier, would be everywhere if there was a carbon-neutral policy around buildings. In your part of the world, as you know, we've had a devastating loss from the bushfires. We think over Australia but particularly in the south-west slopes and northern Victoria area we've lost 120,000 hectares of production in pine plantings. Those of you on the call would know that is pretty much our pine framing for our houses. What's enormously disturbing for us is that no matter how much goodwill there is—and there's a lot of it from all sides of politics—we can't grow trees overnight. No public policy can make a pine tree. So even though we're getting some really good support in terms of getting the use of the burnt timber—you can use it up to about year after it is burnt—and some support for future developments, it's going to be 25 years or so until those trees are mature again in Tumut, Tumbarumba and northern Victoria.

We haven't quite seen it yet but that's going to have a really profound impact on regional employment in your part of the world. There are also other stories around Australia, in terms of the impact of the fires where regional employment is going to suffer, at least for a period, in the native forest estate. Quite a bit was burnt. Normally, we're able to do post-fire harvesting. It's been done in Victoria, for example, even after the last Black Saturday fires. But, this time around, there is a real nervousness by some of the state government EPAs to allow us to continue—even though native bush does tend to regenerate, unlike those pine trees I mentioned a minute ago.

That's causing a real decline in available timber in the Meryl's

area and in the South Coast area, and that's going to flow through to job losses pretty soon. We're starting to hear about them already. We keep trying to keep our heads up about it, because it is still a big industry. It's \$24 billion a year to our economy. It's 80,000 jobs directly—even if we lose some thousands it's still a lot of people directly—and another 100,000 indirectly. As I say to our members, we mustn't lose sight of the big picture: more timber products for Australia and the world than have ever been needed before. This has been often called the new century of timber, and that's going to happen.

We appreciate that these are going to be really difficult days to get through, particularly in some of the towns I've mentioned, but we will. The fundamentals are still there and we will still get through it, and there are many other parts of Australia that haven't been so badly hit which are moving very quickly.

**Dr HAINES:** Thank you. You mentioned the salvage of burnt logs. I'm really interested in that. As you know, the government announced a \$15 million forestry transport package, earlier in April, to assist with the haulage of those burnt logs. I'm wondering about your membership's involvement in how to access that funding and what you can tell us about how that will be distributed between Victoria and New South Wales.

**Mr Hampton:** Sure. We've been in discussions with the government on behalf of our members and given them ideas to make sure that the policy idea behind that fund is met. The government, I'm sure, is very genuine in wanting to make sure the money is spent, so we're helping them with some ideas about what that might look like. We're also talking with the New South Wales and Victorian governments about what their contributions might look like. We're still waiting on Victoria to come forward. But New South Wales has matched with another \$10 million of its own, which essentially hasn't been formalised. But we expect that the federal fund is also broken up in that way—\$10 million to New South Wales and \$5 million to Victoria—noting that there was much more burnt timber in New South Wales than Victoria. But both governments have been really proactive with us about discussing things—for example, although the program has only just been announced there's been quite a lot of money expended over and above business as usual. People race around and get crews to those areas and get those trees into the mills. As I explained a little earlier, there are only so many months until the blue stain starts to develop in them and then they are completely lost to us, economically, as a community. There is still some fine-tuning to take place, but we're getting really good responses from the two governments. Victoria is a little bit of a disappointment. I'm not getting the same sort of buy-in there at this stage.

**Dr HAINES:** I want to ask about the carbon farming that was discussed in the submission. You mentioned that the carbon farming initiative rules effectively exclude new forestry products from participating in the

Emissions Reduction Fund. Could you describe the scope of carbon farming potential in the forestry products sector, and what rule changes would need to happen to support you to exploit that potential?

**Mr Hampton:** I am rather passionate about all this, and this one I could spend all day on. I'm happy to do a separate briefing if it's helpful. The great news is that, after some years of discussion and modelling and trying to work out what this would mean for forestry, the government has tabled the change in regulation that does allow farmers and plantation owners to opt into that option system. We think that's going to be useful. It won't be everything. The growers and farmers describe it as moving their rate of return from 6½ per cent to 7½ per cent or thereabouts. So it will trickle through in terms of new plantings. It has been really important and it's been a joint effort by us and the National Farmers Federation to see this freed up so that we have that as an extra incentive in the mix for farmers and plantation owners. We have quite a bit of work to do now to make sure that that happens.

The mantra used by the industry and the Forest Industry Advisory Council is 'the right trees in the right place at the right scale'. The hubs are going to be key to that. The regulation will apply in those hubs so that we don't recreate some of the difficulties that the managed investment scheme has created. I don't want to pour scorn on that; that was a policy that was trying to do something good for forestry, but it also had some unintended consequences: trees were planted so far away that we couldn't access them for the sawmills and so on. There is a lot to say about it. I should say that when the department of environment agreed to put this forward to the government, it agreed that there would be a significant uptick in sequestration that would be available through this over 10 years. I can get those numbers for you separately. We've done a document called *18 megatonnes of CO2 equivalent by 2030*, which modelled one scenario, a 400,000 hectare increase over 10 years, which is very modest, but that would add significantly to Australia's carbon tally, if I can put it that way. As I say, I'm conscious I'm talking rather a lot, so I'm happy to do a separate briefing on that, if that is helpful.

**Dr HAINES:** That would be great. Thanks so much, Ross.

**Mr ZAPPIA:** Thank you very much for your submission. I want to pick up on one of your introductory comments about value-adding and the importance of your sector. Can you identify for me any areas other than production of forestry where we could do more to value-add to the timber once it has been cut?

**Mr Hampton:** Absolutely. That is really a dorothy dixer. That's a beauty, because one of the things we just haven't done in Australia—I tear my hair out; if you can see me on the screen, you'll see that I have done that. When I go to Europe I see their biorefineries, for example, are turning cellulose—that is, the offcuts and the residues of forestry—into perfumes, aeroplane parts and pharmaceuticals. All of [inaudible] thousands of per cent value to what we use to line the racehorse stables and chicken runs at the moment in Australia. There is an enormous upside in forestry, unlike many of our rural industries. A lot of people try to do good work with their offcuts and their residues, and that's great, but ours are actually enormously valuable because, at their heart, their cellulosic value is able to be turned into anything you get from plastics or from oil. One of the things I'd like to see happen in Australia—and we were on a path towards putting this into the budget, but, because of the way that the government is dealing with everything, we're not going to do that this year—is getting one of these biorefineries. I've talked to Bridget Archer about this, for example, because Tasmania's university is already starting to go down this path a little bit. These are the sorts of things we could easily do. It is worth mentioning I think, because Rick Wilson's inquiry into growing Australian agriculture to \$100 billion by 2030 is doing great work, that, as I said to them: 'Whilst that's a laudable goal, and we definitely want to grow [inaudible]. We want to triple the production before the farm gate in our plantations at farm forestry as well. We definitely do, and we can do better silviculture, but we mustn't lose sight of the massive value that happens past the farm gate once you turn those grapes into a bottle of Grange Hermitage, for example, or you turn that steer into some prime sirloin or rib eye.' You get massive value after the farm gate, and, in regional manufacturing terms, that is where the low-hanging fruit is for Australia. All the RDCs and the Regional Australian Institute—everyone says that we can turn the dial a little bit on the other side of the farm gate and that we can get production systems running better, but where we can really spin the dial is in the R&D to add value to those things after we get them off the farm or out of the forest.

**Mr ZAPPIA:** Thank you very much for that. Have you done a submission that outlines or articulates that?

**Mr Hampton:** I think our one for the inquiry into growing Australian agriculture to \$100 billion is probably closer to the mark on that side of things, so I'll get that to you, if that's okay.

**Mr ZAPPIA:** If you could. I'd love a paper on it, if you have one.

**Mr Hampton:** Yes. I'll get it to you.

**CHAIR:** Mr Hampton, if you could share it with the secretariat, we might consider it as an additional submission. In any event, it can be circulated to all members. I'm conscious we're over time, Ross, but I am keen

to ask you two things. What recommendations would you suggest the committee consider if we want to achieve the industry's goal of growing the estate to 2.3 million hectares? Secondly, we haven't been able to get to all the questions that may well be helpful in terms of the work we want to do, and so I'll ask the secretariat to forward those to you, and you can provide some responses in writing. Would that be okay?

**Mr Hampton:** Yes, certainly—to both.

**CHAIR:** What submissions do you think the committee should consider to assist the industry to grow its estate to 2.3 million hectares?

**Mr Hampton:** I think that we're already on that path. I've got to say thank you, personally, Chair—you've done a lot of work in helping us take these steps. What we had to do in forestry was cross a threshold with various departments and also the government and the opposition—I've spoken to every party, including the Greens and Independents. In forestry—a bit like in fisheries, I guess, in some ways—you can't just do it in [inaudible]. It makes no sense to grow a really heavy tree 500 kilometres from a mill, because no-one is going to use it. You have to cross over this threshold, which we don't like doing in Australia, because it starts to smell a little bit like picking winners, which we don't like doing here. But you have to cross the threshold into some sort of planning idea—that is, some sort of notion that some areas are going to be better at some things—and, therefore, public policymaking, investments and decision-making should at least take that into account, even if they're not completely driven by it. I'm not talking about being Vietnam or China; I'm just saying that in some parts of agriculture, like forestry, it makes the most sense to think about this. We're losing 20,000 hectares around your area, Tony, as you'd be aware, because we've got a particular licensing issue around water, which is going to mean that that industry in that part of the world is going to be reduced. Was there a different way to divide the sector up? Perhaps there was; I don't know. Those are the sorts of decisions that should be looked at. If we look at a high-capacity vehicle road map for the area where Helen is—Tumut to Tumbarumba, for example—you can see a couple of little isolated areas of [inaudible] where the higher capacity vehicles can't cross, so the driver has got to stop, take one of the trailers off, go the five kilometres with one trailer, come back, get the other trailer, bring it up, put them back together and keep going. If we had an approach that said, 'That particular area is a regional forest industry hub. We want it to grow. It's got a lot of potential to double those jobs and that economic activity—\$2 billion a year in economic activity in that area—and we're going to make sure we prioritise fixing things like that there,' rather than just saying, 'We're going to fix high-capacity vehicle black spots everywhere'—I think that might be the hardest thing you can grapple with as a committee. In growing regional Australia, is it just, 'Do magic, good things everywhere,' and 'Magic happens,' or is it thinking about: 'How do you not pick winners?' I'm sure that no-one on this call is trying to do that. How do we think about Australia in a way that is a bit more commonsense? As I say, if you're doing tuna fishing, you're going to do it in Port Lincoln. You're not going to do it in—I don't suppose you get tuna in Darwin, do you? That's what I mean.

**CHAIR:** Be selective about the fairy dust. I get it.

**Mr Hampton:** That's exactly right.

**CHAIR:** With that, we've run out of time. Ross, I'm sure you can appreciate that we would—me in particular—happily question you about this industry for hours, but we can't do that. I am going to ask the secretariat to forward you the balance of the questions that were suggested but we didn't get to and that might assist us in the formulation of our report. If you could also provide us with the submission that you made to the Mr Wilson's committee's inquiry regarding \$100 billion in agricultural output by 2030, that would be appreciated. With that, can I thank you for your attendance today. You have been asked to provide some additional information, including answers to some questions you will receive shortly. Could you please see if you could get those answers to the secretariat by 11 June. You will be sent a transcript of your evidence and will have an opportunity to request corrections to any transcription errors. I want to thank you very much again, Ross, for attending. Can I also thank you for the efforts you went to personally during the bushfires. Committee members might not be aware of this, but Mr Hampton is a volunteer firefighter in addition to representing the forest industry on a national and international stage. I declare this public hearing closed.

**Committee adjourned at 12:40**