

To the ERA,

Please accept my apologies for the late submission. I wish to raise concerns regarding the State's production forests as an asset that should not remain government operated.

Whilst I believe that the existing production forests should be utilised to generate revenue and provide ecological services, I think that a great deal could be gained from increased privatisation in this sector. I am a full time farm forester growing Eucalyptus trees for sawlog production. Whilst I'm sure that I don't have all the answers, I feel that as a State resource timber production could be managed more like mineral resource extraction.

The current system is anti-competitive (and therefore acts to discourage private investment), is vulnerable to corruption and inefficiency and doesn't return full value for the true cost of this resource extraction.

As a grower of trees I know that the biggest production cost is that of the land. In the case of the State's forest this cost is not accounted for when calculating the value of the resource. The most serious consequence of this is that existing and potential private growers of hardwood sawlogs are at a disadvantage.

The situation could be addressed by offering the State production forests to private enterprise on long term lease arrangements. This could be made economically and environmentally acceptable through the provision of strict conditions. If the leases could be bought and sold there would be an incentive for exploitation to be sustainably managed. The conditions of the leases could be based on the current system of forest management plans. Fuel reduction would need to be addressed, but would be in the interests of the lessors in order to reduce risk to the assets.

As a consequence of increased privatisation via long term leases down stream processing industries would have more certainty of supply. Furthermore, the true costs of production would be accounted for creating a level playing field for the production of hardwood sawlogs on private land. There would be opportunities for private enterprises to be vertically integrated and capable of returning greater revenue to the State for a resource that is not only valuable, but fully sustainable.

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