

IN THIS BULLETIN...

*New leader
for national
forest body*

*Serious ABC "bias"
ruling justifies
full apology to
Tasmanian forest
industry*

*Gunns damages
claim sends
shares upwards*

*Lawsuits won't slow
pulp mill proposal*

*Queensland
Government
orders industry
out of western
hardwood
forests*

NAFI eNews covers topical issues, industry news, political events and regional developments. Reactions and contributions are always welcome.

Email: publications@nafi.com.au

Internet: www.nafi.com.au

Ph: +61 (02) 6285 3833

Fax: +61 (02) 6285 3855



New leader for national forest body

The National Association of Forest Industries will have a new leader in early 2005.

"The Board of NAFI is pleased to announce the appointment of Catherine Murphy to the position of Chief Executive Officer," said NAFI President Greg McCormack.

"She will take up the reins at NAFI in late January."

Mrs Murphy has been a senior government adviser for several years.

From 1996 until 2002 she was Senior Adviser (Legal) to the Prime Minister, covering a wide range of portfolio responsibilities including legal and constitutional issues, native title, telecommunications and media broadcasting, the arts, indigenous affairs, and science and innovation.

She assisted in the negotiation of the post-Wik native title framework, the Constitutional Convention, and the Republic referendum, and in the development and implementation of the government's key science and research agenda, Backing Australia's Ability.

Mrs Murphy is currently Chief of Staff to the Minister for Education, Science and Training, Brendan Nelso.

Mrs Murphy has previously held senior positions in the Department of the Prime Minister and Cabinet and the Department of Finance. She holds degrees in Economics and Law from the Australian National University.

Serious ABC "bias" ruling

The ABC's Independent Complaints Review Panel has ruled that an ABC *Four Corners* documentary aired in February 2004 displayed bias and a "serious lack of balance" in presenting Tasmania's forestry issues.

The ruling was in response to complaints by the Tasmanian branch of Timber Communities Australia and Forestry Tasmania, alleging a series of mistakes and a strong pattern of biased treatment in the "Lords of the Forests" episode of *Four Corners*, aired nationally on 16 February 2004.

"Everyone who watched the program could see it was hopelessly one-sided," said NAFI's acting Executive Director, Phil Townsend.

"It has now been independently confirmed that the *Four Corners* producers and journalist were taken in by political spin, false claims and emotion, and have embarrassed the ABC with a program found to be "seriously lacking in balance and fairness," Mr Townsend said.

"This a clear lesson to all media organisations to check the claims and credibility of the radical green political groups."

The Independent Complaints Review Panel report found that "the frequent use of ... pejoratives leaves the reasonable viewer with the impression that the program is ... seriously lacking in balance and fairness."

"The emotive language of the program invalidates the claim that it 'went down the middle'," the Panel wrote.

The Panel said that under ABC editorial rules, Four Corners was not free to take sides but *"operates under clear ABC guidelines concerning accuracy, fairness and balance."*

"The Panel cannot escape from the impression that Four Corners in this instance broke from its constraining guidelines. In its enthusiasm to canvass the [Tasmanian forestry] issue it compromised the program that resulted."

"It seems to the Panel, Four Corners did not want to miss any opportunity to hammer home its critique thereby failing to give adequate opportunity for opposing contentions to be fairly presented."

"The Panel finds instances of serious lack of balance and unfair treatment in [the program, [which] often, though not invariably, presents only the 'anti-[industry]' version on disputed issues of fact."

"[The program] frequently casts doubt on the credibility of [the industry] and their supporters, but scarcely ever subjects their opponents to the same treatment; it includes vague and unsourced allegations and emotive phrases, in both cases, so as to engender disapproval of [the industry]."

"This a clear lesson to all media organisations to check the claims and credibility of the radical green political groups."

- Phil Townsend, NAFI

The Panel also confirmed a number of factual inaccuracies to which the ABC had already admitted, and identified as inappropriate the use, without any attribution, of visual footage supplied to the ABC by green political groups. Some of the visual footage had been used misleadingly.

The Panel indicated that in selecting quotes from the long interviews given by industry figures, the program producers had picked quotes which worked to portray the industry in a poor light.

Four Corners team should apologise

Groups representing Tasmania's forest industry and communities have called for an apology from the ABC over the Four Corners affair.

The Panel said the ABC had already apologised for two factual inaccuracies in the program.

The national industry body's acting executive director Phil Townsend said the report posed a lesson to all journalists to "check the claims and credibility of the radical green political groups".

He also said that while the ABC had released the findings, it had made no formal apology or accepted responsibility.

"The ABC has yet to make any public apology to the many individuals and businesses who were denigrated," Mr Townsend said yesterday.

"We call on the ABC management to publicly accept the Panel's findings and apologise to Tasmania's honest, hardworking and, above all, sustainable forestry industry."

Timber Communities Australia is also calling on the ABC to apologise to Tasmanian forestry workers.

TCA Tasmanian, Barry Chipman, says that the mere release of the findings was not good enough.

"The program was full of inaccuracies, it was unbalanced, it was grossly unfair. There should be an apology," he said.

He said the Panel report also included a catalogue of 15 matters on which the ABC had further questions to answer.

Gunns damages action sends shares upwards

Tasmanian timber company Gunns' share price has risen to an all-time high after the company announced its decision to sue a range of protestors and lobby groups for damages incurred during recent protest campaigns.

Gunns Ltd is suing 16 individuals - including Green MPs Bob Brown and Peg Putt - and four radical green organisations - including the Wilderness Society - for a total \$6.3 million damages arising out of protests and campaigns against the company.

Gunns Ltd, Tasmania's largest private employer, is alleging protesters damaged the company's reputation, vandalised machinery and held up logging and chipping operations in a sustained campaign lasting almost five years.

Shares in the Launceston-based company rose to an all-time high of \$4.56, with \$3 million worth changing hands, but the price settled back to close at \$4.48 after finance analysts predicted the writ would have little or no impact on the company's bottom line.

(Gunns re-issued its shares on October 28 in a 4-for-1 swap to increase liquidity in the stock and encourage trading. Until the re-issue the nominal dollar value of shares was four times larger, having risen from below \$10 to around \$16 in the past few years. The new peak of \$4.56 is the equivalent of \$18.24 under the old value.)

As a result of strategic business consolidation and strong operating performances, the company's profits have risen from \$53 million in 2001-2002 to \$105 million this year.

The net profit forecast for Gunns in 2005 is \$115 million.

Top lawyers on the case

Gunns Ltd has retained experienced industrial lawyers to prosecute its case.

Barristers Stephen Howells and Mark Irving represented the Construction, Forestry Mining and Energy Union in a similar case in Victoria recently, when workers were sued by protesters for mental stress after a protest in 1999.

The barristers defended timber workers sued by green protesters after a dispute arising from protest action the Otway Ranges forests.

The case was settled in August this year, with the workers winning the majority of the legal points, but found liable to pay some protester claims.

While most of the green group claims were dismissed, five protesters were awarded a total \$133,000 on some of the claims.

Lawsuit supported in Tasmania

Tasmanian State Premier, Paul Lennon, has given cautious backing to the action launched by Gunns.

"It's a matter for Gunns and the people they have named in their legal action," the Premier said.

"Presumably if they have done nothing wrong they'll be found innocent."

Mr Lennon said he had once been the subject of legal action from Senator Brown, leader of the Australian Greens.

"The legal system is available to everyone. I have had legal action commenced against me by Bob Brown. I took that on the chin when he did it to me," he said.

"If Bob Brown has done nothing wrong, he'll be found innocent."

- Tasmanian Premier Paul Lennon

"If Bob Brown has done nothing wrong, he'll be found innocent."

Liberals leader Rene Hidding said he was surprised by the action, but that some sections of the environment movement had been "getting away with extraordinary statements and actions" against Gunns in recent years.

Tasmanian Forest contractors also say they are pleased action is being taken by Tasmanian timber company Gunns Ltd to stand up to anti-logging protesters.

Executive officer of the Tasmanian Forest Contracting Association David Hazell said he supports Gunns's lawsuit against 20 activists and environmental groups.

"We do have a problem when protesting action involves protesters chaining themselves to transport or harvesting equipment and as a result of those extreme actions they cost the individual forest contracting businesses tens of thousands of dollars," he said.

Lawsuits won't slow pulp mill proposal

*By John Caples, the Tasmanian Examiner
(Friday 17 December 2004)*

Lawsuits brought by timber company Gunns against environmental campaigners would not affect the company's commercial operations in any way, executive chairman John Gay said yesterday.

Mr Gay said that planning for the company's proposed \$1 billion bleached-kraft-pulp mill in Northern Tasmania was on schedule.

The mill, to produce between 500,000 and 1.3 million dry tonnes of pulp a year, would be the State's largest infrastructure project employing up to 11,000 people in the construction stage and could increase Tasmanian economic growth by as much as 2 per cent.

Mr Gay expects a decision on the preferred site for the mill to be known by March.

The options are at Long Reach, beside the company's existing Tamar River woodchip mills, or at Hampshire, about 20km south of Burnie.

A company report listed on a Federal Government Web site this week revealed that construction was scheduled to start in February 2006 with a mill commissioned by mid- 2008.

Apart from the start-up stage, the mill would provide its own electricity and have the capacity to sell excess power into the national grid.

It would use between one and three petajoules of natural gas or coal, up to 38,000t of sodium hydroxide, 20,000t of saltcake and 30,000t of limestone.

At Long Reach, the mill would be built on land now owned by Comalco immediately north of the Gunns woodchip mills.

It would draw water from Curries Dam, with a new small dam on Pipers River.

An effluent pipeline to carry waste water from the mill would follow the natural gas pipeline to the coast near Five Mile Bluff.

The pipeline would extend about 4km into Bass Strait.

The Hampshire site is now used for pine plantations. Water would be drawn from a raised Companion Dam and the effluent discharged through a pipeline into Bass Strait, north of Burnie.

The report said that there would be no likely impact on world heritage areas, listed wetlands, listed threatened species or migratory birds.

Timber Communities Australia spokesman Barry Chipman said his organisation had been sued with defamation in previous years after speaking out about the leadership of the statutory Environmental Defenders Office – which is taxpayer-funded – using its funds to promote radical causes.

The EDO lost its case against the community group, and then found itself unable to pay the legal costs it had incurred.

While the defendants to the Gunns action, and other green groups, have tried to characterise the issue as a battle over “free speech”, others see the litigation as getting to the heart of responsibility for political actions – including many which involve criminal acts of civil wrongs.

Summing the situation up briefly, P. Newman, of Oakdowns, Tasmania, wrote the following letter to the *Hobart Mercury* this week:

“Freedom of speech is our democratic right, but it does not give us the right to tell falsehoods. For too long the Greens have been misrepresenting forestry practices to the rest of the world. Gunns has been the target of this political party for a long time and has been forced into taking legal action. Perhaps now the rest of the world will get to hear the true story.”

Queensland Government orders industry out of western hardwood forests

A million hectares of land will become forest reserves under a \$25 million plan to remove the timber industry from hardwood forests in Queensland’s south-west.

Premier Peter Beattie said the State Government’s package should satisfy industry and environmentalists, although both would have to make concessions for it to work.

But the industry, while welcoming a seven-year guarantee of continued access, says the Government has not adequately planned for the future, and more tropical timber imports may be the result.

Premier Beattie said the industry would be given 20 years to change to the use of plantation timber.

He also said that during the change the conservation movement would have to agree to smaller trees being harvested from areas of state forests and leasehold land considered to be of low conservation value.

The timber industry would have to agree to a government buy out of about a quarter of its current logging allocations and the possibility that some jobs would be lost.

“There are about 300 jobs in the industry and it is too early to estimate the effect of the plan on those jobs, but the government believes it

can create up to 50 jobs in the Environmental Protection Agency to manage the forests,” Mr Beattie said.

Timber Queensland head Rod McInnes has been warning that around 450 jobs in 15 small towns were threatened, and many towns relied heavily on their sawmill.

The Premier said that during the transition phase to plantation timber, mills would be able to take timber from state forests and leasehold land using a 30cm minimum trunk size instead of the current 40cm.

After seven years this logging would cease and for the remaining 13 years of the transition, mills would get their timber from private land using the same 30cm minimum.

Mr Beattie said 20,000 hectares of plantations would be set up with the \$25 million being financial assistance to set up timber resources and help mills get new equipment to handle the smaller trees.

Timber workers are furious at the Beattie Government’s plan.

Don Blinco from Gowan Lea Sawmilling in southern Queensland says it could spell the end of his business.

“I think this is going to be a seven-year closure,” said Mr Blinco

“We will be closed within seven years even if we do cut back now, but as soon as we lose our forestry allocations the mill will have to close, yes.”

But Deputy Opposition Leader Jeff Seeney said the government had sold the timber mills, their workers and the towns they lived in, down the river with a “grubby” deal.

He said Mr Beattie had announced the plan “five minutes before Christmas” in an attempt to avoid too much scrutiny.

“Yet again Mr Beattie is being very, very sneaky about this grubby deal with the greens and handing over one million hectares of forest reserves without any proper consultation with the timber industry, the towns the mills support, or the region,” Mr Seeney said.

Also critical of the plan was a Western Darling Downs council, which says it should have been consulted.

Chinchilla Mayor Bill McCutcheon says he has three sawmills in his shire that could be affected, but has only seen one press release about the plan.

“We would like a seat around the table so we know what is going on in all these negotiations,” he said.

“At the moment the local government has been kept almost completely in the dark. If there was any discussion on this western hardwoods it certainly hasn’t been at our level, at the local government, on the ground.”