Implications for business

The Coalition Government's Policy is not clear as to whether streamlining the EPBC Act will also involve an overhaul of the States' assessment and approval regimes. Notably, in early 2012, COAG discussions indicated that the current Commonwealth Government was only willing to relinquish its approval power if all the States adopted a uniform assessment and approval process. This would be in direct conflict with a Bill currently before the Senate, put forward by the Greens, seeking to amend the EPBC Act so the Commonwealth Minister's approval power cannot be relinquished to the States.

Current conditions of approvals under the EPBC Act require annual compliance statements or reports to be provided to the relevant regulator and made public. A move from mandatory reporting requirements to "independent and random audits" may result in formal annual reports no longer being required. However, companies would still need to ensure and maintain evidence of compliance with the approval conditions so they have sufficient information in the event of an audit. In this respect, it is unlikely to reduce the compliance effort required of business.

Green tape reforms, if implemented, will remove or reduce some environmental regulatory obligations (for example, assessment and approval required for low risk activities). They may also improve the efficiency and avoid duplication associated with environmental assessment and approval processes. Compliance and enforcement activities of regulators may also become more targeted to higher risk activities and contraventions of environmental laws. However, as noted above, none of these reforms reduce the need for business to maintain environmental management standards and have systems in place to demonstrate due diligence and compliance.

Logging World Heritage Listed Forests: Unlawful and Uneconomic

by Tom Baxter¹

Australia's new government plans to axe not only the carbon price and mining tax, but also iconic, World Heritage listed, Tasmanian forests. This article briefly explains:

- the government's stated intent to seek removal from the World Heritage List of recently listed Tasmanian forests;
 and
- the Tasmanian Liberal Party's policy to direct the State owned forestry corporation to log in those forests.

The article then outlines the likely legal and economic consequences of such combined action. In summary, allowing logging in forests which the World Heritage Committee has listed for their outstanding universal value would breach Australia's obligations under the *World Heritage Convention*² and the *Vienna Convention on the Law of Treaties*. Such brazen and flagrant disregard for international law would also damage:

- Australia's reputation;
- · demand for its forestry products; and
- Tasmania's clean, green brand.
- 1 Corporate governance lecturer, Tasmanian School of Business and Economics, University of Tasmania. This article expands on a piece originally published in *The Conversation* on 13 September 2013 (<theconversation.com/new-danger-for-australian-world-heritagewilderness-18077>). The author acknowledges the assistance of Andrew Topfer in preparing this version
- 2 Convention Concerning the Protection of the World Cultural and Natural Heritage, opened for signature 16 November 1972, 1037 UNTS 151 (entered into force 17 December 1975) ('World Heritage Convention'), eg arts 4-5
- 3 Vienna Convention on the Law of Treaties, opened for signature 23 May 1969, 1155 UNTS 331 (entered into force 27 January 1980), art 26

World Heritage Listed Tasmanian Forests

In June 2013, the World Heritage Committee (which consists of a 21 member subset of the 190 nation states party to the *World Heritage Convention*) approved Australia's request (lodged in January 2013) to expand the Tasmanian Wilderness World Heritage Area (TWWHA) by some 170,000 hectares. This 'TWWHA extension' comprises:

over 50,000 hectares of existing public and private reserves (... such as Mt Field National Park and additional parts of the Mole Creek Karst National Park), along with nearly 120,000 hectares of land due to be reserved via the processes outlined in the Tasmanian Forests Agreement Act 2013 [Tas].⁵

The latter 120,000 ha includes tracts of forest along the TWWHA's former northern (Great Western Tiers) and eastern (eg valleys of the Huon, Weld, Styx and upper Florentine rivers) boundaries.⁶

Information released by the federal Department of Sustainability, Environment, Water, Population and Communities states that, in addition to listing glacial alpine areas (such as Mt Field National Park):

The extension [protects] additional areas of exceptional beauty, particularly majestic stands of tall eucalypt forests... increases the extent of wet eucalypt forests within the property and will enhance the connectivity between its tall eucalypt forest and rainforest.

Additional important habitat for rare and threatened species such as the endangered wedge-tailed eagle and the Tasmanian devil are also included in the boundary extension.⁷

The TWWHA extension addressed repeated requests from the World Heritage Committee to Australia for the addition of such forest areas adjacent to the TWWHA.⁸ The new boundaries of the expanded TWWHA have been gazetted under the *Environment Protection and Biodiversity Conservation Act 1999* to incorporate the TWWHA extension.⁹

- Decision 37 COM 8B.44 at <whc.unesco.org/download.cfm?id_document=123631&type=doc>; see also Tasmanian Government, Department of Infrastructure, Energy and Resources, 'World Heritage Planning' <www.forestsagreement.tas.gov.au/supporting-ourenvironment/world-heritage-planning>
- 5 Ibid
- 6 See <www.environment.gov.au/heritage/places/world/tasmanian-wilderness/information.html#extension>
- 7 Ibio
- Decision 37 COM 8B.44 at <whc.unesco.org/download.cfm?id_document=123631&type=doc> at para 2 recalled Decision 32 COM 7B.41, Decision 34 COM 7B.38, Decision 34 COM 8B.46 and Decision 36 COM 8B.45
- 9 Tasmanian Government, Department of Infrastructure, Energy and Resources, 'World Heritage Planning' <www.forestsagreement.tas. gov.au/supporting-our-environment/world-heritage-planning/>

The Tasmanian Forests Agreement

Logging in iconic forests now included in the TWWHA extension has long been a flashpoint in the decades' old 'forest wars' in Tasmania. In recent years, forestry industry, union and conservation groups have worked together through 'roundtable' negotiations seeking a resolution to Tasmania's forestry conflict. These talks produced the Tasmanian Forests Agreement 2012 (TFA)¹², providing the impetus for the Tasmanian Forests Intergovernmental Agreement 2013 (TFIA) (see NELR 2013:2).

The TWWHA extension is the key conservation outcome of these agreements delivered so far. The TFIA was worth significant federal funding to the Tasmanian forestry industry, ¹⁴ but future conservation gains beyond the TWWHA extension remain contingent on ongoing support by the Tasmanian Government and Parliament.

Liberals Seek World Heritage Removal for Logging

Prime Minister Tony Abbott has stated that his government will seek to reverse the TWWHA extension. Senator Richard Colbeck, now parliamentary secretary for Agriculture, stated on 12 September 2013 that he had 'already written to the World Heritage Council [sic] seeking to have these areas removed'. It appears that the government's prime motivation for so doing is its commitment to wind back the TFA, as noted in section 6 below.

- See eg Judith Ajani, The Forest Wars (Melbourne University Press, 2007); Greg Buckman, Tasmania's Wilderness Battles: A History (Allen & Unwin, 2008); and Rob Blakers, Wild Forest: Endangered Tasmania (The Wilderness Society (Tasmania) Inc, 2008)
- 11 <www.forestsagreement.tas.gov.au/about-tfa/tasmanian-forestsagreement-2012-signatories-agreement/>
- 12 The Tasmanian Forests Agreement is annexed to the *Tasmanian Forests Agreement Act 2013* (Tas). For more information regarding the TFA and supporting materials, see <www.forestsagreement.tas. gov.au>
- 13 Tasmanian Forests Intergovernmental Agreement between the Commonwealth of Australia and the State of Tasmania signed on 2 May 2013, cl 9(c), updating the prior Tasmanian Forests Intergovernmental Agreement signed on 7 August 2011: <www.forestsagreement.tas.gov.au/about-tfa/tasmanian-forests-intergovernmental-agreement-2013/>
- 14 See < www.forestsagreement.tas.gov.au/about-tfa/tasmanian-forests-intergovernmental-agreement-2013/>
- Andrew Darby, 'Coalition Push for Third Ever World Heritage Reversal'. The Age, 3 September 2013 https://www.theage.com.au/federal-politics/federal-election-2013/coalition-push-for-third-ever-world-heritage-reversal-20130903-2t2gl.html
- 16 Matt Smith, 'Tasmania's Entire World Heritage Area Under Threat If Protected Areas Rolled Back'. The Mercury, 12 September 2013. <www.themercury.com.au/news/tasmania/tasmanias-entire-world-heritage-area-under-threat-if-protected-areas-rolled-back/story-fnj4f7k1-1226717252461>. Note, at the time of that article, Senator Colbeck was referred to as Opposition spokesperson on forestry

The Tasmanian Liberal Party supports the Federal Government's position and actively proposes to log in the TWWHA extension. Tasmanian Liberal Opposition leader, the Hon Will Hodgman, has said that, if he is elected in March 2014 (as opinion polling has predicted for some time), his government would send state-owned corporation Forestry Tasmania into the TWWHA extension. Mr Hodgman said his purpose would be to carry out logging for specialty (old growth rainforest) timbers:

We'd allow that to happen and to provide that resource that's needed to grow the industry... including in the recently listed world-heritage area.¹⁷

The Australian Government has not publicly detailed how it intends to proceed with its plan to have the TWWHA extension removed from the World Heritage List. Nor is it clear what the World Heritage Committee's response will be to a formal request by Australia to exclude the TWWHA extension from the TWWHA. Australia will first need to lodge a request to modify the TWWHA boundary so as to excise the extension (or part thereof). In accordance with the World Heritage Committee's annual timetable, such a request needs to be lodged by 1 February (eg of 2014), after which the Committee (through its Secretariat) will seek evaluations of the request by its relevant Advisory Bodies.¹⁸

Australia may attempt a 'minor modification'¹⁹ to exclude either the full 170,000 hectare TWWHA extension or (as seems more likely) forested parts thereof. A minor modification is defined as 'one which has not a significant impact on the extent of the property, nor affects its Outstanding Universal Value.'²⁰ The TWWHA extension was added as a minor modification, so it seems likely that removing it, especially if only part thereof, would not have 'a significant impact on the extent of the property'. However, there is a strong argument that removing TWWHA extension forests would 'affect' the Outstanding Universal Value of the (expanded) TWWHA. If that is the case, then the Committee would determine the reduction request to be a 'significant' modification.²¹

If reduction was accepted as a minor modification, the Committee could rule on it at its annual meeting in 2014. If, however, Australia's proposal was considered by the Committee to be a 'significant' modification, the Committee would be unlikely to make any determination regarding the fate of the TWWHA extension before its 2015 meeting.

Consequences of World Heritage Logging

1. Contrary to International Law

Logging in the TWWHA extension, whether before or after a delisting, would be very difficult to reconcile with Australia's international treaty obligations. The *World Heritage Convention* imposes various relevant duties on its parties, including, for example, a duty to:

do all that it can, to the utmost of its own resources to ensure the identification, protection, conservation, presentation and transmission to future generations of the cultural and natural heritage situated within its territory.²²

The Convention definitions of "cultural heritage" and "natural heritage" require that they be of outstanding universal value from specified points of view, but do not limit them to World Heritage *listed* items or places. ²³ In *Queensland v Commonwealth* (the *Wet Tropics Case*) ²⁴, the High Court held the Committee's determination that an area was of 'outstanding universal value' to be conclusive evidence of that.

The voluminous documentation²⁵ supporting the World Heritage Committee's decision to extend the TWWHA, and the decision itself, authoritatively confirm that the forests are of 'outstanding universal value' and hence, are at least 'natural heritage'. Consequently, Australia's obligations under the *World Heritage Convention*, such as article 4, apply to TWWHA extension forests – even (for at least key obligations) if the forests are removed from the TWWHA.²⁶

In addition to the positive duties imposed by article 4 (and article 5), the Convention also contains prohibitions. For example, the Convention relevantly requires that its parties not take any deliberate measures that directly or indirectly damage their heritage.²⁷

- 17 Tyson Shine, 'Liberals set to log world heritage forests', ABC online, 10 September 2013 <www.abc.net.au/news/2013-09-10/liberals-setto-log-world-heritage-forests/4948076>
- 18 UNESCO World Heritage Centre, 'Operational Guidelines for the Implementation of the World Heritage Convention' Paris, 2012 < whc. unesco.org/en/guidelines/>, paras 164-165
- 19 Ibid, paras 164-164
- 20 Ibid, para 163
- 21 Ibid, paras 165, 168

- 22 World Heritage Convention art 4; see also art 5
- 23 Ibid, arts 1-2
- 24 Queensland v Commonwealth (1989) 164 CLR 261
- 25 <www.environment.gov.au/heritage/places/world/tasmanian-wilderness/resources.html>
- 26 For example, World Heritage Convention arts 4-5
- 27 World Heritage Convention, art 6(3)

Furthermore, the *World Heritage Convention's Operational Guidelines*²⁸ contain more specific requirements, such as those relating to a World Heritage property's 'integrity'.²⁹ In addition, a World Heritage property 'must have an adequate protection and management system to ensure its safeguarding'.³⁰ Protection and management³¹ includes requirements regarding:

- 'Legislative, regulatory and contractual measures for protection';³²
- 'Boundaries for effective protection';³³
- 'Buffer zones'; 34 and
- 'Sustainable use' ('The State Party ... must ensure that such sustainable use or any other change does not impact adversely on the Outstanding Universal Value of the property.')³⁵

Logging in the TWWHA extension and, arguably, delisting it in order to facilitate logging, would contravene various articles of the *World Heritage Convention* and also its *Operational Guidelines*, such as those outlined above.

Acting contrary to the *World Heritage Convention* would also be inconsistent with Australia's obligations under the *Vienna Convention on the Law of Treaties* which, inter alia, codifies the fundamental duty of nation States to fulfil treaty obligations in good faith. ³⁶ It is arguable that seeking delisting of the TWWHA extension in order to facilitate logging in it could see Australia fall foul, if not of the *World Heritage Convention* itself, then of the *Vienna Convention*'s 'good faith' requirement. Detailed consideration of that is beyond the scope of this article.

2. Logging in the TWWHA inconsistently with obligations under the World Heritage Convention will breach the EPBC Act

So long as the TWWHA extension remains on the World Heritage List,³⁷ forestry operations in the area likely to

significantly impact world heritage values would require approval from the federal Environment Minister.³⁸ The Minister, in making her/his approval decision, must not act inconsistently with, inter alia, 'Australia's obligations under the *World Heritage Convention*'.³⁹

For the reasons set out in 1 above, logging in the TWWHA extension would be inconsistent with Australia's obligations under the *World Heritage Convention*. Therefore, both the federal approval of logging activities, ⁴⁰ and the physical action of forestry operations, ⁴¹ would contravene not only international law, but also the EPBC Act. Accordingly, approval of logging in the TWWHA could be challenged as contrary to the EPBC Act.

3. World Heritage In Danger Risk for Entire TWWHA

World Heritage expert, Professor Peter Valentine, has flagged that the World Heritage Committee would see 'any threat to [newly listed forests as] a threat to the entire World Heritage area in Tasmania' and could decide to place the entire TWWHA property on the List of World Heritage in Danger.⁴²

The *Operational Guidelines*⁴³ set out a range of grounds on which the Committee can list a property as 'In Danger',⁴⁴ a precursor to exercising its ultimate sanction of removing⁴⁵ a property from the World Heritage List. The grounds for 'In Danger' listing relevantly include 'Severe deterioration of the natural beauty or scientific value of the property, as by ... logging, firewood collection, etc'.⁴⁶

Normally, parties to the Convention fight to keep their World Heritage properties *off* the List of World Heritage in Danger. Australia has previously made efforts to avoid this outcome when concerns were raised in relation to the impact of activities on our World Heritage listed properties, including uranium mining in Kakadu and rabbit infestation on Macquarie Island.⁴⁷

- 28 UNESCO World Heritage Centre, 'Operational Guidelines for the Implementation of the World Heritage Convention' Paris, 2012 < whc. unesco.org/en/guidelines/>
- 29~ See, for example, ibid at Ch II.E Integrity and/or authenticity at paras 87-95~
- 30 Ibid, para 78
- 31 Ibid, Ch II.F Protection and management
- 32 Ibid, para 98
- 33 Ibid, 'Boundaries for effective protection' at paras 99-102
- 34 Ibid, 'Buffer zones' at paras 103-107
- 35 Ibid, para 119
- 36 Vienna Convention on the Law of Treaties, opened for signature 23 May 1969, 1155 UNTS 331 (entered into force 27 January 1980), art 26 codifies this fundamental norm, known as pacta sunt servanda
- 37 All listed properties are within the definition of a declared World Heritage property under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), s 13(1)

- 38 EPBC Act, s 42(a)
- 39 EPBC Act, s 137(a)
- 40 Contrary to *EPBC Act*, s 137
- 41 Contrary to EPBC Act, s 12
- 42 Matt Smith, 'Tasmania's Entire World Heritage Area Under Threat If Protected Areas Rolled Back'. The Mercury, 12 September 2013. <www.themercury.com.au/news/tasmania/tasmanias-entire-world-heritage-area-under-threat-if-protected-areas-rolled-back/story-fnj4f7k1-1226717252461>
- 43 UNESCO World Heritage Centre, 'Operational Guidelines for the Implementation of the *World Heritage Convention*' Paris, 2012 < whc. unesco.org/en/guidelines/>
- 44 Ibid, paras 177-191
- 45 Ibid, paras 192-198
- 46 Ibid, para 180(a)(ii)
- 47 Jenny Scott, Jamie Kirkpatrick and Tom Baxter, 'Macquarie Island in Danger', WWF-Australia, Sydney, 2001

The Australian Government has actively resisted the recent suggestion that development pressure and continued transportation of coal in the Great Barrier Reef warranted placing that property on the In Danger list and has committed to developing strategic management plans in an effort to satisfy the Committee that the Reef's outstanding universal values are not at risk. In the context of ongoing concern and scrutiny by the World Heritage Committee regarding the Great Barrier Reef, logging in the TWWHA extension would raise questions in respect of Australia's commitment to managing heritage values that could have implications beyond the Tasmanian property.

4. Australia's International Reputation

190 of 193 UN member nations are parties to the *World Heritage Convention*. They have thereby recognised that natural heritage and cultural heritage are:

among the priceless and irreplaceable assets, not only of each nation, but of humanity as a whole. The loss, through deterioration or disappearance, of any of these most prized assets constitutes an impoverishment of the heritage of all the peoples of the world.⁴⁹

Accordingly, deteriorating the TWWHA by delisting the extension forests and/or logging in them could be seen as impoverishing the heritage of all peoples. At the very least, it would damage Australia's international reputation for upholding treaty commitments. Inclusion of the TWWHA property on the List of World Heritage in Danger would be a further international embarrassment for a nation that calls itself a good global citizen.

48 Tim Stephens, 'A Reprieve, But the Great Barrier Reef Remains on Death Row'. The Conversation, 20 June 2013 < theconversation.com/ a-reprieve-but-the-great-barrier-reef-remains-on-death-row-15364> New Environment Minister, the Hon Greg Hunt, has said of international concerns regarding management of Tasmanian forests:

We can work with the international community on this. It's not difficult. That's what governments do all of the time.⁵⁰

It is true that diplomacy in relation to heritage management issues regularly occurs. However, removal of a property from the World Heritage List has occurred on only two other occasions. 51

- The Arabian Oryx Sanctuary in Oman was removed from the List in 2007, after the World Heritage Committee determined that the Omani government had failed to manage impacts on the Oryx. Arabian Oryx populations on the property had drastically declined as a result of poaching, and the Omani government had responded by legislating to reduce the size of the protected area by approximately 90% to enable mining operations.
- The Elbe Valley in Dresden, Germany was removed from the List in 2009 when the World Heritage Committee determined that a bridge through the property would compromise the outstanding universal values for which the area was inscribed.

Another example of deliberate damage to World Heritage values is the Taliban dynamiting two giant Bumiyan Buddha statues in 2001.⁵² This is far from an illustrious list for Australia to join.

5. Tasmania's Brand

Many Tasmanian industries, including tourism, agriculture and aquaculture, increasingly rely on Tasmania's 'clean, green' brand as a point of market differentiation. World Heritage logging and associated controversy would threaten the credibility of Tasmania's brand, impacting those depending on it.⁵³

⁴⁹ UNESCO World Heritage Centre, 'Operational Guidelines for the Implementation of the World Heritage Convention' Paris, 2012 <whc. unesco.org/en/guidelines/>, para 4

⁵⁰ Andrew Darby, 'Coalition Push for Third Ever World Heritage Reversal', *Sydney Morning Herald*, 3 September 2013. <www.smh.com.au/federal-politics/federal-election-2013/coalition-push-forthird-ever-world-heritage-reversal-20130903-2t2gl.html>

⁵¹ Ibid

⁵² Bob Brown, 'What Do Abbott and the Taliban Have In Common?' *The* Age, 5 September 2013 <www.theage.com.au/comment/what-do-abbott-and-the-taliban-have-in-common-20130904-2t5cn.html>

⁵³ See, for example, <www.brandtasmania.com>

6. Torpedo the Tasmanian Forest Agreement

Senior Tasmanian Liberal Senator Eric Abetz declared following the election that Australia's new government will do all in its power to 'unpick' the TFA.⁵⁴ This appears to be the Government's rationale for seeking 'delisting' of the TWWHA extension for logging, which would strike at the heart of the TFA. It would also curtail the prospects of achieving two things that Tasmania's Upper House has made clear will be prerequisites to its future support for the TFA:

- Forest Stewardship Council (FSC) certification; and
- a cessation of substantial forest protests.

As Tasmania's Resources Minister, the Hon Bryan Green, stated in response to the Liberals:

International customers have made it very clear they want the unrest to stop, they want certified timber products and they support the objectives of the TFA.

The TFA gives us the opportunity to not only regain markets that have been lost but to get the industry back on a growth path.

There is no hope of that without the TFA.55

A number of representative bodies involved in the negotiations which led to the TFA have publicly opposed the Liberals' plan to seek de-listing of the TWWHA extension and to destabilise the TFA. In particular, the Forest Industries Association of Tasmania, Sawmillers' and Forest Contractors' associations, Construction Forestry Mining and Energy Union and environmental groups have urged caution and stated that the best way to achieve a sustainable and supported forest industry is "through an agreement of the type [they] have negotiated".56

- 54 'Industry Questions Election Mandate to Tear Up Forest Peace Deal', ABC News, 10 September 2013
 swww.abc.net.au/news/2013-09-09/
 forest-industry-urges-coalition-not-to-tear-up-peace-deal/4945668>
- 55 Bryan Green MP, Acting Premier, 'Liberals threaten international timber markets', Media Release, 10 September 2013 <www. premier.tas.gov.au/media_room/media_releases/liberals_threaten_ international timber markets>
- Ibid. See also Alison Andrews, 'Politicians Warned to Tread Gently', The Examiner, 11 September 2013 <www.examiner.com.au/ story/1770651/politicians-warned-to-tread-gently>; Matthew Denholm and Graham Lloyd, 'Fears Policy Will Destroy Japanese Markets'. The Australian, 7 September 2013 <www.theaustralian. com.au/national-affairs/fears-policy-will-destroy-japanese-markets/ story-fn59niix-1226713587939 7> and Tyson Shine, 'Liberals Pledge to Log World heritage Forests', ABC News, 11 September 2013 <www. abc.net.au/news/2013-09-10/liberals-set-to-log-world-heritageforests/4948076>

7. Market Costs

The Liberals' preoccupation with 'resource security' is outdated. The fundamental problem facing Tasmania's forest industry is less supply-side, than demand-driven.

Increasingly, customers are demanding FSC certification as a minimum standard in the timber they purchase. Customers are always right. For Tasmanian markets, insistence on FSC certification by Japanese customers, in particular, has been a key driver leading to the TFA.

Logging in the TWWHA extension (whether or not delisted first) would kill off any prospects of attaining FSC certification. With that would go the TFA and market demand for Tasmania's forest products. Minister Bryan Green has asked:

Why is it the Liberals are ignoring the clear messages from our major timber producers and from key customers like Harvey Norman and Bunnings that the conflict must stop?

If Tony Abbott and Will Hodgman don't come to their senses, they will kill off Tasmania's timber industry.⁵⁷

8. Social Division

World Heritage logging would be actively and vociferously resisted by ENGOs, plunging Tasmania back into the 'forest wars' which have divided the island's communities for decades. 58 Given, as Minister Green noted, that 'International customers have made it very clear they want the unrest to stop....'59, this would create a vicious downward spiral for the State's economy and social cohesion.

Rethink Required

Logging World Heritage listed forests (irrespective of whether Australia succeeded in delisting them first) would be a radical, retrograde, unlawful move. It would damage Australia's reputation, Tasmania's brand, Tasmanian forestry and other industry sectors. Its drastic environmental, economic and social costs demand the plan's reconsideration.

⁵⁷ Bryan Green MP, Acting Premier, 'Liberals threaten international timber markets', Media Release, 10 September 2013 < www. premier.tas.gov.au/media_room/media_releases/liberals_threaten_ international timber markets>

⁵⁸ Ibid

⁵⁹ Ibid