

**Assessment of Potential Economic Impacts from the Expected Changes to
the FPA Swift Parrot Management Prescriptions on Tasmanian Forestry
Operations in the Lonnavale Forest Area**

Date: 15 August 2022

Prepared for:



By:



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Acknowledgement

A special thank you to [REDACTED] of the Forest Practices Authority for her help and quick turnaround with the provision of the spatial data imperative for this assessment.

Disclaimer

The analysis presented in this report is reliant on the data from a range of sources. While the FPA has endeavored to check the accuracy and completeness of this information, the FPA does not guarantee that this document is free from errors.

Key highlights:

- The total Lonnavale forest area in focus is 11,121 hectares.
- All foraging habitat in the area is already retained under the existing Threatened Species Adviser (TSA) swift parrot prescriptions.
- The total area of high, medium and low-density mature nesting swift parrot habitat that will be unavailable for harvesting under the proposed prescriptions is 3,318 hectares or 34% of the total area¹.
- Over the next three years, 18 operational coupes in the Lonnavale forest area will be impacted by the proposed prescriptions.
- Under the proposed prescriptions, the anticipated reduction in wood volumes over a period from 2022-23 to 2024-25 is estimated to be between 45 thousand and 135 thousand cubic meters.
- Direct financial impact of the proposed approach is estimated to be a minimum of \$1.3 million per year to STT and around \$1.1 million to contractors annually, or approximate reduction of over 30% in revenue compared to the current approach.
- Should STT walk away from the coupes planned for harvesting over the next 3 years, the direct loss is expected to be over \$12 million in revenue to STT and over \$10 million in contractor payments.
- If the proposed prescriptions become permanent, the direct revenue loss to STT over the next 20 years is estimated to be in the order of \$18 to \$53 million and \$15 to \$45 million to contractors. Accounting for indirect and flow-on impacts, the impact would at least double.
- The harvest and haulage sector is inherently characterized by small operating margins and relatively high fixed costs (equipment etc.), so is highly sensitive to changes in production volumes per hectare of land, meaning that economies of scale are critical to ensure business viability.

¹ 100% of high and medium density habitat and 90% of flow density habitat.

- In the event of STT having to reduce log volumes in the area, which may result in it having to reduce the number of contractors, the impact on the latter could be significant. Industry advice is that in this instance, the harvest and haulage contractors will unlikely be able to move to the other sites, potentially leading to financial and job losses accelerating over time.
- In addition to reduced timber volumes, compliance with swift parrot prescriptions often leads to increased planning costs.² It has been estimated that planning a swift parrot coupe could add up to 75% to a total cost of planning a 50-hectare coupe, or between \$150 and \$210 per hectare. Uncertainty and operational delays have been identified as the primary causes of such cost increase.
- Harvest and haulage contractors are typically highly leveraged businesses, typically relying on work to meet overheads. The industry advice is that in this instance, the harvest and haulage contractors will unlikely be able to move to the other sites, potentially leading to financial and job losses likely accelerating over time.
- Some of the flow-on impacts that haven't been quantified in this analysis, but may be felt across the wider supply chain are:
 - *Sawmills* - there are a number of sawmills that are dependent on STT to supply sawlogs. Reduced timber volumes from STT or disruption to their on-ground operations is likely to result in timber shortfalls for sawmills.
 - *Fibre Processors* - STT also has contracts with large scale native timber processors who would be affected by a reduction in projected wood volumes.
 - *Housing and construction sector* - the long-term scenario, would also be likely to have a flow-on impact on the housing and construction sector, currently already experiencing extreme supply pressures exacerbated by the impacts of the mainland bushfires, increased transport costs and impact of Covid.

² E. Tinch et Al., 'Assessment of the expected economic and social impacts of provisions for swift parrot protection in Tasmanian forestry operations' (D2019/096123).

1. Background and Objectives

Forest Practices Authority Board has advised Sustainable Timber Tasmania (STT) that it is currently undergoing a review of the swift parrot habitat management approach, delivered through the FPA's Threatened Species Adviser (TSA) in the Lonnvale Forest Area (Denison/Barnback/Russel Forest Blocks).

The review has been initiated following 2021/22 swift parrot breeding season, where more than one hundred new records of swift parrot activity (sightings and nests) were validated by the NRE Tas and added to the Natural Values Atlas.

In December 2021, CFPO issued instruction for planners to seek coupe-by-coupe advice for proposed harvest operations within potential swift parrot habitat in the Lonnvale Forest area. The intent of that instruction was to facilitate careful management of potential habitat while the review is undertaken.

Such coupe-by-coupe approach, however, has been challenging to implement, placing a significant resource burden on the FPA staff and, as a result, leading to delays in decision-making, primarily due to lack of information on the environmental, social and economic implications.

The Forest Practices Authority Board (FPA Board) is aware of the challenges associated with such an approach and in order to assist with the provision of advice in a timely manner, the Authority is considering an adoption of **an 'interim' approach to apply the management recommendations in the TSA for the Southern Forest Swift Parrot Breeding Area (SPIBA) to the Lonnvale Forest area.**

To assist the FPA Board in its deliberations, it requested STT to provide information on the social and economic impacts of the interim approach.³

This work, therefore, aims to inform the FPA Board about the potential socio-economic impacts of the proposed changes to ensure that a full set of social, environmental and economic outcomes is taken into account in its decision-making in accordance with the Schedule 7 of the FP Act.

³ Official correspondence from the CFPO (FPA) to CEO (STT) at 27 June 2022.

1.1 Proposed changes to the TSA’s Swift Parrot Management Recommendations

The summary of current and proposed swift parrot management recommendations for the Lonnavale Forest area could be found in the Table 1 below. See Appendix A for a detailed description of the recommendations.

TABLE 1. SUMMARY OF CURRENT AND PROPOSED CHANGES TO THE TSA SWIFT PARROT RECOMMENDATIONS FOR LONNAVALE FOREST AREA

		Current recommendations (Rec 9)	Proposed recommendations (Rec 11b) – SPIBA approach
	Equivalent TSA decision pathway	Within swift parrot range; potential habitat present; native forest silviculture; within southeast potential range; not within core range	Within swift parrot range; potential habitat present; native forest silviculture; within southeast potential range; <i>within core range; less than 30% of the area within a 5 km radius comprised of potential nesting-habitat (high- or medium-density mature habitat availability); within a SPIBA</i>
1.	Nests	50m buffer	50m buffer
2.	Foraging habitat⁴	Seek advice for >1ha patches (<i>most likely retained</i>)	Retain all medium and high density and 50% low, including 90% of the largest trees
3.	Nesting habitat	-	Retain all medium and high density and 90% trees in low density habitat
4.	Sightings	Report immediately to FPA	Report immediately to FPA

The key impacts and potential economic implications to STT, contractors and a wider community that were addressed in this analysis are:

- **Historical trends and areas retained from harvesting due to swift parrot.**
- **Loss of revenue to STT due to inability to harvest and associated flow-on impacts.**
- **Loss of revenue to contractors and associated flow-on impacts.**
- **Cost of planning the swift-parrot vs non-swift parrot coupes.**
- **Operational implications of uncertainty and a delay in harvesting operations.**

⁴ Note that given the existing prescriptions already are highly likely lead to a requirement to retain foraging habitat, current assessment is focussed on the nesting habitat only.

1.2 Assumptions

The key assumptions used in the analysis are provided in Table 2 below. It should be noted that due to the challenging timeframe, some of the spatial data used here is fairly high-level. The key goal was, however, to keep the analysis realistic and apply a ‘common sense’ approach throughout. In the instance where the confidence in the data was low, conservative estimates were adopted.

TABLE 2. ASSUMPTIONS AND DATA SOURCES

Category	Units	Value	Source
Impacted coupes in the Lonnvale area (22/23 – 24/25)	#	18	22/23 – 24/25 STT Plan
CPI (2022-2025) – average	%	4.3% - FY23 and 2.9% - FY24	RBA forecast
CPI (20225-onwards)	%	2.5%	RBA target
Discount rate	%	8.5%	STT Annual report - 2021
Total Lonnvale Forest area	ha	11,121	FPA
High density mature habitat (nesting) - wet and dry eucalyptus only (>1 ha)	ha	246	FPA
Medium density mature habitat (nesting) - wet and dry eucalyptus only (>1 ha)	ha	557	FPA
Low density mature habitat (nesting) - wet and dry eucalyptus only (>1 ha)	ha	3,318	FPA
Area that will be retained from harvesting under new prescriptions (100% high and medium density and 90% low density)	ha	3,789 (34% of the total area)	Calculation based on TSA prescriptions

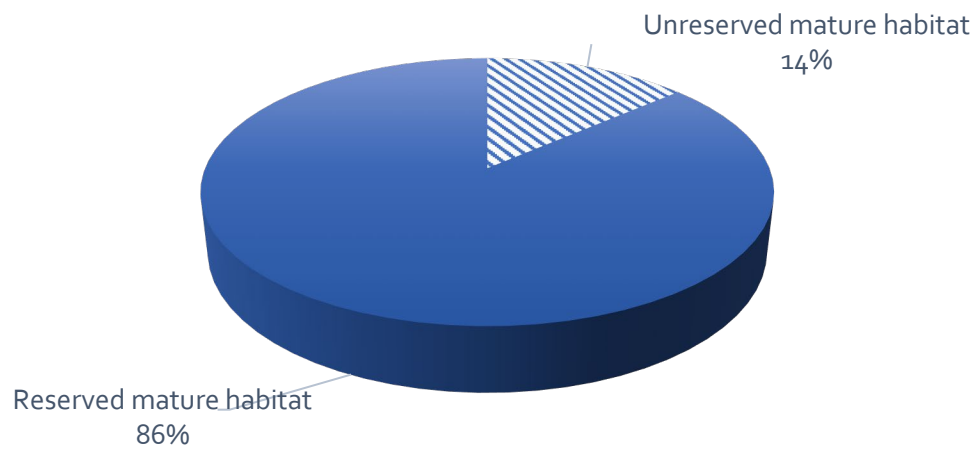
Category	Units	Value	Source
Expected timber volume	tonnes	FY23 – 36,970; FY24 – 51,890; FY25 – 45,860	STT
Expected revenue	\$AUD	FY23 – 3,769k; FY24 – 5,518k; FY25 – 5,018k	STT
No of contractors	#/year	20	STT
Payments to H&T contractors	\$AUD	FY23 – 2,045k; FY24 – 2,994k; FY25 – 2,723k	STT
Payments to roading contractors	\$AUD	FY23 – 77k; FY24 – 152k; FY25 – 115k	STT
Payments to silviculture contractors	\$AUD	FY23 – 20k; FY24 – 14k; FY25 – 23k	STT
Payments to supply chain partners (Tasrail)	\$AUD	FY23 – 527k; FY24 – 772k; FY25 – 702k	STT
Payments for co-mingled chips	\$AUD	FY23 – 488k; FY24 – 714k; FY25 – 650k	STT
Indirect and induced output multiplier		1.93	J. Schirmer et al., 2018

2. Results

2.1 Mature habitat on Public Land in Tasmania

As can be seen in the Chart 1 below, over 85% of high, medium and low-density mature nesting and foraging habitat on public land in the Core breeding range⁵ in Tasmania is reserved from forestry operations.⁶

CHART 1. COMBINED TOTAL PROPORTION OF RESERVED AND UNRESERVED MATURE HABITAT ON PUBLIC LAND



Historical data of the Forest Practices Plans (FPPs) over the period from 2011-2017⁷, shows that in the swift parrot core breeding range, on average around 40% of the total area planned for harvest has been retained due to swift parrot prescriptions. This, however, does not include the areas that have been rejected outright as 'uneconomic'.

It is, therefore conservatively assumed that, should the proposed prescriptions be introduced, a similar proportion of the coupes could be expected to be retained, a base case assumption in this analysis.

⁵ The Core Range of the swift parrot is the area within the SE potential breeding range that is within 10 km of the coast or is designated as a SPIBA (as defined in FPA 2010), Forest Practices Authority and Threatened Species Section, 2012a.

⁶ Source: E. Tinch et Al., 'Assessment of the expected economic and social impacts of provisions for swift parrot protection in Tasmanian forestry operations' (D2019/096123).

⁷ Note: Whilst every effort has been made to ensure that the latest data has been used in this analysis, due to the challenging timeframes, data indicative of the historical changes to swift parrot habitat, has been adopted from the report released in 2019.

2.2 Mature Habitat in the Lonnvale Forest Area

Based on the spatial data provided by the Forest Practices Authority, the total Lonnvale Forest area impacted by the proposed swift parrot prescriptions is 11,121 hectares. Of this, 246 ha is high density nesting habitat; 557 ha is medium density habitat and 3,318 ha is low density habitat.

Based on the above and in accordance with the proposed prescriptions, the minimum total area of mature nesting habitat that will have to be retained is: $246+557+0.9*(3,318) = 3,789$ hectares or **34% of the total area.**

TABLE 3. LONNAVALE FOREST AREA (11,121 HECTARES)

Mature nesting habitat (MHA >1 ha)		
High density	Medium density	Low density (1-20%)
246 ha	557 ha	3,318
2.2%	5%	30% ⁸

2.3 Projected Loss of Revenue to STT and Contactors

To understand potential economic impact on Sustainable Timber Tasmania (STT), contractors and the broader Tasmanian economy, 3 scenarios were analysed (both over 3-years and indefinitely):

Worst case scenario: This scenario assumes that Sustainable Timber Tasmania (STT) will walk away from harvesting previously planned 18 coupes as per the 22/23-24/25 Three Year Plan due to logistics and planning around mature habitat making it not practical to harvest these coupes.

Base case scenario: Under this scenario, STT will have to set aside 40% of the total area due to presence of mature habitat (34% of the total area as per the FPA estimates) and an additional 6% due to logistical adjustments and other planning restrictions.

Best Case scenario: This scenario assumes that only 34% of the total area will be set aside from harvesting, i.e. high, medium and 90% of the low density habitat will be retained. This scenario

⁸ Note, that only 90% of the low-density habitat will need to be retained.

is somewhat unlikely, as this assumes that STT will be able to work around the retained areas and all adjacent areas will be available to be harvested.

TABLE 4. TOTAL AREA OF HIGH, MEDIUM AND LOW MATURE NESTING HABITAT RETAINED UNDER PROPOSED SWIFT PARROT PRESCRIPTIONS⁹

Worst Case	Base (Medium) Case	Best Case
100%	40%	34%

2.4 Key findings:

- **Best Case – 34% of mature nesting swift parrot habitat retained:**

The minimum economic impact as a result of the proposed prescriptions is estimated to be:

- STT – a minimum of approx. \$4 million over the next 3 years or over \$1.3 million per year in direct revenue loss.
- Contractors - a minimum of \$3.4 million over the next 3 years or over \$1.1 million per year.
- Accounting for indirect and flow on impacts, the total value of the output forgone (direct and indirect is estimated to be:
 - \$7.9 million over 3 years (\$2.6 million per year) – as a result of direct revenue forgone by STT.
 - \$6.6 million over 3 years (\$2.2 million) – across a wider supply chain as a result of direct loss to contractors.

- **Base (Medium) Case – 40% of mature nesting swift parrot habitat retained**

- Under this scenario the direct economic impact is estimated to be:
 - STT - \$4.8 million over the next 3 years or \$1.6 million per year.
 - Contractors - \$4 million over 3 years or over \$1.3 million per year.

⁹ Note, that this is over and above of what would have been retained anyway under the existing prescriptions.

- Accounting for flow-on and indirect impacts that would be felt by the wider Tasmanian economy brings the total economic impact to \$9.3 million (STT) and \$7.7 million (contractors) over the next 3 years in present value terms.
- **Worst Case – 100% of the area previously planned for harvest is retained**
- This scenario assumes that STT will walk away from 18 coupes, previously planned for harvesting, due to logistics and planning around mature habitat making it not practical to harvest these coupes.
- This would cause a significant direct economic revenue loss to both STT and contractors in the order of \$4 and \$3.4 million per year to STT and contractors accordingly (over \$12 million and \$10 million to STT and contractors over the 3 years).
- Accounting for indirect and flow-on impacts would at least double these figures.
- The total anticipated financial impact in the event of the interim prescriptions becoming permanent is estimated to be over \$100 million to STT and over \$87 million to contractors in both direct and indirect terms.

The next section will explore the impact of uncertainty and, as a result, the impact of the delayed decisions on contractors and wider supply chain.

2.5 Planning Costs of a Swift Parrot vs Non-Swift Parrot Coupe

Previous FPA economic analysis of swift parrot prescriptions¹⁰ showed that in addition to a reduced level of harvesting, compliance with swift parrot recommendations also results in an increased coupe planning costs. It has been previously estimated that planning a swift parrot coupe could add up to 75% to a total planning cost for a 50-hectare coupe, or between \$150 and \$210 per hectare. Stakeholders previously noted that the majority of this cost increase is due to a lengthy process and uncertainty in the outcomes following the swift parrot prescriptions.

To put this into context, such cost increase means a potential loss of around 6% in terms of the final profit per hectare or around \$1 per tonne.

¹⁰ E. Tinch et Al., 'Assessment of the expected economic and social impacts of provisions for swift parrot protection in Tasmanian forestry operations' (D2019/096123).

TABLE 5. INDICATIVE COST OF PLANNING A 50 HECTARE COUPE

Category	Value
Cost of planning a swift parrot coupe	\$350-490 per hectare (75% increase)
Cost of planning a non-swift parrot coupe	\$200-280 per hectare
Cost differential of swift parrot management	\$150-210 per hectare

Note that these estimates do not include additional 'hidden' costs that occur at times, such as, for example, heavier retention of seed trees.

Based on the projected volumes and revenue data for 18 impacted coupes in the Lonnavale forest area, the total financial impact of increased planning costs is anticipated to be in the order of \$135,000 or around \$7,500 per 50 ha coupe.

2.6 Impact of uncertainty and delay in harvesting operations on contractors and wider supply chain

In addition to increased planning costs, uncertainty and delayed decisions can have a significant operational impact, particularly on contractors. Typically, harvest and haulage contractors are highly leveraged businesses and dependent on working to meet overheads.

The sector is generally characterized by small margins and relatively high fixed costs (equipment etc.), so is highly sensitive to changes in production volumes per hectare of land, in other words, the economies of scale are important.

It has been estimated¹¹ that it costs on average between \$15,000 (ground based) and \$25,000 (cable) per day to harvest a 50-hectare coupe over 8-11 weeks. Indicatively, 7 days of down time would cost an operator between \$105,000 and \$175,000 per 1 coupe, depending on the type of operation. To put this into context for the Lonnavale Forest area, the total annual contractor payment to harvest 5 to 7 coupes (8-11 weeks each) per year is around \$2.7 million.

In the event of STT having to reduce the log volumes in the area, which may result in it having to reduce the number of contractors, the impact on the latter could be significant. The industry

¹¹ Source: STT data.

advice is that in this instance, the harvest and haulage contractors will unlikely be able to move to the other sites, potentially leading to financial and job losses likely accelerating over time.

APPENDIX A: Threatened Fauna Adviser – Swift Parrot Recommendations (As at 09 August 2022)

DECISION

> Within swift parrot range; potential habitat present; native forest silviculture; within southeast potential range; not within core range

Swift Parrot (Recommendation 9)

The proposed planning unit is in a part of the State with a low probability of Swift Parrot breeding activity, and then only if suitable habitat is present.

The primary management objective for this species is to maintain the integrity of potential habitat by ensuring that sufficient levels and arrangement of important nesting habitat and foraging habitat are retained to support breeding in any given year.

Disturbance to potential nesting and/or foraging habitat within the potential breeding range must be minimised to help meet this objective. To achieve this, the following actions are recommended.

- Ensure that the locality database information (e.g. known localities on the Biodiversity Values Database) for this species is current for the planned operational commencement date (within 6 months or less). This is particularly important for new nesting localities.
- The proposed planning unit should be assessed for the presence of patches of high- or medium-density foraging habitat (>1 ha in size). Note that nesting and foraging habitat are not necessarily mutually exclusive.
- If the proposed planning unit contains any patches greater than 1 ha of high- or medium-density foraging habitat, **the Forest Practices Authority must be contacted for advice** because the presence of this type of foraging habitat may mean that site-specific actions are required. As part of the notification for advice, indicate how potential foraging habitat can be managed in the context of the proposed operation (e.g. areas of high- and/or medium-density habitat that can be retained), and the type of silviculture proposed and how it may maintain and/or enhance the quality of potential foraging habitat.
- Retain all confirmed/known nesting trees within a 50 m exclusion zone. Contact the FPA if assistance is needed in confirming nest sites.

For areas covered by a certified FPP:

- The swift parrot has recently been identified as requiring additional protection. In accordance with the procedures agreed between FPA and DPIPWE, altered management recommendations are currently being finalised for this species. The Board of the FPA and

the CFPO have therefore released an interim instruction for managing swift parrot sightings, as follows;

- Report immediately to the FPA any evidence of a Swift Parrot nesting site and/or Swift Parrots being present (heard or seen) inside or within 500 m of the FPP area during September to February. For swift parrot sightings within the FPP area, immediately cease felling operations within 500m of the sighting until evidence of a Swift Parrot nesting site and/or Swift Parrots being present (heard or seen) has been assessed. Specialist advice may be necessary to confirm the presence of Swift Parrots, nesting sites and breeding behaviour. Surveys will be co-ordinated by the FPA and Threatened Species Section (DPIPWE) specialists. If the importance of an area for breeding birds is confirmed continue to cease all felling operations within 100m of that area. The Forest Practices Authority will provide advice on appropriate actions to protect any areas identified as important for breeding. A variation to the FPP may be required to exclude and protect areas identified as important for breeding (ie., to meet the management objective for the swift parrot).

During FPP planning:

- Report immediately to the FPA any evidence of a Swift Parrot nest site and/or Swift Parrots being present (heard or seen) inside or within 500 m of a planning unit during September to February. Specialist advice may be necessary to confirm the presence of Swift Parrots, nesting sites and/or breeding behaviour. Surveys will be co-ordinated by the FPA and Threatened Species Section (DPIPWE) specialists. If the importance of the area for breeding birds is confirmed the Forest Practices Authority will provide advice on appropriate actions to protect any areas identified as important for breeding. FPP prescriptions may be required to exclude and protect areas identified as important for breeding (i.e. to meet the management objective for the swift parrot).

DECISION

> Within swift parrot range; potential habitat present; native forest silviculture; within southeast potential range; within core range; less than 30% of the area within a 5 km radius comprised of potential nesting-habitat (high- or medium-density mature habitat availability); within a SPIBA

Swift Parrot (Recommendation 11b)

The proposed planning unit is in an area where there is a strong probability of Swift Parrot breeding if suitable habitat is present.

The primary management objective for this species is to maintain the integrity of potential habitat by ensuring that sufficient levels and arrangement of important nesting habitat and foraging habitat are retained to support breeding in any given year.

Disturbance to potential nesting and/or foraging habitat within the potential breeding range must be minimised to help meet this objective. To achieve this, the following actions are recommended.

General

- Ensure that the locality database information (e.g. known localities on the Biodiversity Values Database) for this species is current for the planned operational commencement date (within 6 months or less). This is particularly important for new nesting localities.

For areas covered by a certified FPP:

- The swift parrot has recently been identified as requiring additional protection. In accordance with the procedures agreed between FPA and DPIPWE, altered management recommendations are currently being finalised for this species. The Board of the FPA and the CFPO have therefore released an interim instruction for managing swift parrot sightings, as follows;
 - Report immediately to the FPA any evidence of a Swift Parrot nesting site and/or Swift Parrots being present (heard or seen) inside or within 500 m of the FPP area during September to February. For swift parrot sightings within the FPP area, immediately cease felling operations within 500m of the sighting until evidence of a Swift Parrot nesting site and/or Swift Parrots being present (heard or seen) has been assessed. Specialist advice may be necessary to confirm the presence of Swift Parrots, nesting sites and breeding behaviour. Surveys will be co-ordinated by the FPA and Threatened Species Section (DPIPWE) specialists. If the importance of an area for breeding birds is confirmed continue to cease all felling operations within 100m of that area. The Forest Practices Authority will provide advice on appropriate actions to protect any areas identified as important for breeding. A variation to the FPP may be required to exclude and protect areas identified as important for breeding (ie., to meet the management objective for the swift parrot).

During FPP planning:

- Report immediately to the FPA any evidence of a Swift Parrot nest site and/or Swift Parrots being present (heard or seen) inside or within 500 m of a planning unit during September to February. Specialist advice may be necessary to confirm the presence of Swift Parrots, nesting sites and/or breeding behaviour. Surveys will be co-ordinated by the FPA and Threatened Species Section (DPIPWE) specialists. If the importance of the area for breeding birds is confirmed the Forest Practices Authority will provide advice on appropriate actions to protect any areas identified as important for breeding. FPP prescriptions may be required to exclude and protect areas identified as important for breeding (ie., to meet the management objective for the swift parrot).

Nesting habitat

- Retain all confirmed/known nesting trees within a 50 m exclusion zone. Contact the FPA if assistance is needed in confirming nest sites.

- Retain all patches of high- and medium-density nesting habitat that are at least 1 ha in size, and retain at least 90% of nesting-trees in areas of low-density nesting habitat. Where this cannot be achieved, **the Forest Practices Authority must be contacted for advice.**

Foraging habitat (*Eucalyptus globulus* and *E. ovata*)

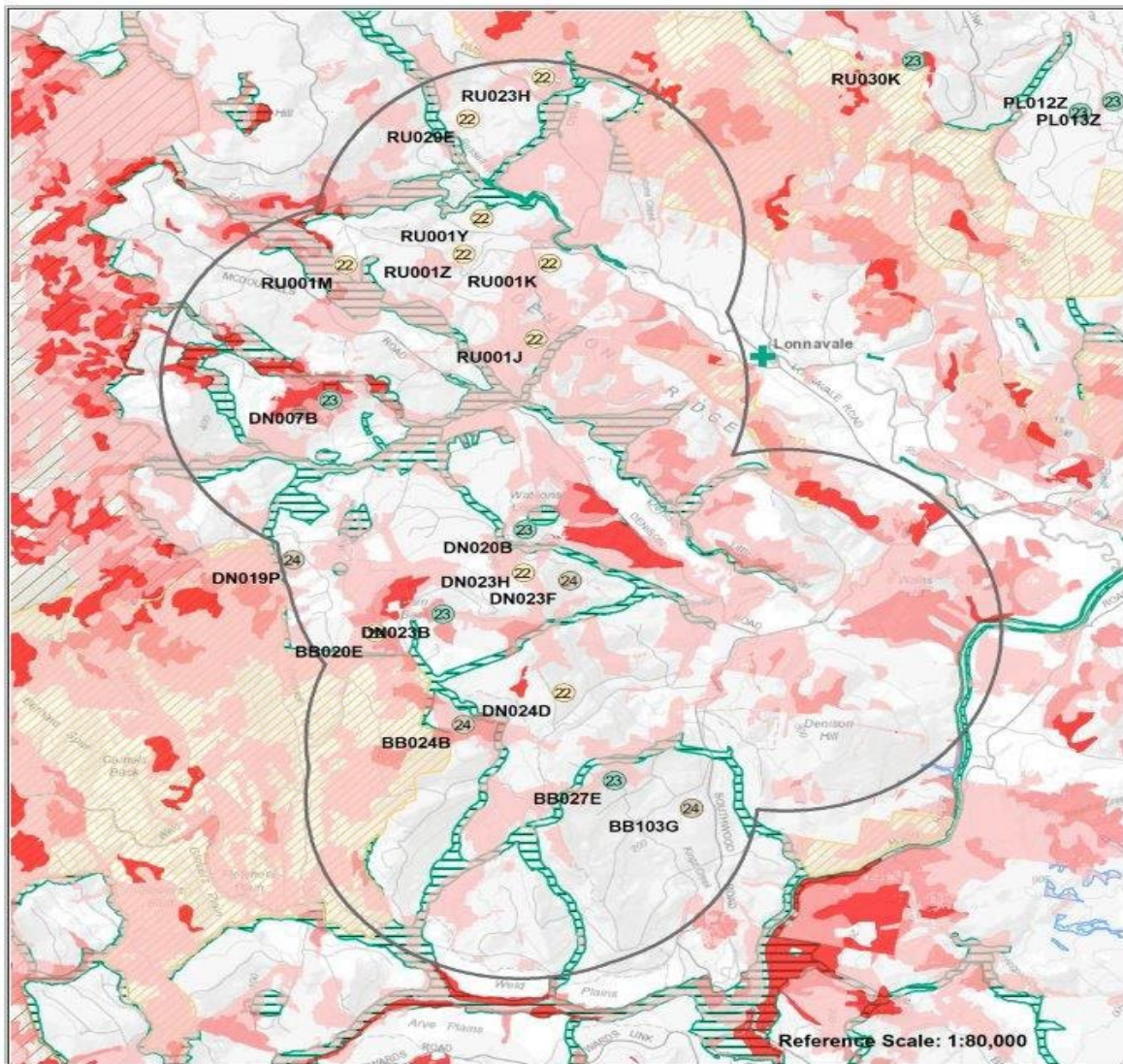
- Retain all patches of high-/medium-density foraging habitat that are at least 1ha in size. High and medium density foraging habitat is defined as areas where at least 20% of stems >40cm DBH are *E. globulus* and/or *E. ovata*.
- Retain 50% of foraging trees in areas of low-density foraging habitat (this can be achieved by retaining half the area in patches or by retaining half of the foraging trees during an operation).
- If the proposed planning unit has high densities (e.g. clearly greater than 30% of all stems) of regrowth (e.g. most stems clearly less than 40 cm dbh) *Eucalyptus globulus* and/or *Eucalyptus ovata*, **the Forest Practices Authority must be contacted for advice** because site-specific actions may be required (note: detailed habitat mapping is not required at this stage - it is sufficient to identify that the proposed planning unit meets the broad thresholds).

For operations within the Southern Forests and South Bruny SPIBAs, additional recommendation

- A large proportion of the foraging-habitat available in this area occurs at low densities. Retain at least 90% of *Eucalyptus globulus* and/or *Eucalyptus ovata* >80 cm dbh in areas of low density foraging habitat. Where this cannot be achieved, **the Forest Practices Authority must be contacted for advice.**

APPENDIX B: STT 3 Year Plan Coupes 2022-25 in the Lonnvale Forest Area *(as supplied by the FPA)*

STT 3 Year Plan Coupes 2022-25 in Area of Interest



Mature Habitat Class STT 3YP 2022-2025		Reservation Status	Area of Interest
 Low	22 Sustainable Timber Tasmania, 2022-23	 Dedicated Formal Reserve	
 Medium	23 Sustainable Timber Tasmania, 2023-24	 Other Formal Reserve	
 High	24 Sustainable Timber Tasmania, 2024-25	 Informal Reserve	
		 Private Reserve (Variable Term)	

APPENDIX C:
Estimated loss of Revenue
(direct and indirect)
to STT and Contractors

Economic Impact	Time period	Scenario		
		Worst	Medium	Best
DIRECT				
Loss of revenue to STT	1 year	\$4 million	\$1.6 million	\$1.3 million
	3 years	\$12 million	\$4.8 million	\$4 million
	20 years	\$54 million	\$21 million	\$18 million
Loss of revenue to contractors	1 year	\$3.4 million	\$1.3 million	\$1.1 million
	3 years	\$10 million	\$4.3 million	\$3.4 million
	20 years	\$45 million	\$18 million	\$15 million
TOTAL (DIRECT + INDIRECT)		Worst	Medium	Best
Loss of revenue to STT	1 year	\$8 million	\$3 million	\$2.6 million
	3 years	\$23.5 million	\$9.3 million	\$7.9 million
	20 years	\$103.8 million	\$41.4 million	\$35.2 million
Loss of revenue to contractors	1 year	\$6.6 million	\$2.6 million	\$2.2 million
	3 years	\$19.8 million	\$7.7 million	\$6.6 million
	20 years	\$87.2 million	\$34.8 million	\$29.6 million



FOREST PRACTICES AUTHORITY

Ref [REDACTED]

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27 June 2022

Deal [REDACTED]

Interim approach for management of swift parrot habitat in Lonnvale forests

As you are aware the swift parrot habitat management approach in the Lonnvale Forest area (Denison/Barnback/Russell Forest Blocks), delivered through the FPA's Threatened Species Adviser is under review. The review was initiated following 2021/22 swift parrot breeding season where more than one hundred new records of swift parrot activity (sightings and nests) were validated by NRE Tas and added to the Natural Values Atlas.

In December 2021, I issued a CFPO instruction for planners to seek coupe-by-coupe advice for proposed harvest operations within potential swift parrot habitat in the Lonnvale Forest area. The intent of that instruction was to facilitate careful management of potential habitat while the review is undertaken.

The Board of the FPA (the Authority) is aware of challenge of providing coupe-by-coupe swift parrot advice for the Lonnvale Forest area, primarily due to a lack of information on the environmental, social, and economic implications. The provision of advice on a coupe-by-coupe basis also places a heavy demand on FPA's biodiversity staff and has led to "decision fatigue". This is not sustainable.

To assist with the provision of advice in a timely manner, the Authority intends to adopt an interim approach to apply the management recommendations in the Threatened Species Adviser for the Southern Forest Swift Parrot Important Breeding Area (SPIBA) to the Lonnvale Forest area. The purpose is to minimise the risk of swift parrot habitat loss while a formal process of reviewing the range boundary and management for the Lonnvale forest area is completed.

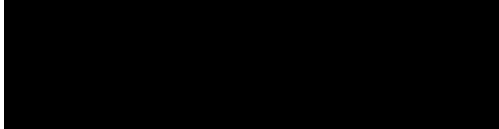
Prior to implementing an interim approach, the Authority invites STT to provide information on:

1. the social and economic impacts of the interim approach, and
2. potential options for economic relief, such as an alternative management approach that meets the objective of the proposed interim "SPIBA" approach of minimising habitat loss in the Lonnvale Forest area.

To assist with the complication of this information, the Authority can offer the services of Resources and Environment Economist, [REDACTED] to assist in preparing the socio-economic assessment.

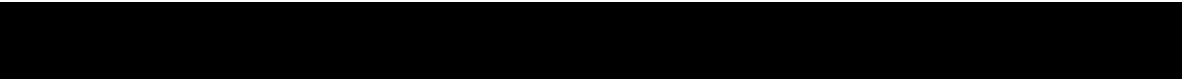
The Authority is aware of the time sensitive nature of receiving coupe advice, and therefore would be grateful to receive information on the above within six weeks, so it can be considered at its August meeting.

Yours sincerely,

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Chief Forest Practices Officer

CC:

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