



Local

Gunns boss waves white flag on logs

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TASMANIAN timber giant Gunns Limited has conceded the forestry industry has lost the public debate on native forest **logging**.

At an industry conference in Melbourne yesterday, Gunns chief executive Greg L'Estrange said the sector had been out-thought and out-played by environmental non-government organisations.

Last night, those environmental groups welcomed Mr L'Estrange's comments and said there was now real hope Tasmania's long-running forest conflict would be resolved.

Mr L'Estrange's comments were the latest in a year of turnarounds for Gunns.

In May, long-time chairman John Gay resigned amid intense market pressure and last month the company announced it intended to sell its wine businesses for \$32.5 million.

Gunns has also sold its hardware division for \$40 million and native bush holdings for \$27.5 million in a bid to reduce debt in order to attract finance for a Bell Bay pulp mill.

Yesterday, Mr L'Estrange said environmentalists had used three key leverage points to win broad community support -- public emotion, multi-level government involvement and market action.

"In response, the industry maintained a stance that science will prevail and feudal lords will maintain the 200-year tradition of licensed access to crown land," he said.

Mr L'Estrange conceded the vast number of Australians supported the environmental groups, meaning Gunns needed to work with them to create a future without conflict.

"This may well mean transitioning to plantations but move we must, for the conflict must end," he said.

"Through this inclusive approach we will find joint solutions to age-old conflicts and move beyond a real, sustainable forest industry.

"Over the past year we have made a clear, directional statement that our future will be in the development and use of plantation-based products because we must change in order to achieve broader community and investor support."

Environment Tasmania convenor Phill Pullinger said it was extraordinary the CEO of Tasmania's biggest **logging** company had finally agreed most Australians wanted native forests protected.

"This does reflect a significant shift in attitude when you think that just six years ago this was a company taking a law suit against 20 of its biggest critics," he said.

"This major change in thinking gives Tasmania its best opportunity in 30 years to resolve this conflict and it is vitally important for Tasmania's future that we do resolve it because the conflict has done much damage to our community and our natural heritage."

Greens forests spokesman Kim Booth said Mr L'Estrange's comments were refreshingly frank.

"There is awareness globally that we must live sustainably," he said.

"It took the removal of John Gay from the Gunns board for shareholders to replace him with a CEO who

understands global markets."

Mr Booth believed yesterday's comments would go a long way to healing wounds.

The Forest Industries Association of Tasmania did not return calls from the Mercury.

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