Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012

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Background

This submission addresses one issue: best practice approaches to using socio-economic impact assessment as part of the Tasmanian Forests Agreement, and associated Bill. I have four key points:

- A thorough socio-economic impact assessment (SEIA) of the Tasmanian Forests Agreement (TFA) has not occurred, and is needed
- Decisions regarding progressing the Tasmanian Forests Agreement Bill 2012 should not be delayed in order to conduct a more comprehensive SEIA
- A best practice approach enabling a thorough SEIA that does not delay the process would involve implementing an ongoing process of SEIA that assesses impacts as they are occurring, and which is used to inform ongoing policy decisions and provision of support to affected communities.
- This SEIA should involve a range of stakeholders and go beyond examining employment changes to analyse a broader range of social and economic impacts, and assist in development of strategies to reduce negative impacts. This is particularly critical given the need for improved processes of community consultation to assist communities in coping with the changes involved in the TFA.

The need for better socio-economic impact assessment

A wide range of groups have called for assessment of the consequences of the Tasmanian Forests Agreement for Tasmanian communities.

The SEIA conducted as part of the process leading up to the Tasmanian Forests Agreement has been limited. Having been directly involved in much of it, my assessment is that while useful, the work undertaken falls short of what is needed to best support communities through change.

The work I and my colleagues at the CRC for Forestry conducted in 2011 provided some indication of social impacts, but formed a baseline assessment only, and did not fully assess the impacts of
decline in the forest industry on communities. These limitations are clearly identified and communicated in our report¹.

Subsequent work conducted as part of the Independent Verification Group (IVG) process, which I was substantially involved in, involved development of a model to predict likely changes in forest industry employment as a consequence of changes to the industry. This was not accompanied by more in-depth assessment of what these changes might mean for communities, or how to assist communities in adapting to change. I outlined these gaps in detail in my IVG report². Appendix 1 reproduces the advice I included in my submitted IVG report on the gaps in SEIA and the need for a more in-depth assessment (note that this includes material not included in the final published report). I have not been involved in SEIA efforts undertaken by the IVG group since April 2012, when I withdrew my involvement. My understanding is that the model we developed has formed the basis of subsequent socio-economic assessment activities.

The key limitation of the existing assessment is that it has focused almost entirely on attempting to predict employment changes. Good SEIA should not simply count numbers of jobs likely to be lost or gained as the result of implementing a policy or program. It should examine what these employment changes might mean for different communities, and the capacity of both the workers and families directly affected by job loss, and the communities they live in, to adapt to these changes successfully. This should then be accompanied by identification – in collaboration with communities – of strategies that can help reduce negative impacts, and develop new opportunities. In particular, strategies that help people to develop positive and constructive responses to change are needed.

**Should decisions be delayed until a thorough SEIA has occurred?**

Despite my repeated public calls for a more thorough and better SEIA, I do not believe decisions regarding the Tasmanian Forests Agreement Bill should be delayed until a full SEIA is carried out.

Delaying a decision is likely to exacerbate already significant negative social and economic impacts that are occurring as a result of the lack of certainty about the future of the Tasmanian forest industry. In 2011, I and colleagues identified that uncertainty about the future was exacerbating the already severe effects of the downturn in the forest industry in Tasmania. This finding is consistent with the findings of many impact assessments that people often experience the most negative impacts from a change *before* it happens – during the period of uncertainty where they cannot make plans for the future, invest in their business, or otherwise continue life as normal. It is critical that some certainty about the future is given to members of the forest industry and the communities they live in, and this should be given precedence over completing any SEIA.

Additionally, the assessment work already done provides some guidance to the likely scope of job loss, and can be used to guide initial responses to this; and rather than thinking of SEIA as something that must be done prior to change, it is better to use SEIA as a process that continues as a change – such as the TFA – is implemented. While ideally more assessment work would have occurred prior to the TFA being implemented, it is better to implement SEIA as decision making progresses, and to put


in place a process of ongoing assessment that is clearly linked to policy decision making. The critical need is not to undertake an SEIA, but to use the results of that SEIA to support communities in adapting to change.

**Best-practice approaches to SEIA**

Unfortunately, SEIA is often viewed as something that should be done to predict impacts of a policy before it is implemented – usually as a last-minute exercise. This predictive assessment is rarely followed up to find out whether the impacts that were predicted actually happened. Additionally, SEIA is often conducted as a ‘desktop’ exercise that is done without involving the communities affected by a change.

International best practice suggests this approach is fundamentally flawed. As outlined in Appendix 1, good SEIA should:

- Continue throughout the process of implementing a policy
- Involve constant monitoring of impacts, and use of this information to develop new/different/improved responses aimed at minimising impacts and supporting communities through change
- Involve the stakeholders and communities affected by a change. This is critical, as a person’s ability to adapt successfully to change is typically better if there is meaningful consultation and participation in the process of implementing that change.

The Special Council referred to in the Tasmanian Forests Agreement Bill is tasked with promoting the various visions embedded in Schedule 1. These include ensuring meaningful engagement of communities occurs, and supporting development of resilient communities. However, there are no clear mechanisms by which this will occur. To address this, there should be a specific requirement for ongoing monitoring and evaluation of social and economic impacts as the Tasmanian Forests Agreement Bill is implemented, and this assessment must be resourced adequately to make it feasible. Most importantly, there should be a requirement for the ongoing findings of the SEIA to be actively considered and used to inform decisions about delivering funding and supporting communities through this change. This is critical as it will enable SEIA to be actively used to promote positive change and support implementation of the TFA.

The assessment should be partnered with a clear ongoing community consultation process, for which the Special Council should be responsible, and required to report outcomes. As detailed in Appendix 1, in my view a lack of thorough community consultation has been a critical limitation of the negotiation process leading up to the TFA, despite the efforts of several groups in this area. Improved community consultation, targeted in particular to the communities likely to be most impacted by the change, together with meaningful work to assist these communities in finding positive ways forward through change, is critical.
Appendix 1

The following is a reproduction of the advice provided in my original report to the IVG regarding the need for improved SEIA. Text in brackets provides context where needed.

Text from original submitted report of J Schirmer to Independent Verification Group (partial text of report):

The most significant limitation of the model [developed to assess community impacts as part of the IVG] is that it does not represent a full social and economic impact assessment. Undertaking a full social impact assessment (SIA) requires more work than was possible in the short timeframe available; therefore it was only possible to assess likely changes in employment, expenditure and value of output by the forest industry. These provide useful information, but should ideally be accompanied by further analysis to gain a more comprehensive understanding of impacts that can be used to target delivery of any structural adjustment assistance or other services intended to ameliorate negative impacts, or to generate new opportunities.

A full SIA would undertake the following, in addition to assessing likely changes in employment and economic activity in the forest industry:

- Identify likely alternative employment generated by forests if they are reserved from timber harvest.
- Assess impacts of changes on forest industry workers and their families (ie their ability to achieve new work, likelihood of migration to new communities, etc). Schirmer et al. (2011) undertook some analysis of this, which was drawn on to provide the brief synopsis earlier in this report.
- Assess impacts on communities
- Undertake a participatory process in which community members have meaningful input (rather than just being delivered information about what is being implemented, these processes need to involve more genuine interaction with the community)
- Use SIA results to inform the development and implementation of strategies intended to lessen or ameliorate negative impacts, and to monitor their outcomes
- Monitor social impacts over time, and use results to adjust assistance strategies.

Identifying alternative employment generated by forest reserves

When forests are placed in reserves, they may still be used for purposes that generate some employment. In particular, management as reserves will generate some employment; as will use for tourism purposes. There is also potential for future generation of payments based on environmental services provision such as carbon sequestration (although it is unclear what methodologies may be approved as part of the Australian government’s Carbon Farming Initiative (CFI), and to what extent Tasmania’s forests may be considered to be eligible to be considered for ‘native forest protection’
activities under the CFI as a result of reserving forests from timber harvest). A full SIA should identify
the likely employment generated if forests are reserved from timber harvest, as a result of forest-
dependent activities such as tourism, reserve management, or management to provide specific
environmental services.

This requires identifying employment likely to be generated by reserve management (eg through
reviewing employment typically generated by management of forests as National Parks, and focus
groups with reserve managers); by tourism and recreation; and by other potential employment
generating activities. Tourism and recreation are particularly complex areas: an assessment needs in
particular to identify what opportunities may be generated that are additional to activities occurring
in forests when used for timber harvest, and what investment is needed to achieve these
opportunities.

Identifying impacts of change on forest industry workers and their families

While Schirmer et al. (2011) identified principal issues relating to how change in the forest industry
affects workers and their families, further work could usefully be undertaken, particularly in the area
of identifying what interventions are most successful in reducing negative impacts, and why. This
can inform the design and implementation of assistance packages.

Assess impacts on communities

A community may be affected in multiple ways by changes to the forest industry. The most direct
mechanisms – change in job availability and in spending flows in the local economy – were identified
in this assessment. However, predicting changes in forest industry jobs and output does not on its
own enable identification of factors such as whether a community is likely to experience loss of
services or population, loss of social networks and community activities, or other change as a
consequence of change in the IGA.

The impacts of loss of jobs and expenditure vary for different communities depending on the
characteristics of that community. A community with high unemployment and declining population
is more likely to experience population loss as a consequence of a decline in the forest industry than
a community with a strong employment market and a stable or growing population.

Predicting impacts on communities requires identifying how loss of jobs will impact on factors such
as migration of local population, real estate markets, unemployment, labour force participation,
demand for local businesses and services, community groups and social capital in a given
community. This requires assessing a community’s vulnerability to change and capacity to adapt to
change. This assessment is needed to properly identify the impacts of change on the various
communities identified by the model as likely to experience changes in jobs and spending. A
proposal was made for doing this as part of the IVG, but was not possible due to lack of both time
and funding.

Participatory processes

The impacts the IGA has on Tasmanian communities – including members of environmental non-
governmental organisations, members of the forest industries, and members of communities that
experience change because of the IGA – depend on a number of factors. While obvious factors
include the jobs that are the main focus of this report, the extent to which a person feels negatively impacted by a change also depends on how just and fair they think that change is. In turn, whether you think something is just and fair will depend not just on whether you agree with the decisions made, but whether you agree with how they were made. Multiple studies examining when and why decisions about access to and use of resources such as forests and water have found that the process by which decisions are made is a critical factor affecting whether the outcomes of that process are accepted (see for example Gross 2007; Gross 2008).

For example, recent work by Loxton (see Loxton et al. in review a,b) has found that the extent to which forest industry workers were negatively impacted by the Regional Forest Agreement process depended in part on how fairly they felt they were treated during the decision making process. If they felt they were not adequately consulted – meaning whether their views were heard, listened to and taken into consideration in decision making – they were more likely to experience negative impacts such as stress, depression and an ongoing and deep sense of injustice.

This raises an important point about the IVG process, and the long process of negotiation preceding it. While multiple promises of extensive consultation have been made, this extensive consultation has not occurred as yet. While various groups have consulted their members, and some community information sessions have been held as part of implementation of the IGA to date, there has been no thorough, clearly communicated process of community consultation that has provided communities with an opportunity to have their views on the IGA heard and responded to.

The IVG process occurred over a timeframe that reduced capacity to engage in extensive consultation, and lacked resources to undertake this type of activity.

Irrespective of the reasons for the lack of consultation, there appears to be growing frustration and concern amongst stakeholders who feel they will be impacted by the IGA. Further lack of consultation will increase this frustration and substantially reduce trust in the outcomes of decisions made under the IGA. This in turn will intensify the impacts experienced by some people, as their perceptions about the process feed into an overall sense of injustice and unfairness arising from feeling they have lacked a voice in the decision making process.

It is critical that a thorough consultation process be implemented. This process must go beyond delivering ‘done deals’ into the community through information sessions. This type of tokenistic consultation, involving giving information without seeking input from the community, runs the risk of deepening the sense of injustice discussed above. Instead, any consultation process must provide meaningful opportunities for community input. Even once decisions are made regarding the nature and boundaries of reserves under the IGA, there are a number of ways that communities can have a genuine say regarding the IGA. These include:

- Identifying the nature of social impacts and helping identify the best strategies for addressing these. This type of consultation can identify creative ideas for generating support for people affected by change that go beyond the traditional government-coordinated support packages. As an example, Dare et al. (2011) found that in the recent Tasmanian drought, farmers reported that activities such as organising community events often acted as a critical support mechanism. These community events were actions that could be organised and implemented by individuals or groups at local level, and acted to help
strengthen social networks being threatened by the economic consequences of the drought. Similarly, these types of actions may help forest industry dependent communities affected by change

- Working to identify new futures for communities, with consultation processes helping to generate ideas for new futures both within and outside the forest industry
- Having open discussion about the history of conflict about forestry in Tasmania, with a view to helping address the longstanding divisions occurring in some communities about forestry issues.

Failing to address the need for genuine consultation as part of the IGA will result in a worsening of social impacts, and also means an opportunity to address the prolonged conflict occurring in some communities will be missed.

**Use SIA to develop and implement mitigation strategies**

As noted above, ideally results of SIA should be used to develop and implement mitigation strategies – in other words, to help inform and guide decision making, rather than as an ‘after the fact’ exercise. SIA should be used in tandem with development of policies and strategies such as assistance planned to be provided under the IGA. Schirmer et al. (2011) identified a number of key lessons for mitigating impacts of loss of employment in the forest industry, for example, and some of these have been drawn on in providing support currently available to forest industry workers in Tasmania who have lost employment. This type of interaction with the design and implementation of policy is critical in order for SIA to be effective in reducing negative impacts.

**Monitoring and evaluation of impacts over time**

SIA should continue over time to monitor and evaluate outcomes of change under the IGA. A lack of monitoring and evaluation has severely limited knowledge of the actual (versus predicted) impacts of changes such as reservation of forests, with almost no studies available that have examined this issue. The few that have (see Loxton et al. 2011; Loxton et al. in review[a,b]) have identified a range of useful lessons regarding how those impacted by change in the forest industry adapt to this change over time, and how best to assist them to do so.