

As a person who has been involved with forestry issues for many years, I wish to make a personal submission in support of the proposed Tasmanian Forest Agreement Bill based on the recent Inter-Governmental Agreement negotiated between industry, the environment movement and the relevant union.

**Background :**

In **2004** I prepared what I believe was the first serious attempt at a plan to re-structure the forestry industry. This was subsequently worked on further and launched by the Tasmanian GREENS as a public discussion paper. The "Forest Industry Transition Plan" has, I believe, come to some level of fruition in the current agreement.

**"Jobs, Jobs, Jobs" a false mantra :**

At that time (2004) I could identify about 55 jobs **directly** involved in old-growth logging **only**. This figure was based on the Australian Bureau of Statistics data of the time and information from the Timber Workers Union. I stress that this was only the direct employment and that, of course, there is a huge multiplier effect associated with such employment - support staff, ancillary services, etc., not to mention flow-on effects of the income of those workers, purchase of equipment, etc.. However the key point about the relatively low number of **direct** employees was to demonstrate that in fact it was possible to come up with a reasonable plan to get out of old-growth logging. I would also stress that this figure was never challenged by anyone in the industry at the time. What I proposed at that time was that those workers could be re-trained to other areas of the forest industry (including enhanced down-stream processing), other employment in infra-structure for forests and tourism, or paid out with redundancy packages.

The mantra of the time - "Jobs, Jobs, Jobs" - was clearly not based on actual employment figures.

Similarly at present some of the hysteria around the issue of jobs in the forestry industry is not based on actual figures, but rather on emotive individual cases. Current employment is about 1% of the work-force, but that small percentage has taken on mythic proportions. I do not believe that there can be any certainty about employment levels until the Agreement is in place and the future plans of key players in the industry are known - including Forestry Tasmania and Ta Ann. To reject the Agreement on the basis that jobs would be lost would be a very false position to take, partly because of the uncertainty in the market at present, and partly because the major job losses occurred in the period leading up to the negotiations when the international market virtually collapsed. In terms of jobs what is needed is clarity around **future** supply and contracts. The Agreement would provide that clarity.

**Regional Economic Development :**

It concerns me greatly that if the legislation is rejected Tasmania stands to lose significant funds from the Commonwealth for regional economic development projects.

My concern would be lessened if I was aware of even one prosperous timber community.

- ➔ Where are the prosperous communities based on income from the forest industry ?
- ➔ Where are the training programmes funded by the industry to help workers skill up for other

- forestry or down-stream processing work ?
- ➔ Where are the local community facilities funded by a profitable industry ?
  - ➔ What help has the industry given to contractors struggling under the burden of massive loans to pay for the rigs they needed to secure contracts in that industry ?
  - ➔ Where are the industry funded scholarships ?
  - ➔ Where are the industry funded arts or artists-in-residence type programmes which would have helped integrate the industry and the community, particularly at times of conflict in the community ?

Instead what we have seen in past years when the industry was perceived to be more “successful” is the flow of massive profits to one individual (John Gay of Gunns) in addition to large amounts of tax-payer money going not only to Gunns but also to Forestry Tasmania in vain attempts to prop up a clearly failing and unsustainable industry.

Now we could have the opportunity to use Commonwealth funds for regional economic development. I am aware of a number of small-scale and very local projects which have been developed in anticipation of such funds becoming available. Given the parlous state of Tasmania generally it is unlikely that such projects would be funded from elsewhere.

In August 2011 David O'Byrne as the relevant Minister released the Economic Development Plan prepared by his Department. [See <http://www.development.tas.gov.au/>] This Plan identified 4 key strategic areas and goals for such development, supported by regional economic plans for the three major regions of Tasmania. However without appropriate funding this will remain just another document gathering dust.

The Agreement reflects some of the thinking in that Plan and gives a commitment to supporting Tasmania's future economic diversification, including the identification of regional development opportunities in Tasmania. Without such diversification Tasmania cannot expect to prosper in the future, given that no one industry can be expected to be the back-bone of our economy.

### **The “Forest Wars” :**

The Tasmanian community has been polarized for decades by the so-called “Forest Wars”. I believe that this Agreement and its associated legislation is a major step forward in resolving that conflict and allowing the whole community to move forward to a new era.

Because the Agreement has been negotiated by major stake-holders there would be a high level of commitment to ensuring that it is durable. Of course as a functioning democracy we should expect protest and civil dis-obedienc when citizens feel passionately about issues, and that is a normal part of the broader public policy debate. That such debate and protest continue in some form should not be an argument against this Agreement per se.

Just as no one body or individual can speak for the forestry industry so no one individual body or person can speak for the broader environment movement. Inevitably there are differences of opinion about goals and tactics within each of these areas. However as the signatories to the Agreement represent the over-whelming majority of stakeholders this is our best hope of moving on from the wide-spread conflicts of the past.

I notice that there has been a lot of public criticism of the Legislative Council's referral of this matter to a committee. I believe that this criticism reflects community weariness with the forest “debate” and a general wish to move on to some level of certainty about the industry. Those supporting the Legislative Council's actions often seem to be taking a position of wanting to go

back to the days of a burgeoning forest industry. However, as pointed out above, jobs were being lost in the industry well before this current negotiating process even started. Industry people came to the negotiating table from a position of recognizing that those days were over, and that the industry was not sustainable without a far greater level of certainty around wood supply into the future. I do not believe that they came to the negotiating table as “born-again” environmentalists, but as hard-headed industry operatives who could see the writing on the wall and wanted to ensure some degree of order in the transition to the next phase of the industry.

### **The Negotiating Process :**

As one of the people involved with the Forest Reference Group on the environment side behind the scenes I am fully aware of just how painstaking these negotiations were, and how detailed was the consideration of the various issues. I would like to acknowledge the hard work on all sides of the negotiating process. In addition, of course, there was the massive amount of background work done by the Independent Verification Group and associated groups and persons. This investment of taxpayer dollars should not be wasted.

As with any difficult negotiating situation I think it is fair to say that there has been compromise on **all** sides. There has been some ill-informed comment about the outcome being too generous to environmentalists but I am well aware of the many compromises that were made. There were, of course, some absolutely non-negotiable issues on both sides of the table and the Agreement reflects these appropriately – meaning that no one is perfectly satisfied with the final outcome. *On balance, however, the negotiated outcome is a document that all parties have agreed to as something that they can support in their respective communities and argue for on its merits.* Given the intractable nature of the debate to date, and the difficult issues which have been addressed, this is a quite remarkable achievement and one which should not be treated lightly. It also means that amendments to the legislation need to be carefully considered to ensure that they do not undermine the level of agreement which has been so painstakingly reached.

I consider that the industry, the negotiators and the unions involved should be congratulated on taking on one of the most difficult challenges within the Tasmanian economy in decades and providing an unprecedented level of leadership – leadership which seems to have been sadly lacking in the past.

There has been massive publicity around this process and ample opportunity for anyone to have input. It is disappointing that some who chose to walk away from negotiations are now so critical of the outcomes. Whilst they have a right to disagree with those outcomes, they certainly cannot argue that they were in any way excluded or ignored.

### **Tourism :**

Our pristine wilderness has often been acknowledged to be a major draw-card in terms of tourism, particularly for overseas tourists. Tourism is a sustainable industry which generates many jobs and incomes. This agreement ensures that the basis of that industry – the natural beauty of the state – is secured to ensure a viable future. Concerns about “development” which compromises those values is mis-placed, as the general consensus is that tourism is increasingly about the experience rather than about facilities. There will probably always be a place for high-end tourist facilities, but these can be developed outside protected areas and not degrade the very natural values that people come for. What is needed more urgently are staff trained to facilitate those tourism experiences which need guides, support, interpretation, scientific information and general facilitation. Many tourists are sophisticated and widely-travelled – they do not want or need amateur operators who are not well-informed or who cannot respond to specific interests.

The influx of tourists for MONA highlights that this is a different type of tourist, with different needs and expectations. Therefore a different strategy is needed to retain them after the MONA experience. Presenting the wilderness experience in a more sophisticated way based on a real wilderness untrammelled by arbitrary forestry coupes is possible if we have adequately protected wilderness areas.

### **Re-structure and Transition for the Forestry Industry :**

Apart from other forums, the *Tasmania Together* process some years ago highlighted community concerns about unsustainable forest industry practices. Despite this no action was taken at that time and in fact many stakeholders have actively resisted any suggestion of industry re-structure.

Industry itself is still divided over the issue of the need for a re-structure of the industry. However the history of the industry over recent years shows declining markets, the bowing out of significant players such as Gunns, massive job losses, and community unease. Externally we have seen currency changes, market dominance (and therefore price-setting) by new players in the global market place, and changing consumer attitudes to native woods usage. All these factors point to the fact that a comprehensive re-think and re-structure are well over-due.

In my opinion this demonstrates another massive failing by Forestry Tasmania : despite being propped up by tax-payer funds and lines of credit from the State Government there has been a failure to do the sort of market analysis and research which would have provided a firm foundation for planning ahead for the industry. Instead it appears to have taken a very narrow view of the industry and its place within that industry, encouraging short-term profit-taking and short-term thinking. I am told that Forestry Tasmania also made a massive mistake in choosing an unsuitable species of eucalyptus for some plantations. At present much information is hidden by a stated need for “commercial-in-confidence” provisions, but at the same time asking for public funds. All of these factors point to the need for a massive over-haul of the current arrangements within the industry and preferably the re-instatement of Ministerial responsibility for the industry overall.

Some observers are saying that it is not the business of the State Government to “buy out” forest industry jobs (apart from forest contractors). This position fails to take into account that many industries have had to re-structure and sustain job losses (with associated redundancy payments), and that the State Government is already paying huge amounts to Forestry Tasmania from tax-payer funds.

### **Specialty Timbers :**

Many people in the conservation and environment movement (myself included) have long argued for greater emphasis on down-stream processing and support for the specialty timbers areas (such as boat building, for example) as sustainable and greater value-adding than the indiscriminate wood-chipping of the past.

Unfortunately there is a dearth of basic statistical information on what the real specialty timber requirements have been, and therefore no firm foundation to predict future requirements. Again I see this is a significant failure of industry operatives, who appear not to have given this small but very important sector sufficient attention.

Clause 9 of the Agreement addresses this by providing for specialty timber assessments. In addition of course a specialty timber zone has already been factored into the agreement, so in the future it should be possible to identify demand and supply more accurately. Those running around

complaining about these provisions clearly have not read the Agreement or understood what assessments need to be made.

At present we are in a situation where there is a viable Agreement before the Legislative Council, and no effective alternative. Even if the Liberal Party came into office, industry operatives have clearly said that we cannot go back to the “good old days” as the market has changed in a fundamental way. Their 15 point agenda would probably just mean more tax-payer dollars poured into an unsustainable industry.

As a Tasmanian who is passionate about our environment and the future of this state I would ask that the Legislative Council support the Agreement and the associated legislation for all the reasons I have outlined in this submission. I believe that this is our best chance for a sustainable forestry industry into the future.

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