



## The Hon Tony Burke MP

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Minister for Sustainability, Environment, Water, Population and Communities

The Hon Paul Harriss MLC  
Committee Chair  
Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012  
Parliament House  
HOBART TAS 7000

18 JAN 2013

Dear Mr Harriss

Thank you for your letter of 21 December 2012 inviting me to make a written submission to the Legislative Council Select Committee (the Committee) on the *Tasmanian Forests Agreement Bill 2012* (the Bill). The Australian Government strongly supports the Tasmanian Forests Agreement 2012 (the Agreement). This letter and the enclosed attachments constitute the Australian Government's submission. Whilst it is convention that House of Representative Ministers do not appear before Committees I am happy to meet informally with Members of the Legislative Council to discuss any issues or concerns. I am also happy for Departmental officials to appear before the Committee should they be required.

The Tasmanian forestry industry continues to face significant challenges as a result of changes in global market demands. This is why the forestry industry, the union representing forestry workers, and environment groups (together the Signatories) have been working together over the past two years to develop the Agreement, which has the potential to deliver a long-term, optimal wood supply, conservation and community outcomes.

The Australian Government is committed to assisting Tasmania's transition to a more diversified economy, powered by investment in education, skills, infrastructure, broadband, sustainable practices, value adding and clean energy. That's why the Australian and Tasmanian Governments have always strongly supported the Signatories in their bid to develop a constructive way forward to secure a sustainable future for the forestry industry, its workers and the Tasmanian community.

The Australian Government has already made significant investments in support of the Agreement through the Tasmanian Forests Intergovernmental Agreement (IGA). Together with the Tasmanian Government, \$277 million was allocated through the IGA. The Australian Government contribution is \$261.5 million. To date, \$129.5 million of these funds has been provided to support regional development and economic diversification, voluntary exits for native forestry contractors, employment and training support for redundant forestry workers and assistance to the Tasmanian Government to implement the IGA. The remaining \$132 million will become available in the event that legislation supporting the Agreement is passed by the Tasmanian Parliament and a Protection Order for the new reserve estate comes into force.

As part of the Australian Government's initial support, in 2011–12 the Australian and Tasmanian Governments worked with key stakeholders to develop and implement a range of

projects through the Economic Diversification Funding, worth \$24 million. These projects lay the foundation for jobs growth and the start of economic activity to support further economic diversification across Tasmania. Partnerships with the State and local governments and the private sector have leveraged over \$44 million in partner contributions. These projects and partnerships have demonstrated the ability to deliver economic diversification and could create long term opportunities for more than 4000 jobs if fully exploited. If the Bill is passed, the next \$96 million of economic diversification funding will build on these investments and provide a significant, long term, catalyst for the transition of Tasmania's economy.

On 11 December 2012, I jointly announced with Deputy Premier Green a further \$102 million in additional funding to Support the Tasmanian Forests Agreement 2012. This includes \$62.5 million from the Australian Government, bringing the total funding available to support the Tasmanian Forests Agreement 2012 to \$379 million. Provision of these additional funds, together with the funds remaining under the IGA is contingent upon the Protection Order coming into force.

The Tasmanian Forest Agreement 2012 is a remarkable achievement, informed by a report by an independent group of experts with extensive expertise in forestry, forest ecology, conservation reserves, forest modelling and geology, that provides a real opportunity to support the forest industry's transition to a more sustainable long-term future. The Agreement has the potential to deliver support for jobs and regional communities in Tasmania, provide a platform for regional development and support new initiatives in regional areas. This is an exciting and historic breakthrough in the decades long conflict over Tasmania's public forests.

An outline of Australian Government funding to support the Agreement is at [Attachment A](#). Also attached is further information on matters raised by Legislative Councillors in meetings with me in December 2012 ([Attachment B](#)). A technical report by Dr Robert Smith, a member of the Independent Verification Group, on the flow-on impacts in regional economies generated by changes in wood supply to industry is currently in development. Once it is finalised, I will ensure it is made available to the Committee.

I trust this information will be of assistance to the Committee and I wish you all the very best with your consideration of this very important matter for the future of Tasmania.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Burke'. The signature is written in a cursive style with a prominent 'T' and 'B'.

Tony Burke

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