



DERWENT VALLEY COUNCIL

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File:

The Secretary
Legislative Council Select Committee
on the Tasmanian Forests Agreement Bill 2012
Parliament of Tasmania
Parliament House
HOBART TASMANIA 7000

17th January 2013

Dear Mr Wright,

Please find attached a submission from the Derwent Valley Council to be included in the deliberations of the Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012.

Should you or any member of the committee require further information, please do not hesitate to contact me.

Yours sincerely

Martyn Evans
Mayor



Preamble

Derwent Valley Council would like to thank the Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012 for the opportunity to raise a number of concerns regarding this Bill.

The Tasmanian Forests Agreement Bill 2012 (the Bill) is a document that has been touted as an end to the 'forest wars' and a way to move the forestry industry and economy of our State on to a sustainable path for the future. Over a period of some two years the negotiations that have taken place regarding the proposed Bill have made media headlines and divided communities across the State, with no real resolution in sight for anyone involved.

Local Government, as a key stakeholder in individual communities and the future of the State has not had the opportunity to comment on this Bill at any point. This submission outlines the concerns of Derwent Valley Council and our community regarding this Bill and seeks to find a way forward that will not see the destruction of a major industry in our area and the subsequent loss of jobs from that decision. While recognising that the people who have been involved in discussions around the creation of this Bill have put in many hours of hard work, and are no doubt vocal advocates for their particular organisations and spheres of interest; Council would like to make the point that at no time has our community had the opportunity to raise our concerns with these people or any other representatives involved in the creation of the Bill.

Derwent Valley Council's submission is broken into a number of sections, each raising individual points, but each also interconnected to the two major areas of concern – the social implications of the Bill and the economic implications, not only for our municipal area but also for the State as a whole. Due to time constraints and timing around the preparation of this submission, not all points will be explained in detail, and not all points raised with Council over the last two years have been included in this submission – this is an overview of our concerns regarding the Bill.



Community consultation and participation

There has been no community consultation regarding the implementation or preparation of the Bill, meetings between the various parties were held behind closed doors with closely guarded media statements being released after the fact. Community members were able to subscribe to an e-bulletin put out by the State Government, this however was merely a re-wording of previously issued statements.

There was one community meeting held in the Derwent Valley, as a result of many requests from Council for such a meeting. However, this was held very near the beginning of the IGA discussions and was not really an opportunity for people to 'ask the hard questions' as it was attended by service providers contracted by the government to assist those workers who are losing their jobs as a result of the changes to forestry. There was one departmental representative in attendance.

Derwent Valley Council initially made numerous attempts to have a voice heard by both State and Federal Government representatives, however it soon became apparent that Council's views and questions were not wanted and we felt that we were being 'stone walled' by various Ministerial advisors. Departmental staff were very obliging and polite in their dealings with us, but were either unable or had been advised not to answer questions that challenged the process being undertaken.

At one point Council was advised that we should not be worried because the areas under consideration (the Styx and Florentine Valleys) were in the Huon Council municipal area not the Derwent Valley Council municipal area. This caused Council some alarm as even a cursory glance at any local government map of Tasmania will show that these areas are well and truly in the Derwent Valley municipal area. This occurred around the time that the first tranches of IGA funding were being released, Derwent Valley Council was not advised that this was occurring, and was not given an opportunity to apply for funding. It was only through the dogged nagging of Councillors and council staff that the community of the Derwent Valley became aware that this funding would be released and that government should be made aware of projects that might fit the outline given. There was no formal application process during this period, therefore no level playing field for those who had projects that may be viable under this funding.



Effects on third party businesses

The effect on businesses not directly involved in the forestry industry, but who rely on that industry and its associated contractors and workers has not been taken into account during the process or during the creation of this Bill.

There are a number of businesses in the Derwent Valley who although not directly involved in the forestry industry have already felt the effects of changes to that industry; these include small engine servicing and sales shops, takeaway food shops and tyre fitters. One example is Mountain Engineering, a small engine service and sale shop that has advised Council that since the initiation of changes as a result of the IGA and process of this Bill its sales and repair work has decreased markedly, and that they can attribute this directly to the changes in forestry practices in the area. There is also the example of a nearby takeaway food shop that has gone from employing up to 5 part time staff on a regular basis, to now only employing 2 – this again is a result of loss of passing traffic in the form of log truck drivers and contractors stopping in for petrol and food on their way to a job.

Although this may seem like a small change, in a small community where many people only work part time it has a significant impact. The majority of people in this community live on relatively low incomes, with any change to those incomes meaning that the family budget comes under increasing pressure and people have to go without to make ends meet.

A further flow on effect is the possibility of a number of small businesses in the area closing due to lack of business – although only a small amount of their business may be made up of forestry an associated industry employees, when these people no longer call in it can mean the difference between the business remaining viable or not. Take the example of a tyre fitting shop, if the business becomes unviable and closes, all people in the municipal area have to go elsewhere to purchase tyres, this would probably be Glenorchy as the closest area with those services. While in Glenorchy they will also buy their groceries, clothes, hardware and maybe a take away meal, this is all money lost from the local economy and all has an impact on other businesses in the area.

This has not been taken into account by those preparing either the IGA or this Bill.

The State and Federal Governments have made attempts via various funding and grants such as the previously mentioned TGIF to provide assistance to those wishing to leave the industry or who have business ideas that fall within specified areas. Those areas currently being concentrated on are the ones that have been identified through the Tasmanian Government's Economic Development Plan, unfortunately none of the above mentioned business types are eligible for funding to assist them in changing or expanding their businesses to ensure their ongoing viability. The TGIF funding guidelines specifically say



that the following businesses are not eligible for funding : *“organisations where the primary focus is retail, wholesale, importing, accommodation, hospitality, property development, leasing or non-value-adding primary production”* While this limitation has no doubt been included for a purpose it does not take into consideration the effects that the current Bill has already had and will continue to have on those third party businesses, and does not make funds available for those businesses to restructure to face the challenges ahead.

Roads and Infrastructure

Forestry Tasmania and Norske Skog are currently significant contributors to the maintenance of a number of roads in the Derwent Valley. As major users of some of these minor roads, they recognize that they are major contributors to wear and tear on the roads in question and therefore contribute to the maintenance of these roads. If either ceases operations in these areas the total maintenance will fall back on Council, as there are a number of private dwellings along these public roads and maintenance will continue to be required. These roads will need to be maintained in line with Council’s road hierarchy policy as they will still be open to the public, thus incurring an additional cost to Council and ultimately the ratepayers of the Derwent Valley.

In addition to maintaining infrastructure and public access to many areas of the Derwent Valley, current forestry operations also contribute to the fire planning and fire fighting activities of the area. This point has been strongly bought home recently, with fires in the Derwent Valley last year, and still again this year.

During these potentially life threatening fires our local communities would have been put at a much greater risk without the essential assistance of both Forestry Tasmania and Norske Skog. This is not to detract from the hard work and dedication of volunteer fire brigades, paid fire service members and Parks and Wildlife employees who have been invaluable in the recent fires. It does however highlight the fact that without the additional manpower and resources of forestry companies and their associated contractors the results of these fires could have been catastrophic, resulting in much more destruction of property and possible loss of life.

Even now the reduction of forestry operations in the area has had an impact on fire fighting capabilities of the area. With the loss of many contractors and their associated heavy earth moving equipment, fighting fires, creating fire breaks and associated works have become much harder. Those contractors who are still in the area are more than willing to give their time and resources to assist in fire fighting, however, they are no longer in a financial position to do this without financial compensation for the works done.

The Bill does not address this, leading to concerns about the ability of fire services to tackle major fire incidents in the future.



In addition, if lands are put into reserves, will there be guarantees that fire breaks will be mandatory in these areas and who will maintain them. If this task falls upon Parks and Wildlife services, will additional funding be provided to ensure that resources are available to create and maintain this essential service.

Rates impact

Forestry Tasmania is a major contributor to rates in the Derwent Valley, if land is set aside in reserves, presumably under the management of Parks and Wildlife, this rate revenue will cease, impacting on the ratepayers of the Derwent Valley. Under the worst case scenario; if all Forestry Tasmania land (excluding that land which has buildings on it) were to be put into reserves and become non-ratable, it would mean around a 2.9% rate increase in the general rate to the ratepayers of the Derwent Valley simply to maintain the current rate base. This is without any additional increases to cover increases in expense etc. as are tabled in annual budgets.

If, as is feared, some Norske Skog land is also included in reserves, this will further impact on the ratepayers of the Derwent Valley, a municipal area that is recognised as being a low socio economic area.

Derwent Valley Council is unable, at this point to give a clearer picture of the potential financial impact on Council as the placement of lands to be placed in public reserves has not yet been made public nor has any information on who will manage lands or what that will entail.

In the long term the AAV (Annual Assessed Value) of homes in the area may also be affected, as areas hardest hit by the changes in forestry become less popular, due to lack of employment and effects on the community, the value of homes in those areas decreases. The rates burden effectively shifts to other areas as Council is forced to ensure a sustainable rating income for the municipality.

With only around 20% of the municipality currently rateable (due to the rest being in National Park, and other reserves), any change to the rateable area will have a disproportionately large effect on the Derwent Valley Council's ability to maintain and increase the standard of services expected by our community.



Traditional land activities

Forestry Tasmania land is currently managed in such a way that multiple users are encouraged to access the land for a variety of activities. Bushwalkers, bee keepers, 4WD vehicles, cyclists, kayakers, horse riders, fishers and dog walkers are all able to use the land for various activities, there are places for free camping and overnight stays in many areas. If land is transferred into reserves there is no indication that these activities will still be allowed or available to people.

Activities such as these not only provide a relatively cost efficient way for families to enjoy the outdoors but also form an important part of Tasmania's cultural make up. If these activities are threatened due to new land management practices, there is no indication of what measures will be taken to allow these activities to take place elsewhere.

In addition, Forestry Tasmania and Norske Skog operate a well maintained network of roads in many areas. This gives local people and visitors' alike access to areas that they would otherwise not be able to visit. There is a concern that if land is transferred to another agency that access to these roads will not be allowed and/or that roads will fall into disrepair.

In the Derwent Valley a number of government agencies do not have the funds required to ensure that facilities remain well maintained, safe and open to the public—in recent times we have seen the partial closure of the very popular Creepy Crawly track due to inability to maintain it, the possible closure of the Junee Cave, access removed from Growling Swallet, Welcome Cave and increasingly we are hearing that major walking tracks such as those to Mt Anne and the Eastern Arthur Range are falling into disrepair. All due to lack of resources to those agencies charged with their upkeep.

Council understands that some funds have been sequestered from Federal Government funding for the management of additional lands to be placed into reserves, but there is no guarantee that these funds will not be put into general revenue of those agencies managing the land, and that the funds available will be sufficient to ensure the long term management of land and roads to continue to allow safe and easy access to the community. In addition to the fire threat previously mentioned if these areas are not appropriately maintained, there is also a threat to the tourism potential of the area if proper maintenance is not continued. We are only now starting to see the Derwent Valley area being recognised for its true tourism potential, any threat to this due to inaccessibility to iconic areas will undoubtedly threaten this growth into the future.



Industry under threat

We have been told that the changes proposed in this Bill and through the IGA are a result of changes to international markets. Yet questions remain about the veracity of these claims, as we know that Victoria still has a viable industry in exporting native wood chip.

Questions still remain in the community around the real reason for the commencement of the IGA process and the Bill which is now before the Legislative Council. With many people believing that this process has been railroaded by a noisy minority of environmental groups who have had a disproportionate impact on the process. If this process is meant to create peace in the forests, as has been claimed, why is it that a number of environmental groups have not agreed to stop protests if and when this Bill passes, yet industry bodies who employ many hardworking Tasmanians will be legally bound to comply with the result.

The threat to what may remain of the forestry industry if this Bill is passed has not been assessed and there is no guarantee that future protests will not further impact on people going about their lawful work.

This Bill does not guarantee an 'end to the forestry wars' if anything it is a capitulation to a loud extremist group who has given nothing in return.

Consequences to the community

This Bill has been created with little thought to the general community and the far reaching effects that it will experience as a result of its implementation.

Currently timber products are an affordable building and construction option, when our current industry has been decimated this will no longer be the case. Alternatives will need to be bought into the State, potentially at a much higher cost. This will be a direct result of our own destruction of the forestry industry, a resource that is renewable and contributes extensively to our communities.

There is the potential for a growth in those needing income assistance from the Federal Government in the form of Centrelink payments. Although some measures have been taken to re-train and re-employ workers already displaced from the forestry industry, this has not been entirely successful with anecdotal evidence suggesting that many are leaving the State to take up 'fly in fly out' positions in mining towns. This does not solve the problem it merely moves it to another State, and has consequences for families who are forced to live separately or relocate.



Those not lucky enough to re-train or to move into other positions are left to find alternative employment. Many of these workers are people who have worked in forests and the associated industries for generations, not only does this change have a financial impact on them, but it also has a cultural impact.

Can any of us imagine asking farming families to leave the land after generations because of a change in the view we have of that occupation? Why is this occupation any different simply because it has become unfashionable.

Apart from the cultural element to the changes in the forestry industry, there is also an educational element that has so far been overlooked. A number of people who work in this industry have low literacy levels, and poor educational outcomes. Yet, until now, they have been able to play a valuable role in society, contribute to their communities, pay mortgages, tax, feed their families and have much more than an existence. They have been valuable members of society, and are in many cases well respected contributors to their community. This will change when these people become unemployed.

Imagine being put in the position where the career path you have chosen and excelled at is suddenly taken away from you, your home and family's livelihood is put at risk, and you suddenly realise that you don't have the skills or education required to do anything else in the short term at least.

The pressures that this puts on individuals and families is unimaginable.

Then add to this the strongly independent nature of many of these individuals and the feeling of failure that comes with not being able to provide for your family. Additionally there is the vilification that many of these people have suffered in the media due to the biased reporting of many media outlets and ideologically biased attacks. This may lead to spikes in mental health issues and potentially an increase in domestic violence. The State Government has already acknowledged this to some extent, with funding going to rural counseling services, however this funding is short lived and does not go far enough in terms of offering solutions to the potential social problems caused by this bill.

Ideally, those displaced from the forestry industry and those third party businesses previously mentioned should be re-skilled and employed in new industry. However, with Tasmania already having the highest rate of unemployment in the nation, this seems unlikely.

Much has been said about the potential of tourism, agriculture and the IT industry to help reshape the economy. There is no doubt that these industries have a large role to play; equally there is no doubt that the number of people who will be seeking employment far outweigh the positions available in the short term at least. Those people being forced to



leave the forestry industry and those who become unemployed as a result of party business down scaling may not have the specialist skills required particularly for the IT industry. There is a greater hope that some will find employment in the agricultural sector. However the tourism sector which has been hailed as the e panacea to Tasmania's current situation has so far proven to be a fickle industry – with the high Australian dollar presenting a challenge, and regional Tasmania requiring a great deal of attention in terms of marketing to bring visitors to the area. Additionally, if natural attractions and access to regularly visited areas are not maintained there will be fewer visitors.

The Tasmanian Forests Agreement Bill 2012

Upon reading the Bill a number of questions are posed in the actual document which need clarification.

The Special Council (Part 4 S9.2) initially consists of representatives of those groups already involved in negotiations. There is no room in the initial Special Council for representatives of the community, Local Government or other organisations. It would seem appropriate that once negotiations around the creation of the Bill have been completed, and in order to ensure a full and transparent enactment of the Bill that other representatives should be invited to be involved in the Special Council from its initialisation.

Part 1 S3, under Interpretation, sets out the creation of a durability report, what is this, what does it contain, who will have access to it and how will it be used?

No compensation is available to any person in relation to any loss as a result of a protection order—Part 5 S11—yet compensation is available if land is put into a reserve. This appears inequitable, as loss of use of land should be compensatable regardless of the reason for that loss of usage.

Section 5 of the Bill details the process for making reserves and protection orders, however there is no indication where these reserves and protection orders may be, thereby giving the community no idea of how they will be affected should this Bill be enabled.

The Bill does not appear to take into account the costs associated with implementing the proposed changes, what agencies and departments will be involved, will jobs be created from this process and how will it be funded. If it is to be funded by government, what are the associated costs, this is particularly pertinent in the current economic climate where 'belt tightening' measures have been undertaken by many government departments.

Schedule 1 of the Bill indicates that there will be engagement with the community and local government during this process, this has not occurred thus far and there is nothing in the



Bill that suggests that this will change. There are no processes outlined to ensure that the community, local government and other stakeholders are consulted in any way.



Conclusion

Our submission is a summary of the many comments that we as Councillors and council staff have faced from the community through this process. It highlights the questions that have not yet been answered and some of the shortcomings of the process that has so far been undertaken. Although it mentions some of the impacts on our community, the time constraints in preparing this submission do not allow for a full overview of the impacts that are feared in our community.

We can only hint at the fear and anger that this entire process has caused the community and many individuals in particular. Change is not easy for many people, but when that change is being forced on people for no reason other than apparent political expediency it is even harder for people to comprehend, particularly when it threatens not only employment but the very make up of many communities.

Derwent Valley Council is a member of the Tasmanian Regional Councils' Group, and fully supports that submission.

Derwent Valley Council requests that the points in our submission be taken into account when deliberations are made regarding the Bill and that the following take place before a final decision on the Bill is taken:

- A full social and economic impact study be done to ensure that proposed changes do not unduly impact on the community and economic viability of Tasmania in general and affected communities in particular, resulting in an economic and community development plan for those areas who are affected by the changes
- Public recognition that small communities are suffering as a result of the IGA and associated processes and a mechanism put in place to provide support for *all* those affected by the changes that have already occurred and are being proposed in the forestry industry
- An investigation into why native forest logging is still viable in other areas, notably Victoria, yet appears not to be viable in Tasmania – including an investigation into the practices of a number of the environmental groups and full disclosure by government as to any political motivations behind the current process
- That environmental groups are held accountable by this Bill in the same way that industry groups are, that is that if the Bill passes and industry is forced to downscale activities, environmental groups will also be forced to cease protests in those areas where forestry activity is still allowed and that businesses in forestry related industries will not be targeted
- Disclosure of all reserve areas to the public



- A full and transparent public consultation process regarding any further changes to take place as a result of the passing of this Bill
- Full and continued community consultation with all stakeholders including Local Government regarding this Bill, its likely and actual impacts a dedicated and regular opportunity for communities affected to raise issues that have come about as part of this process with State Government.
- An opportunity for those LGA's affected by this legislation to be represented on any boards or committees dealing with any aspect of the legislation.
- Full information on the allocation of any funding that has been spent to date, including by Government departments in the advertising of this agreement and a full breakdown of future funding and how it will be allocated

During the process of writing this submission, media reports indicate that information has become available to the Legislative Council on the areas to be set aside in reserves and on an impact study to be done by the Australian Government. This does not change the concerns of Council regarding these matters as this information has not become publicly available and has not been made available to Council. If anything, this serves to highlight the lack of consultation and transparency of the process thus far.

In conclusion Derwent Valley Council would again like to thank the Select Committee for the opportunity to comment on the Tasmanian Forests Agreement Bill 2012.

Please do not hesitate to contact me should you require any further explanation of any of the points contained in this submission.

Signed

Martyn Evans

Mayor of the Derwent Valley Council on behalf of Derwent Valley Council

