

# Submission to Select Committee, Tasmanian Legislative Council

# Inquiry into Tasmanian Forests Agreement, 2012

OAK Tasmania is a statewide community business (not for profit) that specialises in working with disadvantaged people. OAK Tasmania is committed to 'empowering disadvantaged people to become active and equal citizens of our society'. We aim to achieve this through our vision of 'bridging the gap to independence'.

# Introduction & Context

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This submission reflects OAK Tasmania's position and recommendation in the area of access to Tasmanian native timber resources and the ongoing employment of people with disability.

Every person, regardless of their circumstances, has a right to feel that they are valued members of society. This is generally achieved through employment that values their individual contributions. People with disability frequently state that they had often lost touch with any prospect of a meaningful life, equal participation in society and worthwhile employment.

If we are serious about ensuring that people with disability are able to flourish and if we consider ourselves responsible for contributing to their future wellbeing, we need to reflect on how people with disability are treated in their ongoing identification as 'employees'.

People who successfully integrate into society can expect improved life outcomes as well as greater health and social status: they are more likely to gain employment (if that is their wish) and many will choose to live and work in their own communities. The wider community therefore benefits from increased engagement with people with disability by accruing both economic and social benefits.

Oakdale Industries has been a participant in the timber processing industry for around 40 years. In that time it has established a significant reputation for quality and for its 'can do' attitude. There are currently 33 Tasmanians with a disability employed at Oakdale Industries. Markets have been established and contacts have been enhanced over this significant period of time.

As a downstream processor, there has been no direct engagement with the Intergovernmental Agreement other than as a spectator. The future survival of the business dictates that the needs of Oakdale Industries must be brought to the fore to ensure that there is some surety of ongoing supply of native timber resources OR that funds are available to enable the business to transition to another timber-related enterprise OR a combination of both to ensure ongoing growth and viability.

# About OAK Tasmania

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OAK Tasmania (formerly Oak Enterprises) is a leading provider of services to Tasmanians with a disability. Our services are innovative, creative, and focused on the individual needs of each person. We support the ability of each person to connect with their local community and to maintain a strong link with their families. As a result of the development of the Oak Tasmania Strategic Plan 2008-2012, the scope of services offered by the organisation was extended to include people who are disadvantaged.

OAK Tasmania was originally known as the Retarded Citizens Welfare Association (R.C.W.A.) and was founded in 1953 to provide services for children with an intellectual disability. Today, OAK Tasmania is an independent not-for-profit company with a Board of Directors and Senior Management Team who demonstrate exceptional governance and fiscal responsibility. OAK Tasmania is also a member company of the Tasmanian Council on Intellectual Disabilities (T.C.I.D.).

OAK Tasmania now provides person-centred community services; supported accommodation and independent living support to enable people with disabilities to live in the community; respite care for ageing carers; employment in one of six business services; and a range of training and development activities. Services are available to any person with a disability or who is disadvantaged.

We have developed a flexible approach to service delivery recognizing that service models need to be both flexible and measurable. We anticipate that we will be recognised by our peers and government for our capacity to be responsive and provide high quality services.

At OAK Tasmania we believe that there is the capacity within everyone to live life without community restrictions. Our job is to break down barriers to achieving life's opportunities and to **bridge the gap to independence**. We believe that the gap to independence can be bridged through seizing opportunities that show an innovative approach to challenging barriers.

Our approach values people being empowered to exercise the same rights and responsibilities as is available to the rest of the community. We link people accessing our services with all aspects of their communities. We strive to achieve best practice in all that we do through innovation and continuous improvement.

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**Businesses:** Mailhouse Tasmania / OAK Sewing Service / Walkabout Industries / Oakdale Industries / Tahune Fields Nursery / Grove Heritage Nursery  
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# Disability and Employment

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OAK Tasmania is an innovative service that is making a significant difference to the life choices of people with disability in Tasmania. Government funding to the organisation represents approximately 40% of the total annual income, the remaining 60% being derived from a range of Australian Disability Enterprises (business enterprises formerly identified as 'sheltered workshops'), and other investments.

As with most contemporary service providers, OAK Tasmania follows a process of developing individual plans and pathways based on the expressed wishes of service users. The process of individualized planning is a specific requirement of both State and Federal quality systems.

In Tasmania, it has been estimated that at least 111,700 Tasmanians (or approximately 23 per cent of the population) had a disability.<sup>1</sup> This represents the highest rate of disability in Australia

## **Specialist services – Infrastructure Needs**

Specialist services exist as a choice option for people with disability. In order for them to exist in the first place they need to have an infrastructure to both meet accountability requirements of various departments within Government (eg finance and audit; standards; quality framework; and OH&S to name a few) and to provide a base of operations from which to operate (generally requiring a Lease of at least 3 years) with associated utility costs. Services need to be funded to ensure that they have long-term capacity. IT services and infrastructure is a necessary part of modern service communications.

Government funding for specialist disability services generally (but not always) requires that the service is a not-for-profit and is structured to meet its obligations under whatever Act of parliament applies. In the case of Oak, we are a Company limited by guarantee and incorporated under the Corporations Act 2001. This requires a Board of Directors (unpaid volunteers) with appropriate insurance coverage for Directors and Officers; building; professional indemnity; vehicle; and workers compensation etc

## **Value of Employment**

It is good business sense to employ people with disability. Low unemployment levels and the current skills shortage mean that Australian businesses must work harder than ever to build a skilled and unified team. Employers can capitalise on the many benefits that people with

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<sup>1</sup> [ABS Statistics - 2068.0 - Core activity need for assistance, by age, by sex - ABS 2006](#)

disability bring to society. Crucial to this is making the most of diversity and eliminating barriers that might hinder a team member's performance.

People with disabilities work in all industries, in many different roles and at every level; they enjoy fulfilling careers and make significant contributions to their places of employment. Their disability may or may not affect how they do their job. However, a large number of these people still encounter barriers to employment.

The benefits of employing people with disability are immediate and measurable. Studies in Australia<sup>2</sup> and overseas have found that employees with disability have fewer unscheduled absences than employees without disability, have increased tenure, as well as performance and productivity on par with co-workers without disability. A review of research entitled '*Are People with Disability at Risk at Work*'<sup>3</sup> found that workers with disability are no more likely to be injured at work than other employees. On average, employing people with disability does not cost any more than employing people without disability.

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<sup>2</sup> Graffam, J., Shinkfield, A., Smith, K. & Plolzin, U. (2002), Employer Benefits and Costs of Employing a Person with a Disability, Journal of Vocational Rehabilitation (17), 251 - 263.

<sup>3</sup> Are People with Disability at Risk at work? A Review of the Evidence, Australian Safety & Compensation Council, March 2007

# Timber Manufacturing and Oakdale Industries

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Oakdale Industries is one of six businesses owned and operated by OAK Tasmania. OAK Tasmania employs a combined 161 Tasmanians with disabilities. Specifically, Oakdale Industries provide training and employment for 41 Tasmanians (33 of whom have a disability), the business also contributes financially to OAK Tasmania as a whole in support of additional programs and services for people living with disability.

Oakdale Industries is unlikely to secure the amount of Tasmanian native timber resource required to continue its operations under recent changes made to the IGA.

OAK Tasmania has not been a party to the IGA and has not been able to put its position forward. Oakdale Industries relies on access to a Tasmanian native timber resource in order to continue its delivery of substantial social outcomes to its supported workforce and the Tasmanian community.

Oakdale Industries recorded sales produced from Tasmanian native timber of \$2.254m in 2011-12, which represented 84% of Oakdale Industries' total sales revenue. Any reduction in the supply of a Tasmanian native timber resource to Oakdale Industries will have dire consequences not only for the staff directly employed, but also for the additional 380 Tasmanians who are either employed by, or receive services from OAK Tasmania.

Unlike other Timber manufacturers, Oakdale Industries had not been in a position to obtain advice on likely volumes that it will be able to access. Some assurances have been obtained from the State Government that Oakdale Industries 'will be looked after' but nothing substantive has resulted from the many representations that have been made.

Oakdale Industries may be in a position to diversify and source wood supply from other States or internationally. It has been suggested that Oak Tasmania should import timber from Victoria (Vic Ash) – but at approximately 50% increase of the cost of local timber. Some sensible surety of supply would enable Oakdale to continue producing timber flooring and thereby utilising its current equipment.

OAK Tasmania has tough decisions to make in the next three to six months. OAK has been encouraged by the promises to 'assist' and assurances that OAK's employees with disabilities would be 'looked after', but to date these have been unfulfilled promises and cheap words. OAK has engaged personally with politicians from all sides of the political spectrum. They are all very aware of the situation at Oakdale Industries and the need to secure 6000 cubic metres of Tasmanian native timber resource per annum to continue current operations.

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OAK also strongly rejects the rhetoric of ENGO's (and some politicians) that demand for Tasmanian native timber products was dwindling. That is certainly not the experience at Oakdale Industries. Demand for Tasmanian native timber products including hardwood timber flooring, mouldings, joinery & craft lines remain very strong and a shipment of Tasmanian native timber flooring was dispatched to the United States in late 2012.

OAK Tasmania has never been able to put its position on the IGA table to present the impact on Oakdale Industries as both a value-adding timber processor and an employer. Through our own efforts OAK has encouraged site visits to anyone interested on witnessing the positive outcomes and pride in tasks that employment in the timber processing industry has on vulnerable Tasmanians with disabilities.

The future of Oakdale Industries is going to be severely impacted on should there be no certainty of supply of native timber. Oakdale isn't in the position to stockpile green sawn timber and must rely on the capacity of saw mills to guarantee a supply to our business. We have been unable to obtain any firm information on likely volumes that Oakdale will be able to access in the future and we are concerned at the reduction in saw mills able to process the timber that we require.

It should be noted that Oakdale Industries would be prepared to transition from native timbers to plantation timbers (native and softwood) but its equipment is specifically geared towards timber flooring manufacturing. Grave concerns exist that there may not be a market for processed plantation timber. OAK is aware that past efforts with 'Eco Ash' was such that it was rejected by the market as not suitable for a number of reasons. The collapse of Forest Enterprises Australia, which marketed BassPine and Eco Ash is a case in point where a faulty business model was to blame. The quality of Eco Ash was questionable and inconsistent.

As a not for profit organization OAK does not have the capacity to invest in the significant infrastructure cost that would be required. Oakdale would be very keen to explore other capabilities for its business and staff, such as laminating timbers, and the production of other building timbers, but the equipment and training comes at great cost that is outside our capacity to either borrow or lease.

If Tasmanian native timber resources are not forthcoming or assistance is not available to enable Oakdale Industries to transition to other timber processing areas, OAK Tasmania will not have much choice but to aggressively pursue what might appear to be a lost cause. As it stands we don't qualify for any form of rescue package. We are a forgotten element of the industry.

I fear the Oakdale Industries is sidelined specifically because it employs people with disability and because it is partly funded by the Federal Government as an Australian Disability Enterprise. There is a sense that no-one really values people with disability enough to offer

the same rescue and re-skilling opportunities that will be available to the general workforce. People with disability are essentially invisible to the general public who have a mistaken belief that 'government' will look after them as their right. We all know that this is not the case.

**Request:**

**That Oakdale Industries be given assurances that it will have access to a minimum of 6000 cubic meters of native Tasmanian hardwood timber to enable it to continue to employ 33 Tasmanians with a disability and eight support and administrative staff (a total of 41 Tasmanians). Alternatively, that at least \$2 million dollars is made available to Oakdale Industries to enable it to transition to an alternative plantation timber enterprise AND support be given to enable the phasing out of processing native timber resources and the development of a market for processed plantation timbers.**

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