

The Secretary
Senate Standing Committee on Environment,
Communications & Arts
PO Box 6100
Parliament House
Canberra ACT 2600

Email: eca.sen@aph.gov.au

Dear Chairperson

Inquiry into forestry and mining operations on the Tiwi Islands

Thank you for the opportunity to make comments on your Committee's inquiry into forestry and mining operations on the Tiwi Islands.

The Terms of Reference provide a vehicle for examining the net benefits, in terms of social, environmental, economic and cultural criteria, to the Tiwi people and Australia of the sustainable management and use of the Tiwi Islands' natural resources. The Committee's work could also play a role in providing knowledge on more effective approaches for indigenous people to live and work sustainably in their natural and built environments.

The focus of my submission is to provide a context and background information on current forestry operations within the Tiwi landscape and suggest a pathway to enhance economic development opportunities, employment participation and social benefits for the Tiwi from the sustainable management and use of natural resources of the Tiwi Islands.

Relevant Experiences

The observations and comments I wish to make below are supported by my general and specific experiences. At a general level I have worked for over 40 years in the management and conservation of natural resources with a focus on forestry. Over this time I have performed senior leadership roles in natural resource agencies in Victoria and NSW, including forestry agencies, working at international, national (including Ministerial Councils for forestry, natural resources and agriculture and Murray Darling Basin Commission) state and regional levels.

A focus of my work has been evaluating and integrating the economic, social and environmental impacts associated with the management and sustainable use of natural resources covering forests and forest industry, agriculture, water, biodiversity and associated infrastructure.

At a specific level I have undertaken a Voluntary Environmental Audit of the Tiwi Islands Plantation Forests Project for the Tiwi Land Council and Great Southern Limited. I have also developed an understanding of the aspirations of the Tiwi through facilitating workshops for identification and bringing to fruition economically viable industries to broaden and deepen employment opportunities for the Tiwi people. In addition, I have assisted the Thamarrurr Regional Council, NT, to explore opportunities for economically viable employment of indigenous people through use of sustainable forest management on their lands around Wadeye.

History of Tiwi Forestry

The Tiwi Islands has a long history of forestry. During the early 20th Century sawmilling of native species was conducted to produce sawn timber for local use. As part of a national

program to move Australia to self-sufficiency in wood products – using the Commonwealth's Softwoods Loan Program – approximately 4,000 hectares of cypress and southern pine (*Pinus caribaea*) plantations were established in the 1960s and 1970s on the Tiwi Islands, primarily Melville Island. In addition, trials to test growth potential of approximately 50 species were established on Melville Island.

In the 1970s, plantations were transferred from the Commonwealth Government to the Northern Territory Government and against an assessment that concluded that the plantations were not economically viable the plantations were handed over to the Tiwi Land Council in 1978, basically as “a stranded asset”. The Tiwi were provided with an asset but without technical, financial, logistical or other support which placed them in a difficult position.

As an aside, the Softwood Loans Program led to the establishment of large wood baskets in all States and they have supported large scale wood processing industries in rural Australia. However, plantations in the Northern Territory were never developed to a size to support commercially viable processing industries and the Tiwi were not in a position to develop the resource to a viable level on their own.

Plantation expansion on the Tiwi Islands, after a number of false starts, was restarted in the late 1990s through the use of private capital raised through a management investment scheme (MIS). Over the last decade, the plantation estates have been expanded to around 30,000 hectares (comprising approximately 27,000 hectares of *Acacia mangium* and remnants of earlier plantations) through clearing native vegetation – primarily eucalypt woodlands – under a regulatory framework determined under the EPBC Act (or its predecessor the EPIC Act).

The proposed market for wood from plantations, grown on a target rotation of 8-10 years, is export woodchip to supply pulp and paper mills. The location of the plantations is well suited to this industry due to the short sea transport time to the markets when compared with the more southerly Bluegum plantations.

My purpose in presenting this potted summary, as opposed to a more detailed historical flow, of forestry and the forest industry on the Tiwi Islands is to provide context and relevant background information for the observations and comments I will detail in later sections of this submission. I have no doubt that the Senate Committee will be presented with a more detailed history of forestry and associated industries on the Tiwi Islands.

Observations on Aspirations of the Tiwi People

From my work on the Tiwi Islands, including facilitating community based workshops, it is my strong observation that the Tiwi people aspire to more effectively participate in the structure of the economy, social institutions and cultural, political and environmental frameworks which influence their quality of life and their enjoyment of it.

Specifically working within these structures the Tiwi people want real jobs not on-going rhetoric; dialogue and beneficial commercial arrangements with investors to deliver viable jobs and wealth for Tiwi people; and enhanced benefits from the use of resources on the Tiwi Islands linked to value protection for these resources. These goals are captured in “*Tiwi Islands Regional Natural Resource Management Strategy*” (Tiwi Land Council, 2004).

Further, the Tiwi people recognise that the cumulative impact of poor education, housing and health outcomes, and **lack of sustainable employment opportunities**, have significantly reduced the quality of life, self esteem and well being of the majority of the Tiwi people. I believe that the Tiwi have attempted, on a number of occasions, to provide long term improvements through various cooperative ventures (forestry, mining, fish farming, tourism). They may not have achieved the initial objectives, however, they should be viewed as

determined and positive attempts by a community with extensive natural resources but limited financial, technical and other expertise.

Within this complex matrix, my observations and comments are focused on enhancing the likelihood of successfully delivering sustainable employment opportunities for the Tiwi within a landscape framework which delivers a community agreed trade-off between short and long term environmental, social and economic outcomes. By extension, my comments and the Senate Committee's work are relevant for other indigenous communities developing proposals to gain additional benefits from the management and use of their natural resource endowments to support their livelihoods (eg Wadeye).

Current Impacts of Plantation Programs

Clearing Native Vegetation

The general public perception of plantation forests on the Tiwi Islands is one of clearing eucalypt-dominated forests to establish *Acacia mangium* plantations to produce woodchips for export and generating adverse impacts on biodiversity.

The biodiversity impacts are true if only the direct plantation areas are considered. However in my view a more legitimate and productive approach is to evaluate the overall impacts of management and use of the Tiwi Islands' natural resources for a mix of economic development activities at a landscape level, in this case, at the total Island level.

It is relevant to note that clearing of native forests for establishment of plantations, as occurs on the Tiwi Islands, is highly restricted in other States of Australia. Plantations in other States must be established on cleared land where on average, 60% of native forest lands have been previously cleared. This is not an option on the Tiwi Islands where after allowing for current plantation development, towns and other infrastructure, the Tiwi Islands retain over 93% of native vegetation cover. Development of a viable, sustainable plantation industry requires clearing of native vegetation and hence application of forestry systems used in the more developed parts of Australia, may not be appropriate.

A related point worth noting is that many of the forests in developed countries, including Australia, are currently net absorbers of carbon dioxide (CO₂) due to natural and planted forest regrowth which was established following earlier and very extensive clearing of native vegetation to support agriculture, industry and infrastructure for an increasing population. During this development phase, these countries, including Australia, would have been significant emitters of CO₂. The Tiwi Islands are at the very early development stage in this cycle.

Environmental Impact

Plantation forestry conducted within a sustainable forest management framework and applied at a landscape level for the Tiwi Islands will provide the structures for the Tiwi to generate additional economic development opportunities associated with forestry on the Tiwi Islands.

The on-going challenge is to have open and transparent approaches to ensure that environmental requirements associated with the use of natural resources, including plantation forestry, are delivered.

In making these comments, I am aware that corrective actions are currently being implemented by Proponents to remedy breaches of current approval conditions under the EPBC Act for Tiwi Plantation Forests Project.

Employment

At a general level the Tiwi people have been successful in attracting private investment in plantation forestry to secure additional opportunities to lead independent lives and to benefit from associated economic and social structures in the same way as other Australians.

Whereas continuing employment and levels of personal income provide the main economic benchmarks for non-indigenous Australians, the Tiwi people, from my observations, have more complex benchmarks for economic wellbeing which incorporate communal criteria with demands that influence participation, income sharing, personal freedom and accountability, independence, and cultural resilience.

While approximately 25 to 35 Tiwi are employed directly in plantation forestry activities, many more jobs could be undertaken by Tiwi. This could be through expanding their role in the existing forest management activities and also by expanding those activities.

An on-going challenge is to develop and implement more effective structures which facilitate the Tiwi people capturing more comprehensively the broad range of employment opportunities associated with forest management and marketing of wood from plantations. The plantation program, conducted within a sustainable management framework for the Tiwi Islands, could provide expanded, on-going and viable employment opportunities in forest management, provision of environmental services (eg carbon trading), harvesting, wood processing and marketing, and provision of support services.

Strengthening Future Gains

The inquiry of the Senate Committee is considered timely given the potential to guide future directions and enhance the wellbeing and livelihoods of the Tiwi people. It is important that the evaluation of options for economic development opportunities carefully evaluates the trade-offs required between social, economic and environmental outcomes.

A single dimensional outcome built around reserving the Tiwi Islands for conservation purposes as suggested by some organisations, could generate unintended consequences in terms of economic and social outcomes for the Tiwi. That is, it would leave the Tiwi with few economic and social development options. While this approach will achieve very high levels of environmental protection for the Tiwi Islands, the conservation priority, independent of economic and social criteria, ignores the aspirations of the Tiwi people.

I strongly support and consider it prudent for the Committee to examine and evaluate all options for economic development of the Tiwi Islands, the potential outcomes from each option and the likelihood of achieving these outcomes for the Tiwi.

As currently written, the TOR could be interpreted as looking “for alternative economic opportunities (to forestry) and impediments for the Tiwi Islands”.

My thesis is that the more productive approach would be for the Committee to examine the package of economic activities for gainful and viable employment of the Tiwi people benchmarked against targeted outcomes to meet agreed social, environmental and economic criteria.

From my knowledge and experience on the Tiwi Islands I suspect that a broad range of economic activities need to be developed and maintained to increase economic independence for the Tiwi. Currently, the Tiwi people are directly involved in the sale and promotion of cultural products, community development activities, local government, eco-tourism and land and sea management in addition to working with CSIRO to develop opportunities for involvement of Tiwi resources in carbon trading.

Accordingly, with the purpose of enhancing the usefulness of the Committee's work in guiding future decision making for the Tiwi people, I would suggest that the Committee, in examining economic development opportunities, seek advice on the levels, sources and reliability of funds required to support the on-going operation and financial viability of selected economic development opportunity activities over the long term. Short term and fragmented resourcing of economic activities on Tiwi Islands is an on-going challenge. For example, the land and marine management program is funded from Commonwealth grant programs. This fragmented funding arrangement is not consistent with other mainstream ranger programs which are funded through recurrent budgets of governments.

Role for Sustainable Forest Management

Implementation of sustainable forest management (SFM) at a landscape level for the Tiwi Islands provides a vehicle to creditably demonstrate the sustainable management of natural resources while delivering associated economic activities and on-going employment opportunities. At a strategic level, SFM is a framework to ensure that forest based environmental resources are managed in a manner that they continue to produce goods and services required to support sustainable livelihoods for the Tiwi. At an operational level, SFM for the Tiwi Islands would be implemented through criteria (specific goals, practices and processes for the Tiwi Islands) and indicators (activities periodically measured to track success in achieving criteria).

Managing the Tiwi Islands consistent with SFM frameworks will assist the Tiwi people further develop processes and structures to support continuing improvements in their well-being. SFM drives sustainability by implementing actions which are consistent with Tiwi aspirations for cultural and social outcomes in their built and natural environments, and conservation outcomes sought by Australia.

SFM on the Tiwi Islands, through a mix of native forestry, plantation forestry, sawmilling, wood and fibre processing, marketing of wood, carbon and biodiversity credits, tourism and co-generation of energy, has considerable potential to be commercially viable and generate on-going employment.

Suggested Pathway

An adequate level of technical knowledge, applied through adaptive management processes, is available to support Tiwi livelihoods and well-being from their sustainable management and use of the Tiwi Islands' natural resources while meeting the legitimate conservation outcomes sought by Australia.

An on-going challenge is to develop and implement effective decision-making processes, viable and sustainable resourcing arrangements and management structures which allow the Tiwi to determine, in collaboration with potential investors and consistent with the legal structures of Australia, a mix of economic activities to deliver on-going and broadly-based employment opportunities for the Tiwi people.

In terms of future work priorities I would suggest the focus be on application of business planning activities to facilitate on-ground delivery of economic enterprises. Detailed strategies and plans, covering indigenous forestry, are already available from Australian and Northern Territory Governments. The gap in delivering the on-ground benefits from these strategies is associated with implementation of these strategies.

Following this theme the following list provides suggestions for the types of economic development opportunities and associated business planning priorities which could be explored to increase the benefits to the Tiwi people from forestry related activities:

1. Development and implementation of structures to comprehensively capture economic and social benefits of sustainable forest management for the Tiwi Islands including carbon trading, biodiversity credits and ecotourism.
2. Obtaining either long term ownership or control of the plantations with assistance being provided in their management and functioning.
3. Restructuring the plantation resources to have longer term, higher value, wood streams to support local industry (and Tiwi employment).
4. Extending the forestry industry base to include all components in the development (e.g. have all plants produced in nurseries on the Island as a Tiwi venture).
5. Encouraging the supporting industries such as horticulture to supply local and regional markets.
6. Developing forestry and related technical education opportunities on the Islands and extending them so that other groups can be brought in to take advantage of the teaching and Tiwi experience.
7. Looking to timber processing including the use of biofuels to make the Islands self sufficient.

A final comment. In relation to economic activities, including plantation forestry, on the Tiwi Islands it is easy and legitimate to point to mistakes and misjudgements. Within the context of learning from these mistakes and misjudgements it is important the on-going focus be maintained on delivering additional economic enterprises which build on the willingness and enthusiasm of the Tiwi to improve their position.

Thank you for the opportunity to comment. If you have any queries or consider that I could be of further assistance please do not hesitate to contact me.

Bob Smith, PhD
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