

SUBMISSION No. 112
Inquiry into the Australian forestry industry

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The Secretary
House Standing Committee on Agriculture, Resources, Fisheries and Forestry
PO Box 6021,
Parliament House,
Canberra
ACT 2600

RE: Inquiry into the Australian forestry industry.

Firstly let's face it! After 30+ years of inquiries, industry plans and assistance packages worth over \$1 billion dollars of taxpayers money, the Australian forest industry is a complete mess – an economic basket case. Government policy and industry management have been a failed.

The focus by the industry over the past 20 years on issues such as resource security, and tax- rather than market-driven investments, has been a complete furphy. This is not what the industry needs at all.

To learn how to run a profitable, market-driven, efficient, broadly-based forest industry the honourable committee members could do worse than look across the Tasman Sea to New Zealand. The GFC had almost no effect on the NZ forest industry. And now post-GFC the industry there is enjoying unprecedented commercial success.

http://www.nzherald.co.nz/opinion/news/article.cfm?c_id=466&objectid=10729540

So what has New Zealand done that we can learn from?

I believe there are four critical issues that NZ dealt with 20 years ago which set them on the road to glory and riches - issues that the forest industry in Australia refuses to accept:

1. The New Zealand government stopped being a major commercial player in the industry, by selling its plantation and processing assets.
2. To defuse growing community opposition to the forest industry, logging of public native forest was shut down.

3. The plantation-based forest industry representative body then sat down with environmental and community groups and created a standing consultation group. This group addressed the remaining significant issue of plantation development and management, so that the New Zealand public were guaranteed a transparent and responsive approach forest development and management.
4. The forest industry operates in a very commercially transparent, competitive manner with regular market reports and pricing information. That the forest industry is a genuine market-based commercial industry is clearly and regularly demonstrated. For example a brochure is produced annually that outlines to the New Zealand community the commercial importance of the industry to the New Zealand economy.

<http://www.nzfoa.org.nz/publications/facts-and-figures>

Also this competitive, transparent marketplace helps provide growers and investors with the data needed to help keep the industry remain focused and expanding.

These changes I believe were fundamental in setting the New Zealand forest industry on a profitable and successful trajectory. One third of the New Zealand plantation resource is owned and managed by farm foresters, a situation totally outside our experience here in Australia. Twenty years ago the New Zealand forest industry grew up and became a real commercial industry, not a Government-dominated service industry. It is now growing and selling more wood than ever before, and is well placed to expand even further with growing wood markets in Asia, and the carbon-credits market. My word those Kiwis are clever!

So who am I to be so critical? I'm a professional forester with 20+ years experience in the industry in Tasmania. I have just completed a PhD at UTas in blackwood genetics and wood quality. I'm now one of the many unemployed in the forest industry, due largely to poor Government policy and industry isolation and arrogance. I believe the forest industry in Tasmania, and Australia, is hopelessly misguided and poorly managed. This is largely due to the historical and continuing domination of the industry by State government forest agencies that are neither commercially competitive nor socially responsive.

As a blackwood expert I am trying to get a blackwood growers cooperative established in Tasmania. Blackwood is Australia's premier timber species. Why don't we have a thriving, expanding, profitable blackwood industry? Because the industry is clueless and a closed shop! You might find my blackwood growers cooperative proposal of interest.

<http://tasmaniantimes.com/index.php?/weblog/article/proposal-for-a-tasmanian-blackwood-growers-cooperative>.

If the forest industry operated under real commercial conditions, this cooperative would have arisen decades ago. Instead the New Zealanders and Chileans are now way ahead of us, successfully growing blackwood in plantations.

The Australian forest industry really is hopeless. It needs serious reform. Does the Government have the will power to do this? After 30 years of failure I doubt it, but I'm always prepared to be surprised. Good luck!

Sincerely,

Dr. Gordon Bradbury.