



FORESTS & FOREST INDUSTRY COUNCIL OF TASMANIA

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
ENVIRONMENT AND HERITAGE

Mr. Ian Dundas
Secretary
House of Representatives Standing Committee on Environment and Heritage
Parliament House
Canberra
ACT 2600

Dear Mr. Dundas

Inquiry into Employment in the Environment Sector

Thank you for the opportunity to provide a submission to your Inquiry into employment in the environment sector under the auspices of the Standing Committee on Environment and Heritage.

Our submission is enclosed.

Yours faithfully,

Allen Dagger
Chairman

TASMANIAN
FORESTS & FOREST INDUSTRY COUNCIL

Submission
to

House of Representatives Standing Committee on
Environment and Heritage Inquiry into Employment
in the Environment Sector

The Forests and Forest Industry Council of Tasmania

The Tasmanian Forests and Forest Industry Council (FFIC) is formed from associations with an interest in forest and land use issues. Its Executive consists of members representing the CFMEU Forestry and Furnishing Division, the Tasmanian Country Sawmillers Federation, the Tasmanian Farmers and Graziers Association, the Forest Industries Association, the Tasmanian Logging Association, Forestry Tasmania, Private Forests Tasmania, and the Department of Infrastructure Energy and Resources and it numbers the Local Government Association of Tasmania, Unions Tasmania, the Tasmanian Chamber of Commerce and Industry, Timber Communities Australia, the Furnishing Industry Association of Australia, the Tasmanian Beekeepers' Association, the Department of State Development, the Tourism Council of Australia (Tasmania), and the Tasmanian Recreational Land Users' Federation amongst its General Council.

The FFIC was created in 1989, in part in response to the decisions made following the Helsham Inquiry, and partly as a condition of the Labor-Green Accord. It went on to create the Forests and Forest Industry Strategy of 1990 and played a significant role in the annual forest debates about export quotas for woodchips, Recommended Areas for Protection, the formation of the Public Land Use Commission, and the development of the Regional Forest Agreement. It continues today with a dual role, as the original Forests and Forest Industry Council as the peak body providing external advice to governments, and as an Industry Council under the Industry Audit process initiated by the current State Government.

The Tasmanian forest products industry has an annual turnover of almost \$1.3 billion. In addition, our forests provide many tourism and recreation opportunities.

We contribute 23% of the total State manufacturing value and much of the tourism and recreational product available in Tasmania.

The Regional Forest Agreement

Tasmania has been an active participant in the Regional Forest Agreement process and remains the only state where an all-of-State RFA is in place.

The Regional Forest Agreement is a demonstration that Tasmania is in a position where all the administrative and management elements of land use needed to care for the environment are in place. We have security of access to resources on public land guaranteed in legislation with sound management schemes such as the Forest Practices Code and the sustainable management regime of Forestry Tasmania to protect environmental values. We also have a reserve system protected in legislation and managed by State agencies.

Our reserve system is second to none.

One of the requirements for the Regional Forest Agreement (RFA), signed in late 1997 by the Prime Minister and Tasmanian Premier, was the establishment of a Comprehensive, Adequate, and Representative reserve system using nationally agreed selection criteria devised by independent scientific experts, the "JANIS" criteria.

All forests were assessed against these guidelines with benchmark area targets to be achieved where socially and economically feasible.

The Tasmanian RFA produced major enhancements to the State's reserve system. There is now an additional 450,000 hectares of public land in the reserve system, bringing it to over 2,756,000 hectares. Under the RFA 29 new areas of National Parks and State Reserves were created, including Savage River, Friendly Beaches and Tasman Peninsula. New areas were added to the eastern boundary of the World Heritage Area, including Beech Creek and Blakes Opening.

This was the most recent addition in a massive expansion in conservation reserves over the last 20 years. In 1981, less than 600,000 hectares or 8.5% of Tasmania was reserved. With the Franklin Dam and Helsham decisions and then the Forests and Forest Industry Strategy and the Recommended Areas for Protection program, over 1.6M hectares or 24% of Tasmania was placed in reserves by 1992. We now have over 2.75M hectares or 40% of Tasmania securely protected in conservation reserves.

There is a further 600,000 hectares that is not suitable or is unavailable for forest production, that is, it lies outside wood production coupes. On those lands where forestry is practised, systems are in place to deliver off-reserve conservation for flora and fauna and habitat protection especially where it is considered these may be endangered. There is only about 1,510,000 hectares of Tasmania administered for multiple use forest production. Of this 12% is contained in forest reserves, 13% is in other protection zones of one form or another, and 24% as mentioned above, lies outside coupes, leaving 51% of the 1.5M hectares available for public multiple use production forestry. Harvesting is managed sustainably and only a small proportion of the area is logged and replanted each year.

The three major reservation criteria defined by JANIS were forest communities, oldgrowth, and wilderness. Reservation targets were set for each.

Forest Communities

Native forests cover 47% of Tasmania, about two-thirds of that estimated to have been present at the commencement of European settlement in 1803. There has been a relatively low rate of clearing for agriculture compared with other Australian states.

50 forest communities were defined within this area and 16 of these were identified as rare or endangered. Under the RFA all of these rare communities are protected on public land where practical and feasible.

Many forest communities occur principally on private land and some are endangered, as private land has been more subject to clearing. With assistance from the Commonwealth Government, Tasmania is establishing a reservation system on private land unique in Australia. Areas of private forest are being secured for conservation through a mixture of voluntary agreements to stewardship covenants with landowners or through outright purchase.

On public land the JANIS reserve criteria for forests have been fully met for 45 of the forest communities, with over 97% of the area targets met.

Oldgrowth (Mature Forests)

The JANIS definition for oldgrowth forest is forest where the upper stratum or overstorey is in the late mature to over-mature phase and where the effects of disturbance are negligible.

In a purely ecological sense oldgrowth eucalypt forest is temporary. All of our forests have been regenerated many times over by wildfire. Wildfire regeneration is responsible for the old growth eucalypt forest we have now, most of our mature forest would have been young regeneration in 1803 when the first European settlers arrived and it would not have existed when Abel Tasman sailed past in 1642. It is impossible to estimate how much oldgrowth forest once existed as the forests have been subjected to regeneration and regrowth for millennia.

It is estimated Tasmania now has about 1.2M hectares of oldgrowth forest and there are ample reserves of advanced age forest making the transition to the oldgrowth form year by year.

Under the RFA, 86% of Tasmania's oldgrowth forests on public land are protected for conservation and tourism in secure reserves or are unavailable for timber harvesting. The area of oldgrowth in the reserve system increased from 682,000 hectares to 850,000 hectares post RFA.

On public land over 96% of the JANIS area reservation targets for oldgrowth in all forest types have been met.

Wilderness

About 1.94M hectares of Tasmania was assessed in the RFA as having high quality wilderness value.

Post RFA, 95% of wilderness is reserved, compared with 86% prior to the RFA. The JANIS criterion for wilderness reservation of 90% has been exceeded.

Tasmania now has a reserve system based on measures of scientific attributes that exceeds international standards in every respect and is better than that of all of the nations assessed by the United Nations Environment Program World Conservation Monitoring Centre¹.

The contribution of forested land to employment in environment

The management and maintenance of reserves now administered by Tasmanian Government Departments and through Stewardship Covenants on private land contributes greatly to employment in the environment sector. Visitors to these sites use transport, accommodation, and dining services remote from the parks. There is little or no expenditure by visitors within parks expect for enhancement of the experience through guiding.

However, the desire for an off-reserve environmental experience is increasing at a great rate. The doctrinaire view pushed by conservation zealots who would have public use of National Parks and Wilderness areas reduced to low impact enjoyment for the favoured and very athletic few has had some effect. The vigour of the campaign for the establishment of these areas has not been matched by a similar degree of support from the same source for funding to improve access to remote reserves. Access to remote wilderness will remain difficult.

The brunt of visitor impact will move to areas that have more appeal to the average visitor seeking an environmental encounter with less discomfort. The popularity of the new Tahune Air Walk in the Huon Valley is a case in point. This is on multiple use forest production land and employs about 30 people directly. Indirect employment in service industries and in the many other enterprises that have seized the opportunity to cater to an influx of an extra 150,000 visitors to the region each year is many, many times more.

Attachment 1: United Nations Environmental Program- World Conservation Monitoring Centre, Cambridge UK (1997)

We should expect to see the contribution to employment in the environment sector coming increasingly from sustainably managed multiple use areas.

Multiple Use Forestry

Sustainable multiple use production forestry contributes much to the pool of environmental goods and services available in Australia.

The enclosed brochure² produced recently by Forestry Tasmania illustrates the lengths that good land managers are willing to go to. Forestry Tasmania produces environmental outcomes from its management of public forest land in the form of:

- o protection of conservation values
- o active identification of areas with high conservation value
- o landscape and scenery preservation
- o management and abatement of risk to Threatened Species
- o wildlife and habitat strip preservation
- o protection of our soil and water resources
- o long term ecological research - see www.warra.com
- o management and control of fire
- o maintenance of forest health
- o recreation and tourism opportunities
- o provision of access
- o an assortment of products, including foodstuffs, horticultural goods, and craft materials
- o the provision of ecologically sound building materials with low embodied energy

Barriers to growth in employment in the provision of environmental services

One of the barriers to growth in employment is, strange to say, the creation of reserves to which access is restricted. Reserves created for a single purpose remove land from the public stock that may have been used for a greater variety of environmental experience. If the land contains high conservation values that need protection, it is often best for it to be properly managed for the abatement of threat rather than locked up but suffer from benign neglect.

Management for the protection of conservation values often relies on exclusion of use rather than more intensive management because this is either cheaper or taxes the resources of the managing agency less.

Land managed to deliver a suite of goods may provide a better conservation outcome because the extraction of some products makes the management of other values more affordable.

The need for better baseline data

Many of the arguments on land use in Australia are conducted in a data vacuum. While we may have approximations of the contribution of environment-based industries to our Gross State Products, we are largely ignorant of the actual levels of employment involved.

Attachment 2: Sustainable Forest Management, Forestry Tasmania

There are a number of reasons for this, first many of the service providers are new companies in a sunrise industry sector, second many operate sporadically and the owner/operators are lifestyle based, and third the taxonomy used for reporting by official agencies such as ABS does not yet fully embrace all the inputs to this sector.

This places those who must make land use decisions at a disadvantage. Unless our political leaders are fully informed on the levels of employment and the contribution to regional economies flowing from sustainable management of our environment they cannot make informed decisions.

Decisions on the allocation of land to reserves change the employment base of many regions. Flow on benefits to local economies are dislocated by denial of access to processors yet employment in tourism may never be as reliable as in the industries it is assumed to replace. Tourism is a discretionary pursuit and it is often the first interest to be sacrificed when the economy comes under pressure.

Employment figures used in land use debates in Tasmania come from a number of sources with the one point of agreement in the debate being that none of the assessments can be considered entirely adequate.

Recent reporting by the Australian Bureau of Agricultural and Resource Economics (ABARE) was designed to shed some light on employment in the Tasmanian forest industry. The ABARE data arose from a pilot study to test assessment methods for one of the Montreal family of Sustainability Indicators. They were based on responses to questionnaires followed up by telephone interviews so the reliability of the study depended on how broadly and how well the contact list was established and the willingness of potential respondents to cooperate.

Our view is that this study provided an underestimate because of this. It also did not include transport or direct value added processing contributed by the furniture industry.

Recommendation

We consider that it is important that our legislators are provided with the full facts so that informed recommendations and decisions can be made. In the past, we have found studies by the Centre for Regional Economic Analysis at the University of Tasmania to be useful.

These have used an Input/Output model based on environment and resource-weighted industry classifications designed to reflect that the Tasmanian economy is unique and biased in this respect. The 11 industries were Forestry, Agriculture, Fishing, Mining, Food and Beverage, Timber Processing, Mineral Processing, Other Manufacturing, Construction and Utilities, Public Services, and Private Tertiary Services. The model also used a "household" industry to allow for the contribution of household output calculated as the value of labour services.

We recommend that studies be undertaken using an Input/Output model such as this updated to reflect changes arising from recreation and tourism. This would allow a new Transactions Table to be compiled that reports variation with new reserves and the RFA. This would provide a modern base for future decision-making.

This Input/Output approach will provide the following data:

- the contribution of Environment Sector and Forest Based Industries to the value of Tasmanian and local community output.
- the effects on Tasmanian employment flowing from the current final demand for the output of these industries.
- the contribution of these industries to Tasmania's Gross State Product (GSP).
- the contribution of these industries to Tasmania's total wage income.

We also need to upgrade the qualitative information collected to demonstrate the dependence of regional community infrastructure on the economic output from forestry and associated industries with a forest base. The viability of businesses in small societies is highly interconnected and the benefits that flow from these businesses are often measured in terms other than dollars. The convenience of local shopping and access to medical and other services is tangible but unquantified by income and other measures.

Indices that demonstrate community well-being such as the participation rate in leisure and volunteer activities and provision of community services should be regarded as important. Reporting against such indicators requires that profiles be established for regions that reflect:

- employment and labour force characteristics,
- local economic viability,
- socio-demographic structure of the community,
- community infrastructure
- community vitality,
- community aspirations and attitude to change

This would require a study at the local community level with relevant stakeholder groups to ascertain the response of forest user groups and communities to recent change. This would also provide an estimation of the resilience of communities.

We recommend that quantitative and qualitative studies to discover the contribution to GSP and local communities of industries in the environment sector be commissioned and that the models devised be applied across a sample of Australian bush regions.