

CHAPTER TWO

2001-2002 REVIEW OF THE *2020 VISION* AND THE OUTCOMES OF THAT REVIEW

Introduction

2.1 Plantations have existed as part of Australia's forest landscape for more than a century. However, the plantation forestry industry commenced major plantation development and growing programs in the 1950's. The area dedicated to plantations increased rapidly between 1950 and 1980, largely as a result of government investment designed to establish a domestic softwood resource. Since 1990, the plantation estate – largely funded by private investment – has increased by more than 50 percent and currently totals 1.6 million hectares. *Plantations for Australia: The 2020 Vision* outlines a shared government and industry goal to further expand Australia's plantation forests to 3 million hectares by the year 2020.¹

2.2 The revised *2020 Vision* can be regarded as a specific response to the changes that are taking place in the industry and the challenges the industry faces. A recent Jaakko Poyry report prepared for DAFF describes it as a "practical charter endorsed by both the public and private sectors" that is designed to:

... attract commercial investment from the global capital market and domestic investors to treble the nation's plantation estate by the year 2020.²

2.3 The Committee was asked to take into account the findings of the Private Forests Consultative Committee's review of the *2020 Vision* when considering its terms of reference.

2.4 The revised *2020 Vision* strategy entitled *Plantations for Australia: The 2020 Vision* was provided to the Committee in July 2003. The document is referred to as the *2020 Vision* throughout this report. A copy of the *2020 Vision* document is included at **Appendix 3**.

2.5 This Chapter sets out the genesis of the 1997 document and the revised document. It also outlines the principles of the two documents, highlighting the differences between them.

1 *Water Use by Australian Forest Plantations: Pre-publication – Draft Final Report*, prepared for the Forest and Wood Products Research and Development Corporation by the Bureau of Rural Sciences, 2004, p. 12.

2 *The Need for Change – Positioning Australia's Forest Industry for the Changes/Opportunities for Tomorrow?*, prepared for Agriculture, Fisheries and Forestry Australia by Jaakko Poyry Consulting, February 2000, p. 11.

Background to Preparation of 2020 Vision

2.6 The *2020 Vision* strategy arose from a decision taken at a meeting of the Ministerial Council on Forestry Fisheries and Aquaculture (MCFFA) in July 1996. At that meeting, the Ministerial Council endorsed the plantation industry's stated aim to increase Australia's plantation estate and agreed to the setting of national goals aimed at trebling Australia's plantation forest estate by 2020.

2.7 Following the Ministerial Council's endorsement of the industry goal, the Standing Committee on Forestry (SCF) was requested by them to develop an appropriate strategy to implement the Vision.³

2.8 The Standing Committee on Forestry (SCF) obtained funding assistance from Australian Forest Growers (AFG), Plantations Australia, and the National Association of Forest Industries (NAFI). In November 1996, the SCF engaged the Centre for International Economics (CIE) to prepare a report and to assist in developing the strategy. The report, completed in March 1997, provided the basis for the strategy subsequently developed by the Plantation 2020 Vision Implementation Committee (VIC) and published as *Plantations for Australia: The 2020 Vision*.

2.9 The VIC was representative of both government and industry bodies, and included:

- Ministerial Council on Forestry, Fisheries and Aquaculture;
- Standing Committee on Forestry [now the Forestry and Farm Products Committee];
- Plantations Australia [now the Plantation Timber Association of Australia];
- Australian Forest Growers; and
- National Association of Forest Industries.

2.10 The *2020 Vision* was launched by the then Minister for Primary Industries, the Hon. John Anderson MP, in October 1997.

The Aims of the 1997 2020 Vision

2.11 The principal target of the 1997 *2020 Vision* was for a threefold increase in Australia's forest plantation estate by 2020. In 1996, the total area of Australian forest plantation was 1.1 million hectares – including 964,000 hectares of softwood and 155,000 hectares of hardwood. The target for 2020 was accordingly set at 3.3 million

3 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997, p. 1.

hectares of forest plantation. The achievement of this goal would require plantings of 90,000 hectares per year.⁴

2.12 The 1997 *2020 Vision* strategy was based on an expectation that by 2020, plantation forestry in Australia would be a sustainable and profitable long rotation crop with significant private sector investment.⁵

2.13 It was argued that global market conditions appear favourable to the achievement of this goal and that global market assessments "point to faster wood demand growth relative to supply over the next 25 years".⁶ This argument is based on:

- a substantial decline in industrial wood production in traditional, large production, northern hemisphere countries;
- the projected growth in production in Australia, New Zealand, Chile, Brazil and South Africa is not going to be enough to make up the shortfall;
- the shortfall of production relative to demand is projected to be large;
- the global wood fibre deficit will be closed by upward pressure on wood fibre prices; and
- the market price will be supported by a continued decline in wood supply from the world's native forests.⁷

2.14 While economic forecasts are positive, it is argued that in order to achieve the principal target of the *2020 Vision*, Australia's plantation and processing industries will require the capacity to:

- operate in global markets;
- be internationally competitive; and
- be commercially oriented, market driven and market focused in their operations.⁸

2.15 The Vision is also described as "a working partnership between the plantation growing and processing industries and Commonwealth, State and Territory

4 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997, p. 2.

5 Draft 2002 Revision, *Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 1.

6 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997, p. 2.

7 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997, p. 3.

8 Draft 2002 Revision, *Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 1.

Governments (the Vision Partners)".⁹ The purpose of this collaboration is to attract the significant levels of private investment needed to develop a plantation resource and ensure accelerated plantation development by:

- boosting availability of suitable land;
- providing commercial incentives through a global focus and supportive commercial and regulatory frameworks;
- establishing a commercial plantations culture;
- improving the provision of information to farmers and growers on the benefits and resource potential of plantations; and
- creating initiatives through a suitable taxation environment, greater market access and economic information.¹⁰

2.16 In addition to outlining the actions to be taken to achieve the strategy, a primary focus of the original *2020 Vision* was identifying and overcoming (or removing) 'impediments' to the development of plantation forestry. The challenges identified included:

- Land availability:
 - local government planning restrictions;
 - taxation issues and legal questions over ownership; and
 - critical mass concerns;
- Commercial incentives:
 - attitudes and government policies;
 - lack of transparency in pricing and uncompetitive processes;
 - agricultural land use procedures;
 - access to native forests;
 - information base for potential investors;
 - past practices and failures; and
 - research and development (R&D) performance.¹¹

2.17 The structure of the 1997 *2020 Vision* revolved around a number of major strategies:

9 Draft *2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 1.

10 Plantation 2020 Vision Implementation Committee, Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997.

11 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997.

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- increasing the availability of suitable land;
 - identifying the most appropriate and effective commercial incentives;
 - establishing a ‘plantations culture’; and
 - ensuring information flows.¹²

2.18 The 1997 *2020 Vision* also outlined the potential benefits to the Australian economy, rural communities and regional development in terms of economic potential and the environment:

- Economic benefits:
 - more than \$3 billion to be invested to establish new plantations by 2020 (mainly through private investment);
 - farm incomes would increase by 20%;
 - the trade deficit in wood and wood products would be converted to a surplus; and
 - an increase of up to 40,000 jobs in rural areas in plantation forestry and logging, wood products, transport, and flow-on from exports and local processing.
- Environmental benefits:
 - CO2 sequestration benefits through the planting of additional trees and varieties, resulting in less carbon tax;¹³
 - reduction in salinity and costs through plantation revegetation; and
 - other landcare benefits through reductions in wind and soil erosion.¹⁴

The 1997 2020 Vision - Progress Reports

2.19 Reports on progress made under the 1997 *2020 Vision* were produced in June 1999 and October 2000. The progress reports recorded that plantation areas had significantly increased in all states and territories, with the primary new planting being blue gum hardwood varieties. Western Australia was identified as a major growth area, with an increase in plantation areas of 89 percent. An increase in hardwood

12 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997.

13 Carbon tax refers to a levy imposed on carbon dioxide emissions aimed at discouraging fossil-fuel use and reducing carbon dioxide emissions. Carbon taxes have not been introduced in Australia, but have been introduced in a number of other industrialised countries, including Finland, Norway, The Netherlands and Sweden.

14 Plantation 2020 Vision Implementation Committee, *Plantations for Australia: The 2020 Vision*, October 1997.

plantations generally was reported, with an increase from 15 percent of the total in 1994 to 29 percent in 1999.¹⁵

2.20 The progress reports also identified a number of issues that required change to maximise plantation development, including taxation, environmental and local government issues.

Taxation

2.21 The October 2000 Progress Report noted that there was a "generally accepted view amongst industry and government in Australia that direct financial incentives should not be used to encourage plantation expansion".¹⁶ The report states that this view is based on the belief that a 'free market' or 'level playing field' would result in the most efficient allocation of resources.

2.22 The report also referred to government and industry concerns about direct financial incentives for plantation establishment having the potential to attract inferior operators "and allow the establishment of plantations in inappropriate locations or with sub-optimal management practices".¹⁷ It also referred to continuing perceptions held by some sections of the community that the immediate tax deductibility provisions for plantations could provide an unfair advantage for those investing in plantations.

Environment

2.23 Since the release of the 1997 *2020 Vision*, a number of concerns have been raised by local governments and community organisations in regions where major plantation development has occurred. Issues raised include the possible adverse impacts of plantation forestry on the environment including net loss of biodiversity. The use of chemicals, the control of animal pests and noxious weeds and soil productivity are cited as possible problems.¹⁸ While the 1997 *2020 Vision* anticipates potential environmental benefits from plantations such as a reduction in salinity, concerns were also raised in relation to water resource issues. Based on assertions that plantation trees absorb more water than other crops, water resource concerns focused on whether there is adequate water to support both sustainable agriculture and forestry plantations.

15 *Plantations 2020 Vision*, Progress Report, June 1999, p.1 and *Plantations 2020 Vision*, Progress Report, October 2000, pp.1-2. Full statistics on plantings to date are set out in the National Forest Inventory publication *Plantations of Australia 2001* and *Plantations of Australia: Wood Availability 2001-2044*, published by the National Forest Inventory, Bureau of Resource Sciences.

16 *Plantations 2020 Vision*, Progress Report, June 1999, p.1 and *Plantations 2020 Vision*, Progress Report, October 2000, p. 24.

17 *Plantations 2020 Vision*, Progress Report, June 1999, p.1 and *Plantations 2020 Vision*, Progress Report, October 2000, p. 24.

18 *Plantations 2020 Vision*, Progress Report, October 2000, p. 5.

2.24 Whilst most state governments have conducted some preliminary studies in relation to plantation suitability and capability, the need for additional research and a more co-ordinated, national, approach to data collection is acknowledged. A recent Bureau of Rural Sciences (BRS) report – *Plantation potential studies in Australia: an assessment of current status* - identified gaps in the coverage of plantation potential studies and argued that consideration needs to be given to how these gaps should be addressed.¹⁹

Role of Local Government

2.25 A Conference – sponsored by Plantations Australia and the Australian Local Government Association (ALGA) – was held in Canberra in May 1998. The Conference agenda focussed on forestry issues, with representatives from more than 40 local government bodies, the plantation growing and processing industries, state and Commonwealth bodies as well as Regional Plantation Committees (RPCs) attending the conference.

2.26 The October 2000 Progress Report documented issues raised – both during the Conference and subsequently – by local governments and community organisations, particularly those in regions where plantation development has been expanding rapidly. The concerns included:

- impacts on road and bridge infrastructure (particularly local roads and bridges);
- demographic changes (including depopulation and movement from rural areas to regional centres);
- changes to the nature of fire fighting, and the capacity of rural fire brigades to cope;
- impacts on tourism and regional amenity values;
- environmental costs and benefits of plantations, including the application of chemicals, plantation water use, control of pests and noxious weeds and soil productivity; and
- changes in land use impacting on traditional agricultural industries.²⁰

2.27 Delegates noted that, as a result of these issues, there has been some opposition from within communities to land which has traditionally been used for agricultural production being used for commercial timber production. It was argued that such concerns have resulted in a range of statutory planning restrictions, and in some local government areas has reduced the availability of suitable land for plantation development. The report noted that these concerns were not shared by all delegates, with some local government representatives expressing strong support for

19 *Plantations 2020 Vision*, Progress Report, October 2000, p. 6.

20 *Plantations 2020 Vision*, Progress Report, October 2000, pp. 4-6.

land owners being able to make their own choices in relation to land use – provided it was sustainable and did not lead to land degradation.²¹

2.28 The 1997 *2020 Vision* stated that one of the first steps in responding to such concerns is to develop an information package and consult with local governments. Reference is made to the study entitled *Local government's role in Plantations for Australia: The 2020 Vision: Issues and Directions*, which asserted that local governments "are only marginally interested in plantations as they form a small proportion of their work program".²²

2.29 As a result of the October 2000 Progress Report, the Plantations 2020 Implementation Committee agreed to facilitate local government participation in the further planning, development and implementation of the *2020 Vision*. The Commonwealth also provided funding for an ALGA project to establish a network of local councils with interests in the future expansion of the plantation timber industry.²³

2001-2002 Review of the 1997 2020 Vision

Decision to Review the 1997 2020 Vision

2.30 In October 2000, the Forestry and Forest Products Committee (FFPC) – formerly the Standing Committee on Forests – called for a major review of the *2020 Vision*. The review was a response to the requirement that the 1997 *2020 Vision* be evaluated after five years. The review was also required to address a number of issues that had arisen since the implementation of the Vision and the expansion of Australia's plantation estate, including:

- issues relating to the social and environmental changes being experienced by communities in areas where plantations developed rapidly;
- maximising the potential economic and environmental benefits of plantations through market development, and integrating growers and processors;
- the change in the plantation estate from public to private ownership (only 25% of the resource established since 1990 is wholly publicly owned); and
- the contribution to the resource by farm foresters.²⁴

21 *Plantations 2020 Vision*, Progress Report, June 1999, p .4.

22 *Plantations 2020 Vision*, Progress Report, October 2000, p .5.

23 *Plantations 2020 Vision*, Progress Report, October 2000, p. 4.

24 *Draft 2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 2.

2.31 The Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF) told the Committee that an additional objective of the review was to "ensure that the *2020 Vision* maintained its relevance to the changing needs of the industry."²⁵ The resulting review, conducted by the Private Forestry Consultative Committee (PFCC), was aimed at:

- providing a strategy that is more relevant to the emerging needs of the industry;
- ensuring that a variety of factors [other than taxation incentives], such as regional development, environmental benefits, and an appropriate regulatory environment, encourage investment in plantations;
- removing impediments that remain, particularly with regard to uncertainty over rights, to plant, manage, harvest and trade plantations; and
- providing a role for community participation in the ongoing development of the plantation resource.²⁶

Conduct of the Review

Consultation

2.32 As an initial step, a national stakeholders' workshop was held on 15 February 2001. A 'national consultation' process was undertaken between November 2001 and March 2002 to obtain public input into the revised *2020 Vision* document.

2.33 The PFCC subsequently organised a number of public forums in each of Australia's major plantation-growing regions, both to raise awareness of the review being undertaken into the *2020 Vision* and to actively seek comment on revisions that might be necessary to the 1997 *2020 Vision*.

2.34 The Committee was advised by the then National Strategy Co-ordinator of *Plantations for Australia: the 2020 Vision*, Mr Rod Bristow, that:

- over thirty meetings and presentations were conducted in both capital cities and regional areas – all organised with the assistance of relevant Regional Plantation Committees, State co-ordinators and members of the PFCC;
- representatives of a wide range of interest groups (approximately 1,000 people) were invited to attend such meetings;

25 *Submission 29*, Department of Agriculture, Fisheries and Forestry, Covering Letter, pp. 1-2.

26 *Draft 2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 2.

- some 430 people accepted invitations, participated in meetings, raised issues of concern, and provided comment on the updated draft of the *2020 Vision*; and
- the PFCC received some 54 written submissions from community groups, government agencies, industry groups and government agencies.

2.35 The timetable followed in conducting the review of the 1997 *2020 Vision* is as follows:

Timetable Followed in the Vision 2020 Review Process

Date	Activity
October 2000	The Forestry and Forest Products Committee (formerly the Standing Committee on Forestry) requested the Private Forestry Consultative Committee to undertake a review of <i>Plantations for Australia: The 2020 Vision</i> .
15 February 2001	National Stakeholders' Workshop, Melbourne Workshop was facilitated by Professor Peter Kanowski. During the workshop, a number of versions of the revised <i>2020 Vision</i> document were circulated amongst government and industry stakeholders.
November 2001 – March 2002	Process of national consultation undertaken Consultation process undertaken seeking public input into a revised draft strategy. 33 public hearings held in 29 locations in capitals and plantation-growing regions in all States and Territories. Meetings were organised with the assistance of relevant Regional Plantation Committees, their State co-ordinators and members of the PFCC Written submissions (54) received from individuals, communities, organisations, forestry companies and government agencies. PFCC further review the content, structure and direction of the <i>2020 Vision</i> document.
May 2002	PFCC approved the Revised <i>2020 Vision</i>

	Industry Vision partners also give 'in-principle' support to the revised Vision, subject to minor changes being made.
July 2002	Forestry and Forest Products Committee endorsed the revised Vision document
October 2002	Primary Industries Ministerial Council endorsed the revised <i>Vision 2020</i>
14 March 2003	Private Forestry Consultative Committee approved minor amendments to <i>2020 Vision</i> Minor amendments made at request of industry to convert 'in-principle' support to 'full' support.
Post 14 March 2003	Consultation undertaken by Department of Agriculture, Fisheries and Forestry DAFF consulted with: Department of Environment and Heritage Department of Finance and Administration Department of Education Science and Training Department of Transport and Regional Services Treasury; and Department of Industry, Tourism and Resources
10 October 2003	Meeting between Industry and Government stakeholders in the <i>2020 Vision</i> Final wording to be included in the revised <i>2020 Vision</i> was agreed.
November 2003	Revised <i>2020 Vision</i> released on the Plantations <i>2020 Vision</i> website

2.36 The Committee was advised by the Forestry and Forest Products Committee (FFPC) that this consultation process revealed the following key issues:

- a need for more effective communication about the plantation sector;
- a need for greater certainty about the plantation sector's future direction;

- stakeholder participation and ‘ownership’ of the Vision should be broadened;
- better mechanisms to enable local government engagement in the *2020 Vision* and both the Commonwealth and the States to respond positively to local government needs;
- a revised *2020 Vision* should contain actions with more emphasis on present and future needs (if it is to maintain its relevance and value). For example, enhanced community benefits, environmental services, the contribution of farm plantations and the development of markets and market access; and
- criteria are needed to demonstrate whether the responses to the *2020 Vision* actions are delivering effective outcomes for stakeholders.²⁷

Review of the Role of Regional Plantation Committees (RPCs)

2.37 In 1996, Regional Plantation Committees (RPCs) were established by DAFF as part of its Farm Forestry Program. The RPCs, based in the main plantation regions, were developed to promote wood production on cleared agricultural land, to integrate commercial tree growing with other agricultural land uses and to promote tree planting for production of wood and non-wood products.²⁸

2.38 In November 2001, the PFCC appointed a working group to review RPCs. The review group was asked to:

- (a) identify whether there was a need to maintain a network of plantations and private forestry committees; and
- (b) to identify future funding options for the national framework of RPCs.

2.39 The RPC review was finalised in June 2002 with the release of *Regional Plantation Committees: Review of Rationale and Options for Future Funding*. It argued that RPCs have a central role to play in the future development of the plantation industry and that they are integral to the "achievement of regional and community focused outcomes".²⁹ The review also acknowledged that RPCs are important for providing a national industry co-ordination network dedicated to increasing the potential for economic development in regional areas and increasing the commercial plantation estate enabling industry to expand and remain world competitive.

27 *Submission 12*, Forestry and Forest Products Committee, p. 2.

28 *Regional Plantation Committees: Review of Rationale and Options for Future Funding*, Private Forest Consultative Committee, Regional Plantation Committees Review Group, June 2002, p. 6.

29 *Submission 29*, Department of Agriculture, Fisheries and Forestry, covering letter, p. 2.

2.40 Importantly for a future consultation/promotion process, the review also concluded that:

The RPC's continue to be important delivery agents for the Farm Forestry Program, and are key collaborators in the implementation of the Plantations for Australia: the Vision 2020. Their activities are consistent with the objectives of the Forest and Wood Products Industry Action Agenda and they have the potential to further contribute to activities under the Action Agenda. They have been pivotal in the collection of data for inventory compilation to meet regional development needs and the Commonwealth's reporting obligations.³⁰

2.41 The review finally noted that with the increasing regional focus of natural resource management programs, the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust, RPCs are providing a much needed regional presence.

2.42 Also highlighted was the problem of long-term funding support for the national RPC network. In 2002-03 the Commonwealth funded RPCs under the interim arrangements of the Natural Heritage Trust (NHT) Extension.

2.43 Following the review the RPC's became the Private Forestry Development Committees (PFDC).

The Revised 2020 Vision

2.44 By May 2002 the PFCC, which includes representatives of Commonwealth, State and Territory governments and the plantation forestry industry (Plantation Timber Association Australia (PTAA), Australian Forest Growers (AFG) and the National Association of Forest Industries (NAFI) had completed their work. The industry commenced consideration of the revised *2020 Vision* document. In principle support, subject to minor amendments being made was given by Industry Vision Partners in May 2002. The plantation industry endorsed the 2002 review of the *2020 Vision* on 29 July 2002.³¹

Ministerial Council Adoption of Revised 2020 Vision

2.45 The Primary Industries Ministerial Council endorsed the revised *2020 Vision* document on 10 October 2002.³²

30 *Regional Plantation Committees: Review of Rationale and Options for Future Funding*, June 2002, p. 3.

31 *Submission 12*, Forestry and Forest Products Committee, p. 2.

32 *Primary Industries Ministerial Council, Record and Resolutions*, Second Meeting, Sydney, 10 October 2002, p. 34.

2.46 The Record and Resolutions of the meeting on the *2020 Vision* document noted:

Over half a million hectares of new plantations have been established since 1996, over 70% with private capital. This increase in private ownership has significantly increased investment opportunities and developed a more competitive industry. Of the total plantation resource, 5% is now contributed directly by farm foresters, and around 20% by farm foresters participating with industrial growers through leasehold and joint venture arrangements.

The vast expansion of plantations has brought a number of matters to the forefront which the Vision partners will be required to address including social and environmental changes, market development, the transition from public to private ownership, and the contribution by farm foresters. One role of governments has been to remove impediments that discriminate against forestry development when compared with other agricultural land uses.³³

2.47 The 2002 review indicates that under the *2020 Vision* the following has occurred:

- over half a million hectares of new plantations have been established;
- over 70% of all new plantations have been established with private capital; and
- the increase in private ownership of plantations has significantly increased investment opportunities and developed a more competitive industry.

2.48 Whilst maintaining that impediments remain, the revised *2020 Vision* takes a positive view of the future potential of the industry. Forecasts include:

- A total of \$3 billion of mainly private capital is anticipated to be invested to establish plantations between 1997 and 2020;
- Farm incomes are anticipated to increase by 20%, and farm forestry in high rainfall zones could contribute up to \$664 million annually to farm incomes;
- With appropriate follow-on investment in processing infrastructure, the current \$2 billion trade deficit in wood and wood products could be converted into a surplus;
- Positive environmental outcomes are anticipated to emanate from well-planned and implemented plantations, comprised of a mix of farm forestry, joint venture plantings and broad scale activities; and
- Up to 40,000 jobs are anticipated to be created in rural areas, including:

33 *Primary Industries Ministerial Council, Record and Resolutions*, Second Meeting, Sydney, 10 October 2002, p. 33.

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- jobs in plantation forestry and harvesting;
 - jobs from a 50% expansion in domestic processing of wood products;
 - jobs in transport; and
 - jobs from the flow-on effects of overall growth in exports and local processing of wood.³⁴

2.49 The PFCC approved minor amendments to the *2020 Vision* in March 2003. Further consultation was undertaken with Commonwealth government departments following the approval of the amendments. The final wording to the document was agreed between industry and government stakeholders in October 2003.

2.50 The Committee was provided with a pre-print of the Draft in July 2003. The final *2020 Vision* document was available on the Plantations 2020 website in November 2003.³⁵

Structure of the Revised *2020 Vision*

Difference from 1997 2020 Vision

2.51 DAFF told the Committee that the review of the 1997 *2020 Vision* has resulted in a refocusing of the Vision's approach: "the revised *2020 Vision* recognises that the future of the industry lies in its capacity to maximise economic, environmental and social opportunities".³⁶

2.52 In line with the change in focus, the format and content of the revised *2020 Vision* varies considerably from the original 1997 *2020 Vision*. The revised *2020 Vision* placed an increased emphasis on the 'vision' element of the strategy and is much less prescriptive than the 1997 *2020 Vision*. The goals outlined in the revised *2020 Vision* are very general in nature.

2.53 The working structure of the revised *2020 Vision* (which is outlined on page 7 of the Vision document) includes a set of seven overarching 'principles': statements that outline the Vision's values in relation to issues such as business principles, competitive neutrality, state financial involvement in plantations, microeconomic and macroeconomic reform and industry competitiveness, particularly at a global level.

2.54 The revised *2020 Vision* places particular emphasis on the Vision as a national strategy, with shared responsibilities for its implementation. It is proposed that overall co-ordination of the Vision strategy will be the responsibility of the National

34 *2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 6.

35 <http://www.plantations2020.com.au/>

36 *Submission 29*, Department of Agriculture, Fisheries and Forestry, covering letter, p. 2.

Plantations Strategy Co-ordinator, a position that is supported by the Vision Partners. The Commonwealth's role is described as "primarily one of providing leadership and clear and consistent policies that support plantation development".³⁷ Industry and State governments have a specific role to play in working with stakeholders (particularly those in plantation growing and processing regions) in order to determine the most appropriate structures for implementing Vision actions.

2.55 The Vision's management structures are clearly outlined as part of the Framework. The PFCC of the Forest and Forest Products Committee is responsible for overseeing the implementation of the strategy (in consultation with other stakeholders and experts).

2.56 The issue of accountability is given greater emphasis in the revised *2020 Vision*. The Framework outlines responsibilities in relation to accountability, monitoring and evaluation as follows:

- industry is accountable to the executives and boards of the major forest industry groups – PTAA, AFG and NAFI – for implementing the Vision strategy;
- each year industry will report on its progress through these industry groups;
- the Commonwealth and State governments will report to the Primary Industries Ministerial Council on progress towards the Vision;
- the National Plantations Strategy Co-ordinator will prepare an annual report as soon as possible after 30 June each year, reporting on progress in relation to implementing the Vision actions;
- progress towards the notional plantation area target will be reported through the National Plantation Inventory's annual tabular reports and major five-yearly reports on Australia's plantation resource; and
- the *2020 Vision* Framework will be reviewed every five years and revised as considered necessary, with the next review and revision to be completed by the end of 2007.³⁸

General Goals of the 2020 Vision

2.57 The revised *2020 Vision* includes a number of generalised goals to support the overarching principle of the Vision strategy to:

37 2002 Revision, *Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 7.

38 2002 Revision, *Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 7.

... enhance regional wealth creation and international competitiveness through a sustainable increase in Australia's plantation resources, based on a notional target of trebling the area of commercial tree crops by 2020.³⁹

2.58 The *2020 Vision* states that "returning trees to the landscape as a profitable crop"⁴⁰ will provide significant benefits to rural and regional communities as well as the environment. It is also argued that there has been an increase in investment in forest-based processing industries which has, in turn, had a positive impact on rural and regional communities. An underlying goal of the Vision is an attempt to maintain the levels of plantation establishment to enable investment trends to continue, and to deliver benefits to rural and regional communities (including employment growth).

2.59 However, the *2020 Vision* also notes that an increase in plantation area is only one measure of the success of the *2020 Vision*. It argues that:

The quality, product mix, location and management of the plantation resource will also be vital to the delivery of maximum social, economic and environmental benefits to Australia.⁴¹

2.60 The Vision strategy acknowledges the role plantations play in communities and encourages those involved in the Vision partnership to address issues relating to the social and environmental changes being experienced by communities, particularly those where plantations have developed rapidly. The Vision's goal also includes providing a role for community and stakeholder organisations in the on going development of the plantation resource.

2.61 The PFDCs have maintained responsibility for regional liaison. In addition to consulting with industry and local and state governments on regional planning, the PFDCs are also responsible for the collection and dissemination of information.

2.62 Vision Partners are also encouraged to take a "proactive role in developing plantation solutions that balance environmental issues with the needs of industry and the community to deliver sustainable outcomes for the future".⁴²

39 *2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 1.

40 *2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 5.

41 *2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 5.

42 *2002 Revision, Plantations for Australia: The 2020 Vision – An Industry-Government initiative for plantation forestry in Australia*, p. 3.

Specific New Strategic Elements Making up the Revised 2020 Vision

2.63 The revised *2020 Vision* contains five 'Strategic Elements' which represent the primary targets and actions required to implement the Vision strategy.

2.64 Each 'Strategic Element' has a principal goal under a set of specific headings, which are:

1. The Policy Framework
2. The Regulatory Framework
3. Investment Growth
4. Social and Environmental Factors
5. Monitoring and Review

2.65 Listed under each 'Strategic Element' are a series of detailed strategic statements. Each strategic statement incorporates a list of 'Actions' and list of specific activities or initiatives to be carried out.

2.66 Each set of 'Actions' has accompanying information regarding 'Responsibility' and 'Expected Outcomes'. The National Strategy Co-ordinator is shown as having principal responsibility for the implementation of each of the 'Actions' (acting unilaterally or in conjunction with others). 'Responsibility' for particular 'Actions' has also been devolved to various organisations including:

- Commonwealth, State and Local government bodies;
- Private Forestry Development Committees (PFDC's);
- Research and Development organisations;
- Catchment Management Authorities and Catchment Management Boards;
- Industry organisations (including AFG, PTAA, NAFI); and
- Forestry, farming and landcare representative bodies.

Conclusion

2.67 The Committee notes the long and ongoing process that has resulted in the revised *2020 Vision* document. The revised document seeks to build on the 1997 version and focuses on the future the industry rather than on impediments to its development. It also provides accountability, monitoring and evaluation mechanisms. This framework, if actively implemented, will strengthen the further development of the industry. The Committee notes that there has been an exponential growth in the forest industry and that this rate of growth is not be sustainable in the long term.

2.68 The Committee also notes the work of the PFDCs envisaged by the revised *2020 Vision* may be interrupted if further funding is not forthcoming. The Committee was advised that the Natural Heritage Ministerial Board (NHMB) made a decision regarding RPC (the predecessor bodies) funding (for the financial year 2003-04) in September 2003. At that time, the NHMB allocated \$1.235 million to RPCs under the national component of the Natural Heritage Trust. The Committee notes that the Commonwealth is yet to determine the most appropriate funding model for PFDCs (formerly RPCs) in the longer term.

