

LABOR'S PLAN FOR FORESTRY

INTRODUCTION

According to the *State of the Forests Report 1998*, Australia has some 4.6 million hectares of closed canopy forests (having more than 80% crown cover), including 3.6 million hectares of rainforest, and a further 36.6 million hectares of open forests (having crown cover of 51% and 80%). According to the same report, it is likely that more than one third of Australia's forested area was converted to agricultural land between 1788 and 1980.

In framing policies for sustainable forest management (SFM) governments have to be mindful of the many values that our native forests protect. These values include the role of forests in the ecological processes that sustain life on this continent, their function as a natural habitat for flora and fauna, and the contribution that forest activities, including recreation, make to the national economy, and to regional and local employment. Balancing these competing considerations is a major challenge for Federal, State and Territory Governments. Labor's historic National Forest Policy Statement of 1992 provides an agreed policy framework for doing so. Arising from this framework are a number of separate but linked implementation agendas, including the Regional Forest Agreements (RFA) process, the JANIS criteria for the national forest reserve system, the Plantation 2020 Vision and the Wood and Paper Industry Strategy.

In addressing these challenges, it is vital that the Australian community has a sound understanding of the importance of forests and of sustainable forest management practices. In an increasingly discerning and competitive international marketplace, we will also need credible systems to certify our sustainable forest management.

Protection of forest values was specifically mentioned in the listing purposes for at least 6 of Australia's listed World Heritage Areas. These areas include Kakadu National Park, Lord Howe Island, the Tasmanian Wilderness, Fraser Island, the Wet Tropics of Queensland, and the Central Eastern Australian Rainforest Reserves.

Labor recognises that some 78,000 Australians are employed in wood and paper production, and in forest management and logging. This involves a significant number of families and communities. Together these forest-related activities contribute almost \$7 billion a year to our gross national domestic product. Added to this is the growing importance of forest-based recreation and tourism. On the other hand, Australia has a growing trade deficit in wood and paper products which now exceeds \$2.2 billion a year.

As further areas of native forests have been placed in the conservation reserve system, the plantation sector has assumed increasing importance. There are now more than 1.5 million hectares of plantation timber across Australia, and plantations are already the source of the majority of our annual timber production. We recognise that further plantation expansion in suitable areas can assist in the further

development of the wood and paper industry and in combating major environmental challenges such as greenhouse emissions and salinity.

THE HOWARD GOVERNMENT'S FAILURES

The Coalition Government's performance has undermined continuing cooperation between the Commonwealth and the States on sustainable forest management, which is a central requirement of Labor's landmark National Forest Policy Statement of 1992. These strains have resulted in delays to the national RFA process and in the provision of accompanying structural adjustment funding under the FISAP program. At the same time the Coalition's rhetoric on industry development issues has not been accompanied by supportive Government policies or funding assistance.

Wood & Paper Industry Strategy

From its election in March 1996 the Coalition demonstrated a lack of commitment to Labor's Wood and Paper Industry Strategy, which was designed to encourage greater innovation, value adding and downstream processing. It immediately abolished the high-powered Wood and Paper Industry Council, which was designed to drive the Strategy and to encourage industry development and investment.

Since assuming responsibility for the Forestry portfolio after the 1998 elections Minister Tuckey has been strong on pro-industry rhetoric and extremely weak on supportive action. As far back as December 1998 he promised to develop an Action Agenda to help revitalise the forest and wood products industry. In the event he was unable to produce any formal policy statement until November 2000 and this turned out to be essentially unfunded. In the meantime, his Government had presided over a significant deterioration in our national trade deficit in wood and paper products, which now stands at \$2.2 billion a year.

Regional Forest Agreements

The Government has failed to sufficiently recognise that the national RFA process requires bipartisan support in both Commonwealth and State Parliaments, and community support, if it is to be sustainable over the medium term. Minister Tuckey attempted to ride roughshod over discontent – across the major parties - about the original RFA for south west Western Australia. At the same time he endeavoured, without success, to whip up voter discontent against Agreements in NSW and Queensland that he considered too favourable towards conservation interests.

On other occasions, Minister Tuckey has criticised the very Commonwealth/State Agreements that he is responsible for. His repeated public criticism of protecting in national parks comprehensive adequate and representative areas of high conservation value forests – itself a central tenet

of the National Forest Policy Statement – has done nothing to engender public confidence in the management of our public native forests.

More recently various Coalition Ministers have expressed mutually inconsistent views about the need to continue harvesting of native forests. Their transparent attempts to put forward conflicting messages to different audiences have only served to create confusion and mistrust about the Government's true intentions in this sensitive policy areas.

FISAP Structural Adjustment Funding

In July 1996 the Coalition cut by \$6 million the budget for Labor's FISAP program, which was established to assist timber firms and workers adjust to anticipated reductions in levels of native forest harvesting because of the RFA process. In the following five years it only managed to spend \$23 million of the remaining funding, leaving \$78 million still unspent. This was chiefly due to delays in the RFA process and Minister Tuckey's inability to work cooperatively with his State counterparts.

The States and the timber industry are sick of FISAP funding being used by the Coalition as a political football. They want to get on with the job of providing Business Exit Assistance to firms who have no future in the native forest industry, Worker Assistance to potentially displaced timber workers and Industry Development Assistance to mills that need to retool or invest in improved production processes.

RFA Legislation

Despite bipartisan support for the national Regional Forest Agreements (RFA) process, the Coalition has failed to secure the passage of legislation requested by the States to back up signed RFAs.

The Government first introduced RFA legislation into the Federal Parliament in June 1998. Strangely this was just weeks before the 1998 election. The Coalition made no real effort to first secure the agreement of either the Opposition or of key stakeholders. This meant that the Bill was still before the Parliament when the Government called an early election.

The RFA Bill was reintroduced in November 1998 and passed the House of Representatives, with Labor's support, in February 1999. The Government then rejected all the amendments that were made by the Senate, even those that were essentially non-contentious. When the Senate reaffirmed its support for these amendments, Minister Tuckey moved in December 1999 to discharge the Bill from the Notice Paper. Grave suspicions must be held about the Coalition's motivation for adopting this course of action.

The Coalition then took no further action whatsoever on the matter until August this year, when it introduced an amended Bill, once again in the last weeks of the Parliament. They then took a decision in prioritising legislative

business that meant the Bill remain unresolved when the Parliament was dissolved.

KIM BEAZLEY'S PLAN FOR FORESTRY

NATIONAL FOREST POLICY STATEMENT

Labor remains totally committed to the National Forest Policy Statement (NFPS) of 1992, which has been agreed to by the Commonwealth and all State and Territory Governments. We will continue to energetically pursue action on the agreed NFPS national goals, as follows:

- To maintain an extensive and permanent native forest conservation estate and to manage the resulting reserve system in a way that ensures current and future generations can enjoy the biological diversity, heritage and other cultural values of protected forest areas,
- To develop an internationally competitive and ecologically sustainable wood and paper products industry based on maximising value-adding opportunities and providing national and regional economic benefits,
- To reduce fragmentation and duplication in Government decision-making processes and to improve interaction between forest management agencies to achieve agreed outcomes,
- To ensure that private native forests are managed, as a resource in their own right, in an ecologically sustainable manner and to complement the values of public native forests,
- To expand Australia's commercial timber plantations to provide an additional, economically viable, reliable and high quality wood resource to industry and to achieve associated environmental benefits,
- To ensure the availability of reliable and high quality water supplies from forested land and to protect water catchment values,
- To manage forests in an ecologically sustainable manner for a range of uses, including tourism, recreation and the production of non-wood products,
- To expand employment opportunities and the skills base of workers in the forest management and wood and paper products industries,
- To foster community understanding of sustainable forest management practices and provide opportunities for public participation in decision making,
- To increase our national research and development effort in forest and wood products, and ensure that this effort is well coordinated, efficiently undertaken and effectively applied, and
- To promote nature conservation and sustainable forest use in other timber producing countries and ensure that Australia fulfils its obligations under relevant international agreements.

REGIONAL FOREST AGREEMENTS

Labor remains totally committed to the Commonwealth/State Regional Forest Agreements (RFA) process. This process has sought to balance increased resource security for industry with a substantial expansion of our national forest reserve system.

The development of RFAs, over several years, has truly been one of Australia's most comprehensive and expensive natural resource management planning processes. Now that the process has been completed, it would be inappropriate and irresponsible to simply walk away from the outcomes that have been reached.

Labor will explicitly honour the signed RFAs that are in place in New South Wales, Tasmania, Victoria and Western Australia. We recognise that these Agreements have added more than 2.5 million hectares to the required comprehensive adequate and representative reserve system and that they require the States to improve their forest management practices. In return for these conservation advances, the timber industry is entitled to continuing but reduced access to wood supplies from agreed state forest areas. It also needs adequate and timely structural adjustment assistance under the FISAP program.

In close cooperation with the States, Labor will place a high priority on delivering the outstanding FISAP assistance to timber firms and workers in NSW, Victoria and Western Australia.

Labor will work cooperatively with the States to ensure the timely implementation of the specific outcomes and milestones that are detailed in each individual RFA. We will seek the assistance of the States to improve the quality and timeliness of the current RFA annual reports. We will also develop a mechanism to enable the Federal Parliament, via an appropriately structured Joint Standing Committee on RFAs, to better consider progress reports on both individual RFAs and on the overall national RFA process.

Next year will see the fifth anniversary of the signing of the first two RFAs. This will be a significant milestone because each Agreement sets out the major requirements for the completion of a five year performance review. These requirements need further elaboration. Labor will ensure that each review properly assesses the extent to which all parties have met the original RFA milestones and undertakings. Consideration of relevant sustainability indicators will be an important element of the review process. Under Labor there will also be appropriate avenues for public input into the scheduled five-year review process for each RFA, and for proper public and parliamentary consideration of the review findings.

RFA LEGISLATION

A Labor Government will introduce RFA legislation as soon as practicable after coming to office. Under Labor RFA legislation will in no way interfere with the signed RFAs that are now in place and will guarantee the compensation payable under those Agreements.

A RENEWED WOOD & PAPER INDUSTRY STRATEGY

Initial funding for a comprehensive range of industry assistance measures under Labor's 1995 Wood & Paper Industry Strategy (WAPIS) expired in June 2000. The Coalition, while strong on pro-industry rhetoric, has failed to either properly evaluate WAPIS or to extend it into the future, with adequate on-going funding.

Over a two-year period Minister Tuckey repeatedly promised to put in place a replacement Action Agenda for the Wood and Wood Products Industry. Except for an additional \$1.5 million a year on research and development, which Labor supported in the Parliament, the Action Agenda turned out to be essentially unfunded. At the same time the majority of FISAP structural adjustment funding to accompany the RFA process remained unspent by the time of the 2001-02 Budget.

Beginning in July next year, Labor will provide funding of \$16 million over 3 years for a renewed Wood and Paper Industry Strategy. In the intervening period we will seek agreement with the States and, via the Forest and Wood Products Council with other key stakeholders, on funding priorities and associated arrangements.

Labor will ensure that the new Industry Strategy includes:

- measures to continue the expansion of the plantation and farm forestry sectors, in line with the Plantation 2020 Vision and related greenhouse and salinity initiatives;
- industry and regional development measures including encouragement of new processing facilities in areas of substantial plantation growth;
- exploration of new market opportunities;
- the development of improved and safer harvesting and production processes; and
- improvements to the availability of data on current and planned wood supply, across all forestry sectors, and management intent in relation to plantation and farm forestry holdings.

PLANTATIONS

By necessity much of the desired expansion of Australia's plantation timber estate will need to be funded by private capital investment. It is clear that the Coalition's business tax reforms of September 1999 made it more difficult for the prospectus-based plantation sector to contribute to this vital process. The Government has belatedly acted to address these concerns.

Labor recognises that targeted plantation expansion has a positive role to play in our announced measures to address greenhouse emissions and salinity.

Labor has listened to the concerns of the plantation sector regarding the formulation of the current regulations for the Renewable Energy program. The current requirement that plantation timber for biomass energy generation must be the product of a harvesting operation for which no product of a higher financial value could be produced at the time of harvesting serves no good purpose and will be immediately repealed by Labor.

Costing

	01-02	02-03	03-04	04-05	Total
RFA Legislation	0	0	0	0	0
Wood and Paper Industry Strategy	0	4.0	4.0	8.0	16.0
Plantation renewable energy	0	0	0	0	0
TOTAL (millions)	0	4.0	4.0	8.0	16.0