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News

Saturday soapbox: 'Old thinking' will cost Tasmania jobs

- by: JANE CALVERT
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Tasmania must factor in changing wood supply and market preference.

Source: News Limited

IF the incoming Tasmanian Liberal Government remains determined to end the Tasmanian Forest Agreement, it will be at the cost of Tasmanian jobs.

Undoing the World Heritage protection that came with the agreement will reintroduce conflict into Tasmanian forest policy — and it is that conflict that destroys markets locally and globally.

If markets stop taking Tasmanian timber, investment in the industry will disappear and jobs will be lost.

It doesn't have to be this way.

The Liberal Party's policy it took to the election will become its biggest test in government.

The new Government faces a choice of taking the industry back to the brink and bringing back the bad old days of conflict and uncertainty — with no plan for the future — or securing jobs and conservation outcomes by sitting down with all parties and working through improvements to the agreement.

It is worth remembering how this historic agreement came about.

When the timber workers' union sat down four years ago to break bread with our traditional enemies — the conservationists — we did so not only because Tasmanians were crying out for an end to the forest wars, but because the industry was in crisis.

For the workers whose livelihoods depend on jobs in forestry, it was the looming loss of jobs caused by the crisis in markets and changes in supply that drove us — the Construction, Forestry, Mining and Energy Union — to the table.

The huge shift was caused by the projected massive drop in the capacity of native forests to supply wood, and a need for more supply from plantation forests.

By 2021, half of the supply of high-quality sawlog per annum for the sawmilling and veneer industry would have to come from plantations.

This need was recognised by all parties.

Two factors have driven this big change in markets. First, a collapse in the value of the native forest export chip market and, second, a clear and permanent shift in market preference for wood products that are sourced from forests that are certified under the international Forest Stewardship Certification scheme.

In other words, people want to buy products that come from certified forests.



JANE CALVERT

Source: Supplied

You would think the Liberal Party would be the first to recognise the hand of market forces.

The economics of an industry faced with a crisis in supply, coupled with collapsing markets, meant job losses were inescapable.

Without a plan for an orderly restructure, workers would inevitably end up on the scrap heap without any

support or assistance.

The announcement by Gunns to exit native forests provided an opportunity for an orderly and supported industry restructure, rather than the inevitable free fall.

The negotiators of the Tasmanian Forestry Agreement — the industry, the union and the environmentalists — took up the challenge and did so initially outside government in the belief that if agreement could be reached by a group with conflicting interests, then that was more likely to endure and survive the vagaries of election cycles.

The historic agreement — signed by industry, union, community and environment groups — was subsequently given legislative support by both houses of the Tasmanian Parliament.

It resulted in the acceptance of a smaller but ongoing and viable native forest industry, and work is in progress to find markets and means to process the plantation wood supply that is coming on stream.

The agreement and its legislation are far from perfect. But in the four years since talks began, no political party, political leader or critic of the agreement has put forward a credible alternative to address the impending change in resource, shifting market preference and need for investment.

The agreement and legislation have resulted in an unprecedented cessation of conflict in the forest, and growing confidence in markets.

This confidence is translating into new investment such as the proposed Ta Ann two-shift ply mill, and bringing renewed hope for investment in a pulp mill based on plantation wood only.

In every year of the pulp mill's operation, these major investments would create 3000 extra full-time jobs and Tasmania's gross state product would be 4 per cent higher than it would have been without the pulp mill.

But all hope for these important investments evaporates if Tasmania is sent back into conflict and uncertainty.

Moreover, processors such as Ta Ann cannot even use the wood from the 74,000ha of World Heritage-listed forests that the Federal Government and Tasmanian Liberals want to open back up because the markets prefer conflict-free wood.

The remarkable Tasmanian Forest Agreement and all that it has achieved is at risk because of the old thinking of the Liberal Party.

It is old thinking to say we are going to unlock World Heritage-listed forest for industry and create jobs. You need a market for the product.

If this old thinking prevails, we will go back to conflict, the markets will evaporate because uncertainty returns, and then the investment and jobs go.

Despite the odds of successfully negotiating the TFA, the approach was successful.

The parties to the agreement effectively freed the issue of politics, and now the Liberal Party has put it back into the election cycle in a transparent attempt to polarise support for their opponents.

The incoming Government does not have a plan that addresses the issues of changing wood supply, shifting market preference and certainty for investment.

But such a plan exists, it is supported and it is working — it is the Tasmanian Forest Agreement. Tearing up the agreement, unwinding the legislation, with no credible alternative plan, will inevitably take us back to the bad old days of job losses and conflict in our community.

It is old thinking, and it's not in the best interests of Tasmanians no matter which side of the issue they

are on.

And it is a guaranteed jobs killer in Tasmania.

ABOUT THE AUTHOR

JANE Calvert is the national president of the Construction, Forestry, Mining and Energy Union's forestry furnishing, building products and manufacturing division. She is also chairwoman of the Special Council on Tasmanian Forest Agreement, appointed by the State Government to oversee the implementation of the Tasmanian Forests Agreement.
