

Has the WA ALP's "Saving Old Growth Policy" led to a disaster for the state?

By Geoff Couser December 2003 (originally published at www.tasmaniantimes.com)

Tasmania's old-growth forests are a national and international treasure. The Tasmanian government insists that they are adequately protected and that the percentages exceed all international benchmarks. But statistics are like a swimsuit – the most interesting bits are often not revealed. I find it difficult to come to terms with a statistic that proudly boasts of "40% protected" but on closer scrutiny leaves out unique and magnificent forests such as those in the Styx and the Tarkine. It also doesn't create an open licence to do whatever you want in the unprotected areas, as has happened here in Tasmania. These statistics fail to talk about poisoning native animals with 1080, or the issues of corporate governance, or the exemptions from land management and other regulations. Western Australia has undergone a transformation in its management of old-growth forests which has largely escaped notice in Tasmania. Even though WA's forests are nowhere near as impressive as our own giants, the WA experience has implications for Tasmania if our leaders can look past the industry propaganda and their own self-interest. I will examine the WA experience based on publicly available information (with links and references) and personal observation.

Dr Geoff Gallop was elected Premier of Western Australia in early 2001, largely on the back of a 'saving old-growth forests' policy. The summary of the policy is as below and the full policy can be accessed at

<http://www.wa.alp.org.au/download.html?filename=camp2001/forest.pdf>

Labor is committed to the full protection of all our remaining old-growth and high conservation value forests and will take a holistic approach to forest policy: incorporating forest protection and management; new jobs for timber workers; timber industry assistance; the plantation industry; ecotourism; and the restructuring of the Department of Conservation and Land Management.

Labor will:

- **immediately end logging in nearly 99 per cent of Western Australia's old-growth forests by placing in reserves approximately 340,500 hectares of the 346,000 hectares of remaining old-growth forests;**
- place an immediate moratorium on the remaining one per cent and review forward logging plans and timber contracts to determine whether the current contracts can be honoured in line with the sustainable yield set by the Regional Forest Agreement without logging this remaining unreserved area of old-growth forests.
- create 30 new national parks, including the 12 new national parks promised under the RFA, and 2 new conservation parks;
- create approximately 200,000 hectares of new reserves, in addition to the 150,000 protected under the RFA;
- reinstate the 17 proposed reserves (54,000 hectares) revoked by the Government during the RFA;
- reserve "icon" old-growth forests including the Walpole Wilderness Area, Greater Kingston, Greater Beedelup, Jane, Easter, Hilliger and Gardner;
- create 130 new, secure jobs in CALM and the Forest Products Commission;
- assist displaced timber workers to make the transition to an estimated 1,080 new, direct jobs that will be created in 2001 in plantation management and the Albany chip mill.

This policy has been met by staunch opposition by the timber industry. The following is an extract from a Timber Communities Australia media release, dated October 3, 2003 (the full release available from www.tca.org.au, accessed 14th December):

TCA Pleads for state and federal government ministers to grow up – Oct 3 2003

...Ms Campbell said the decision to halt old-growth logging in Western Australia had been an absolute disaster from day one. The Manjimup Shire has lost twenty five percent of its full time workforce as a direct outcome of the Protecting Our Old Growth Forest Policy. Most of Manjimup's skilled workforce had been forced to leave the community, and many CBD businesses had closed, and were still closing.

"We've lost a huge percentage of the backbone of our community – our volunteers, good solid citizens. Put that together with economic and social uncertainty, and you have rural communities on a rapid decline."

It has also been discussed in our own state parliament. Our Deputy premier, Mr Paul Lennon, quoted from Hansard on October 2 2003 (interestingly, *the day immediately before the Timber Communities Australia release*):

FORESTRY - PROTECTION OF OLD-GROWTH FOREST IN WESTERN AUSTRALIA

[10.53 a.m. October 2 2003]

(Parts of the transcript have been edited... interjections and other material have been removed – full transcript available from www.parliament.tas.gov.au)

Mr KEN BACON (Question) - Mr Speaker, my question is to the Minister for Economic Development, Resources and Energy. Minister, it has been asserted recently that Western Australia has protected 99 per cent of its old-growth forest in 2001, and it has not been a disaster for that State. Can you inform the House about any impacts this decision has had?

Mr LENNON - I thank the member for his question. Yes, I am aware that these claims have been made. In fact, in the *Mercury* on Thursday 25 September there appeared a letter to the editor by Geoff Couser which claimed in part that Western Australia's Geoff Gallop protected 99 per cent of his State's old-growth forest in 2001 and, quote, 'It has not been a disaster for the State'.

Mr Speaker, let me just advise members what has happened in Western Australia and the impacts of that decision - ... - Mr Speaker, the Manjimup Shire has been greatly affected by the reduction of resource. About 120 000 people live in this community. Within 18 months of that decision, 25 businesses have already been forced to close their doors. I know it is a matter of great mirth and fun to the Greens, who could not care less about the people in this debate, so they mumble away over there joking and laughing and carrying on. These businesses were not sawmills. These businesses existed in the main street of this city, 25 of them, all retail businesses that have had to close their doors. The flow-on effect of this on the community has been absolutely devastating...

...How many jobs have been lost? This decision has cost 2000 jobs in Western Australia and another 1500 to 2000 jobs associated with other industries attached to the timber industry.

Few would argue that the above figures are concerning and that any such effects would be a disaster for the communities involved. The comparisons to the Tasmanian situation are compelling: many communities rely on the timber industry and are concerned that any change to policy could lead to widespread job losses. This claim has been subject to some dispute but has yet to be examined by the Tasmanian government. Mr Lennon, in announcing that Forestry Tasmania would undertake a review of old-growth logging and how to move away from it by 2010 (as per *Tasmania Together* benchmarks) has made it clear that he would not tolerate "one job lost" in implementing such a policy (*even if it would lead to more jobs elsewhere??*). Therefore, it's worth examining the WA experience in closer detail. How correct are the claims made by Mr Lennon? Or is he just accepting the misinformation fed to him by the industry?

Let's have a look at the most recent Labour market figures, taken from the publication "SMALL AREA LABOUR MARKETS AUSTRALIA: SEPTEMBER QUARTER 2003", produced by the Australian Government, Department Of Employment And Workplace Relations - Economic and Labour Market Analysis Branch, Employment Analysis and Evaluation Group ... accessed from www.workplace.gov.au on 14th December 2003. I acknowledge that statistics are sometimes difficult to interpret on the surface, and that factors such as "seasonal adjustment" and the like need to be taken into account; but the following data compares similar data with similar data.

Let's start by looking at the so-called "smoothed series"; ...these are on pages 11, 26, 28 and 29 of the document (transcribed and compiled by me for on-line publication, but you can check the figures yourself at the links above):

NUMBER OF UNEMPLOYED AND UNEMPLOYMENT RATES, STATES/TERRITORIES AND STATISTICAL LOCAL AREAS, SEPTEMBER QUARTER 2002 TO SEPTEMBER QUARTER 2003: SMOOTHED SERIES

Statistical Region:	Unemployment					Unemployment Rate (%)				
	Sep 02	Dec 02	Mar 03	Jun 03	Sep 03	Sep 02	Dec 02	Mar 03	Jun 03	Sep 03
Australia	644,100	629,100	618,600	616,300	611,200	6.5	6.3	6.2	6.1	6.0
WA	64,000	63,300	61,900	61,300	61,100	6.3	6.2	6.0	5.9	5.9
Manjimup	261	279	286	293	275	4.0	4.4	4.7	4.9	4.7
Tasmania	18,700	18,600	19,000	18,900	17,900	8.6	8.6	8.7	8.6	8.1

*The more unwieldy link is <http://www.workplace.gov.au/Workplace/WPDisplay/0,1251,a3%253D475%2526a0%253D0%2526a1%253D517%2526a2%253D533,00.html>

A number of observations can be made from the above figures:

- Western Australia has an unemployment rate approximately the same as the national average
- Tasmania has an unemployment rate markedly higher than both WA and the national average
- The Manjimup statistical region has an unemployment rate:
 - Lower than the rest of WA
 - Lower than the national average
 - Lower than Tasmania's
- Manjimup recorded a rise in unemployment from 4.0% to 4.7% between Sep 02 and Sep 03: 14 more people out of work over the 12 month period.

(For the record, WA had the same unemployment rate of 5.9% prior to Mr Gallop's election (December 2000 figures) - Tasmania's was 9.0% at the same time and Australia's was 6.2%)

Where are the 3500 - 4000 people unemployed as quoted by Mr Lennon in Hansard on October 2? Do the labour market figures suggest that it has been a disaster for the state of WA? I don't think so. If anything, it suggests we could learn something from Mr Gallop's government.

However, there are other indicators which assess the social health of a community. I travelled to WA last month, and drove down the main street of Manjimup on a Saturday morning. I counted a maximum of 6 empty shops in the central shopping area. The place seemed quite vibrant, with both the Coles and Woolworths full. There were cafes and car dealerships, and I literally could not get a park. The Elders business was housed in a relatively new building, and the overall impression I received was one of optimism. It was not a dying country town as I was expecting from Mr Lennon's comments. Maybe 25 businesses had closed; but certainly a similar number had taken their place. I don't believe this is a unique phenomenon in rural or urban Australia. Simply saying that 25 businesses have closed their doors is misleading – it does not tell the whole story.

I spoke to one of the local small business owners about the changes in the last two years. The proprietor was upbeat and optimistic about the future. He told me that millions of dollars of investment was flowing into the region for the burgeoning wine industry; some \$80 million of tourist investment had come into the region over the preceding 12 months. The region is responsible for most of WA's avocado and potato production and generally people were excited about the future. Even the timber industry is excited, as evidenced by the following news item taken from the National Association of Forest Industries website (www.nafi.com.au, accessed 14/12/2003):

Timber Policy Adds Value

THE Western Australian timber industry is coming to terms with the State Government's old-growth forest policy and the imminent announcement of the forest management plan. The West Australian (Natasha Granath) (p22, 10 December 2003)

THE Western Australian timber industry is coming to terms with the State Government's old-growth forest policy and the imminent announcement of the forest management plan. Although the move towards a value-adding timber industry has been slow and has required great capital outlay, a number of big timber processors are confident that business will flourish once they secure log allocations.

Environment Minister Judy Edwards said the plan would be unveiled this month, confirming how much timber volumes would be allocated to short-listed companies.

Whittakers Timber Products general manager Trevor Richardson said once they were announced, the company would be able to progress with further value-adding projects. Banks would have greater confidence to invest in future projects. The mill is purportedly the State's second biggest manufacturer and has a Government contract for the supply of 23,000cu m of jarrah sawlogs and 9000cu m of karri, which it processes for outdoor furniture.

"The Government's new philosophy is to do more with less and to encourage value adding, to the point where you won't get one of the new contracts without at least 90 per cent of your resources being value-added," Mr Richardson said. "It has turned our business around dramatically and we are now more heavily involved in value adding, which is much more profitable but requires enormous capital."

Mr Richardson said the company could install a \$6 million mill and move on plans for the future if he secured expected volumes. "We see a brilliant future for the industry, providing we can get the expected contracts that will make our projects commercially viable," he said. **"The debate over old-growth logging is long finished - we accept that and want to look to doing more with what resource is available."**

No-one would deny that change can be difficult, and it can take time. But has the WA policy been a disaster for the state? On the whole, it appears not. The state has an unemployment rate much lower than our own, and the south-west of WA appears to be booming. The timber industry in WA has been forced to be smarter with its resource. Our own state government is willing to assist abattoirs, ship-builders and other industries to change direction, but why is the

logging industry off-limits? The WA example suggests that it is worth the investment to facilitate change.

Questions about the policy have been raised in the WA Parliament. The following is taken from the WA Hansard from proceedings on the 11th of June this year (sourced from <http://www.parliament.wa.gov.au/parliament/home.nsf>):

TIMBER HARVEST AND FURNITURE INDUSTRY IN MANJIMUP

794. Mr P.D. OMODEI to the Premier:

I refer to Labor's 2001 election policy "protecting our old-growth forests" which promised "a holistic approach to forest policy: incorporating forest protection and management; new jobs for timber workers; timber industry assistance; the plantation industry; ecotourism; and the restructuring of the Department of Conservation and Land Management (CALM)".

- (1) Given that the Labor Party has been in government for almost two and a half years, when will the Premier be making an announcement on the allowable timber harvest?
- (2) Will he support the establishment of a furniture industry in Manjimup?

Dr G.I. GALLOP replied:

(1)-(2) I am pleased to see that the member for Warren-Blackwood has defined our approach correctly. We have a holistic approach. **We came into government with a policy of stopping the logging of old-growth forests. It was probably the most significant decision ever made for Western Australian forest policy... It takes Labor to do these things because it has the vision for the future of our State. We have stopped the logging of old-growth forests. People in Western Australia stand a little bit taller today because they know that this State's ancient forests are not being cut down, as was the case under the coalition Government.** We accept our responsibility to work with those people affected by the policy. We have developed an excellent relationship with local governments, local businesses, the timber industry and newly developing industries in that area. I congratulate the Ministers for the Environment, the South West, State Development, Forestry and Education and Training, previously the Minister for Training, for the work they are doing to ensure that holistic approach is carried through. A change is occurring in the timber industry in Western Australia. Only a few weeks ago I was at the opening of the new mill in Dardanup, which has up to-date technology to deal with plantation timber. Plantation timber is now being used in the housing industry in Western Australia. Its use is expanding in leaps and bounds. Our policy has encouraged that industry to develop. We also want to encourage the high value-adding industry, which is the point the member for Warren-Blackwood addressed. We want to see those high value-adding industries operating.

Mr C.J. Barnett: When will you do something about Manjimup?

Dr G.I. GALLOP: I do not know whether the Leader of the Opposition has been to Manjimup. I have been there twice in recent days. I have met with the shire council and economic interests there, as has the Minister for the Environment. We are really moving things along in that area. Do members know how we are doing that? We are doing it on the basis of win, win. Opposition members go to a community and ask themselves where they can create division, whether it be between black and white, country and city or employer and employee. They then think they can feed off that division.

The division they have created in that area is between the greenies and the foresters, but it is a false division. We have cut away all those divisions; we are uniting people throughout Western Australia for the future. Included in that future will be the furniture industry of which we are very proud. Its achievements in recent years have been magnificent. I was very proud to go to the United Arab Emirates with a major trade delegation that included representatives of the State's furniture industry. It is a creative, productive, export-oriented, excellent industry. We would like to see those sorts of things happening in the electorate of the member for Warren-Blackwood.

It would be interesting to find a Labor Party with vision for the state of Tasmania! The employment statistics, the story about Whittakers Timber, and my own observations support the idea that the South-West of WA is not in decline.

Contrast this with our own situation...we have a government which is unwilling to consider alternatives. It seems to be too closely tied to the industrial woodchipping industry, to the point that the Forestry Minister and the industry lobby group release almost identical pieces of information, the day after the other (they don't even quote each other correctly – the Timber Communities Australia release said “25% of its full-time workforce”; Mr Lennon quoted “25 businesses”). The figures from the west paint a different picture. WA is doing well because it has not been held back by the small-minded blinkered thinking which is prevalent in our government. Our leaders are holding our state back by being tied to an industry which expects the status quo to prevail without question. The lack of competition and questionable political donations is selling out our future. When will our leaders look to the future with an open and unfettered mind? We could learn a lot from our western cousins – but only if we choose to do so. I'm not holding my breath with the incumbent government or opposition. At best they are intellectually lazy; at worst they are corrupt and intentionally mislead parliament and the people of Tasmania.