

**WINNING  
CORANGAMITE  
FOR LABOR**

**FEDERAL ELECTION 2001**

**ALP Otway Ranges Interest Group  
(ALP ORIG)**

**October 2001**

## **Winning Corangamite for Labor**

**Federal Election**

**(October 2001)**

**Prepared for ALP Federal Election 2001 Campaign by:**

**Otway Ranges Interest Group (a non-constituent unit of the ALP) (ORIG)**

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## **ENDING CLEARFELL LOGGING WILL DELIVER CORANGAMITE!**

### **A POLICY TO END CLEARFELL LOGGING IN THE OTWAY RANGES WITHOUT REPUDIATING THE WEST VICTORIA RFA**

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#### **Recommendation for ALP Federal Election Policy Release**

1. The Federal ALP will, on winning government, move in co-operation with the Victorian State government, to end clearfell logging of native State forests in the Otway Ranges by 30 June 2002.
2. The Federal ALP, in negotiation with the Victorian State government, will seek an end to the granting of licences for supply of Residual logs from the Otway Forest Management Area.

#### **Commentary**

Clearfell logging involves the broad scale clearing of forest areas and has a dramatic impact on the landscape. According to the September 2001 Saulwick poll *A Quantitative Study of Corangamite Voter Attitudes* (commissioned by ALP Otway Ranges Interest Group), 69% of all electors in Corangamite oppose the clearfelling of native forests in the Otways.

The ALP can shift the voting patterns of a significant proportion of swinging voters by ending clearfell logging in the Otways. This can be achieved under the terms of the West Victoria Regional Forest Agreement. (See Legal Analysis – page 10)

#### **Steps for Achieving Policy Implementation**

- 1) The Victorian State Government through DNRE commits to ending clearfell logging in the Otway Forest Management Area.
- 2) The Victorian State Government commits to ending the annual renewal of Residual log allocations which allow for the exploitation of the Otways for woodchips.
- 3) The Federal Government commits to providing structural adjustment money to be invested in employment creation programs in industries such as private plantation forestry and tourism in the Otway-Colac region and Western Victoria.

**The policy is consistent with the Federal-State West Victoria RFA and the *Forest Act 1958* (Vic).**

## **ANALYSIS OF RESULTS OF “A QUANTITATIVE STUDY OF CORANGAMITE VOTER ATTITUDES”**

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Irving Saulwick & Associates conducted an independent poll on Corangamite voter attitudes to clearfell logging of the Otways between 20-22 September 2001. The poll was titled *A Quantitative Study of Corangamite Voter Attitudes*. It was conducted by Saulwick & Associates for the Otway Ranges Interest Group.

The Saulwick poll drawing on a random sample of 800 Corangamite voters shows:

A substantial majority of electors in Corangamite oppose the clearfelling of native forests in the Otways.

69% of all voters oppose it, of whom half (35%) oppose it strongly.

19% of all voters support it, of whom only 3% support it strongly.

Opposition to clearfell logging is drawn from all the main parties:

60% of Coalition voters oppose it,

76% of Labor voters oppose it,

89% of Democrat voters oppose it, and

100% of Greens voters oppose it.

72% of voters yet to determine which party they will vote for (21% of all voters) are opposed to it

A substantial minority of voters say that if either the Labor party or the Liberal National parties were to announce a move to end clearfell logging of native forest in the Otways this would make them more likely to vote for them.

34% of all voters assert this,

21% of Liberal voters assert this,

39% of Labor voters assert this,

64% of Democrat voters assert this,

67% of Greens voter assert this,

50% of other parties voters assert this,

38% of ‘Independent’ voters assert this,

43% of voters who don’t know for whom they will vote also assert this.

Only 5% of all voters would be less likely to vote for a party who advocated the ending of clearfell logging.

Of the Coalition voters who are swinging voters 31% say that they are more likely to vote for a party that moves to end clearfell logging in the Otway Ranges.

An examination of all the various tables in the independent Saulwick poll shows that Labor can win the federal seat of Corangamite at the forthcoming federal election if it announces a policy to end clearfell logging of the Otways.

**The poll, including detailed findings and full summary of main findings, by Saulwick & Associates, was made available to the ALP State Secretary and to the Federal Campaign Committee by ORIG on 4 October 2001.**

## PREFERENCES FROM MINOR PARTIES AND SWING FROM CONSERVATIVE VOTERS

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### Campaign Strategy

Currently, the Democrats and Greens intend to run split tickets and Liberals for Forests are not fielding a candidate in Corangamite.

If Labor chooses to adopt a policy to end clearfell logging in the Otways, it is likely that the Democrats and Greens will give second preferences to Labor.

Liberals for Forest have at this stage decided not to run a candidate in Corangamite, with the intention of saving their resources in the region for the State election. However, there are indications that they would field a candidate (possibly Dr Nigel Strauss) and would direct preferences to the Labor Party if the Labor Party **announced** a policy to end clearfell logging in the Otways. Liberals for Forests would be important for gaining electoral support in conservative areas of Corangamite such as Highton, Port Arlington and Queenscliffe on this issue.

The Saulwick poll shows that the policy would impact on conservative votes. Liberals for Forests would attract votes from the Liberals which would flow on to Labor.

**The Saulwick Poll shows that Labor would achieve the 4.6% swing required to win Corangamite if it were to receive the bulk of preferences from the minor parties and a swing in Labor's favour from potential Liberal voters who are opposed to clearfell logging.**

### Process

If the campaign strategy was adopted, Labor would need to move fairly quickly in making the announcement. It would be a Federal – State initiative given that actual management of the forests is under State jurisdiction.

The announcement could be made by the Candidate for Corangamite, Michael Bjork-Billings and the relevant Federal Shadow Minister in the form of a Policy Media release and interview and coincide with a State government release.

### Impact on the Campaign in Corangamite

The indications are that **community groups, businesses, and local governments** would mobilise in support of Labor as a result of this initiative.

These groups have extensive resources and would contribute to ensure the ALP Candidate wins in Corangamite

**Resources**

The Candidate for Corangamite could release a number of other policies at the time of the announcement. The policies could relate to tourism, plantation 20/20 vision, dairy industry, and education and health initiatives for Corangamite.

**The Policy is a long term investment for State Labor**

The State government is a minority government. It holds the State seat of Geelong by only 16 votes.

Labor should deal with the political inevitability of ending clearfell logging of the Otways now, rather than having to review this issue once prior to the next State election. State Labor needs to show that it is concerned about the region's natural amenity and its unique natural assets. Whilst Labor continues to clearfell the Otways, it cannot maintain a credible public image, particularly in the region.

## INTERNAL SURVEY OF ALP BRANCHES

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Presentations have been made to ALP Branches by the Otway Ranges Interest Group (ORIG), a non-factional network of members within the ALP formed late 2000 in response to the intended logging by DNRE of the area adjacent to Sabine Falls in the Otways. The Group has given 35 ALP Branch presentations this year, each involving a ½ hour address including slides and followed by discussion.

### 30 Branches have passed the following motion:

“That the ALP Victorian Branch and the ALP State Labor Government formally assert policy positions endorsing an immediate end to clearfell logging of native State forests in the Otway Ranges.”

	ALP Branches	Date 2001	Motion Carried	Motion Not Carried
1.	Mooroolbark-Kilsyth	17 April	Carried	
2.	Upper Yarra	22 April	Carried	
3.	Lillydale	23 April	Carried	
4.	Prahran	8 May	Carried	
5.	Tooronga	8 May	Carried	
6.	Colac	15 May	Carried	
7.	Elsternwick	15 May	Carried	
8.	Flemington -Kensington	21 May	Carried	
9.	Geelong West	21 May	Carried	
10.	Mt Dandenong	6 June	Carried	
11.	Mitcham	12 June		Ref. to future meeting
12.	Collingwood	13 June	Carried	
13.	Nth Carlton	13 June	Carried	
14.	Moonee Ponds	13 June	Carried	
15.	Ocean Grove-Barwon Heads	14 June	Carried	
16.	Williamstown	18 June	Carried	
17.	Hoppers Crossing	19 June	Carried	
18.	Westernport Branch	21 June	Carried	
19.	Berwick	25 June	Carried	
20.	Canterbury-Balwyn	26 June	Carried	
21.	Brunswick South	10 July	Carried	
22.	Mentone	11 July	Carried	
23.	Northcote	17 July	Carried	
24.	Broadmeadows	19 July	Carried	
25.	Footscray North	19 July	Carried	
26.	Malvern	8 August		Ref. to next meeting
27.	Apollo Bay	6 August	Carried	
28.	Pascoe Vale	14 August	Carried	
29.	Belmont	5 September	Carried	
30.	Warrnambool		Carried	
31.	Braybrook	6 September		Ref. to next meeting
32.	Bendigo	13 September		Ref. to next meeting
33.	Glen Iris	17 September		Ref. to next meeting
34.	Burwood	17 September	Carried	
35.	Swan Hill		Carried	
		<b>TOTAL</b>	30	5



Ms Anne Best  
Secretary  
ALP Footscray North Branch  
72 Northumberland Road  
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Cc: Otway Ranges Interest Group - [poulton@labyrinth.net.au](mailto:poulton@labyrinth.net.au) (C/- 61 Arthur Street, Fairfield Vic 3078)

Dear Members

**Re: Policy of ALP and State Labor Government to clearfell the Otway Ranges**

At the meeting of the **ALP Footscray North Branch on Thursday 19 July 2001** the following **3 motions were carried:**

1. That the ALP Victorian Branch and the ALP State Labor Government formally assert policy positions endorsing an immediate end to clearfell logging of native State forests in the Otway Ranges.
2. That the Minister for Environment & Conservation varies current and only grants future sawlog licences under the *Forests Act 1958* (Vic) for the Otway Forest Management Area subject to a prohibition on the practice of clearfell logging by NRE with regards any timber extraction from native State forests.
3. That the Branch supports the purpose of the Otway Ranges Interest Group within the ALP.

**Matters of concern** to ALP members re the above motions, include:

- Clearfell logging is economically inappropriate to the Otways region given the priority of a burgeoning local tourism industry now estimated to be valued in excess of \$1 billion per annum.
- Clearfell logging of native State forests leaves the terrain bare and highly disturbed, and reportedly has major impacts on water yields and quality in catchments.
- Clearfell logging undermines the biodiversity of the Otways native forests, including the habitat of native plants, birds and animals and has the effect of converting native State forests into plantations.
- The Otways must be properly regarded as a special environmental/tourism living zone guaranteeing preservation of the natural beauty of the Otway Ranges.

We urge you to consider our concerns and we seek responses to the above resolutions.

Yours in friendship  
Ms Anne Best  
Secretary  
ALP Footscray North Branch

## **LEGAL ANALYSIS – ENDING CLEARFELL LOGGING IN THE OTWAYS IS CONSISTENT WITH THE RFA**

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### **Ending use of the Otways to extract Residual logs for woodchips**

Clearfell logging not only produces sawlogs, but also produces Residual logs as a result of virtually all standing trees being cleared. This technique justifies the issuing by DNRE of Residual licences for removal of the Residual logs. Residual logs are woodchipped with minimal employment.

The Residual logs that are removed from **clearfelled coupes** are reduced to woodchips at Midway Forest Products in Geelong.

Residual logs used for this purpose represent around **75% of all the timber extracted** from the Otways under the clearfell logging regime.

Implementation of alternative harvesting practices such as **selective logging** for sawlogs would end the supply of Residual logs out of the Otways. This would render the forest unavailable for woodchipping.

### **Sawlogs (as distinguished from Residual logs used for woodchips)**

DNRE cuts and supplies sawlogs from native State forests in the Otways to sawmills. Two sawmills in Colac, Murnane's and Calco, have the major licences to receive the sawlogs. The quantity and kind of sawlogs that the mills are entitled to receive is based on annual allocations.

The annual timber allocations are based on sustainable yield figures which may vary over the timber supply period of the licences. Current sawlog licences for saw mills terminate in around 2007 whilst the allocations are due to be reviewed on 30 June 2002.

The licences provide that "The Secretary [of DNRE] will review the allocation to ensure that it is consistent with the current legislated sustainable yield rates." This is an annual review.

Section 52B (1) of *Forest Act 1958* (Vic) states:

- (1) Before 1 July in any year, the Secretary may determine, for any forest management area, a hardwood sawlog supply level for the year beginning 1 July.

In determining a level the Secretary must consider issues that include "past determined levels and anticipated levels", "unforeseen circumstances" etc.

Under section 52D(2) the sustainable yield rates (which, as stated above, is linked to the annual allocation of sawlogs) may be reviewed by the Minister at any time.

Section 52D(4) states -

- (4) On a review the Minister must consider what, in the circumstances (including the structure and condition of the forest) existing at the time of the review, are the appropriate sustainable yield rates ...

A policy to end clearfell logging in the Otway Forest Management Area would mean a reduction of the sustainable yield rate. This would mean that there would need to be:

- a gazetted variation of the sustainable yield rate for sawlogs by the Minister; and
- a review of future annual allocations of sawlogs to saw mills by the Secretary of DNRE.

### **No liability to industry for reduction in supply of sawlogs**

Providing the State government offers to supply the quantity of timber it has agreed to supply for the total current annual allocation of sawlogs for the Otway Forest Management Area (27,000 cubic metres), the State government would not be in breach of the terms and conditions of any sawlog licence and could not be sued for breach of agreement nor required to pay compensation as a result of any reduction in supply in subsequent years. The current annual allocation period expires on 30 June 2002.

### **Impact of ending clearfell logging on Licences**

1. Residual log licences would no longer be issued for the Otways
2. Annual allocation of timber under sawlog licences would be adjusted due to changes in harvesting technique necessarily affecting the sustainable yield rate.

### **Policy does not repudiate the West Victoria Regional Forest Agreement**

Under the West Victoria Regional Forest Agreement (March 2000) Clause 71(a) the available volume of D+ sawlogs is estimated to be 27,000 m<sup>3</sup> per annum. The estimate was included in the West Victoria RFA which was executed by the Prime Minister John Howard and the Premier Steve Bracks on 31 March 2000. The sustainable yield figure is now under Departmental review and is believed to be an excessive overestimation of a realistic figure.

Clause 71(d) recognises that the expected available volume of D+ sawlogs includes a component of forest stands -

“which may be less desirable to harvest under existing market conditions, due to low yields, accessibility and product distribution”.

The clause continues -

“The available volume is dependent on the capacity of the timber industry to harvest all areas contributing to the estimate.”

The policy to end clearfell logging will not diminish the “land base” (see Clause 72(e) of the RFA) expected to deliver the sustainable yield as implementation of the policy does not require creation of new Reserves or Special Management Zones.

As the policy does not seek to create or alter Reserves it cannot be rejected as being contrary to the RFA.

The policy will affect accessibility to timber and have a bearing on product distribution within designated logging areas, which in turn may affect the sustainable yield figure. However, such a consequence is not contrary to the West Victoria RFA and is covered under Clause 71(d).

### **Compensation under the RFA**

The Federal Government would not be liable under the RFA to pay any compensation.

### **Conclusion**

The policy to end clearfell logging complies with the “Purpose of Agreement” on page 1 of the West Victoria RFA which cites obligations that take into account:

- effective conservation forest management
- economic values of forested areas
- social values (including community needs)
- principles of ecologically sustainable management

The policy is consistent with the National Forest Policy Statement.

## EMPLOYMENT PROFILE (EST.) OF THE OTWAY NATIVE FOREST LOGGING INDUSTRY

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The number of people employed full time in the Otway native forest logging industry is estimated to be somewhere between 60 - 80.

<b>Employer</b>	<b>Employees</b>	<b>Comment</b>
Murnane Sawmill	20-30	Press Release 17 April 2001 states 30 employees. Murnane 20 employees - 75% of sawlog allocation.
Calco Sawmill	8 -10	Only 25% of sawlog allocation Forest Sawmill 3 - 5 Small Blackwood allocation
Log Crews & Haulage	18	6 logging crews X (3 crew + 3 drivers) / 2 work half a year.
Department Staff	10-15	Estimate does not include head office staff
<b>Total</b>	<b>60-80</b>	<b>Approximate full time employment</b>

In 2000/2001 the Otways produced less than 3% of total Victorian Hardwood Sawlog production from Victorian State Forest.

**Low volumes such as this can currently be supplied from plantation soft wood and in the foreseeable future will be derived from hardwood plantations**

**Implementation of the policy to end clearfell logging of the Otway's native State forest would mean a transition of approximately 20 forest workers only into other forest occupations or into the private plantation forest estate in the Otway region.**

## REALISING THE ECONOMIC POTENTIAL IN CORANGAMITE - ENGINES OF GROWTH OF WEST VICTORIA

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1. Introduction
2. Overview of Barwon and Western District
3. Regional Engines of Growth
4. Geelong as an economic hub
5. Policy for Regional Development Plan for West Coast
6. Policy to end Clearfell logging in the Otways.
7. Policy to build a sustainable Timber industry in Western Victoria.
8. Policy to secure the dairy industry.
9. Education and Health Policy for Corangamite.

### 1. INTRODUCTION

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Well-founded regional development strategies are central to the economic and social development of Victoria as a whole.

The Barwon and Western District of Victoria has, to date, received little coherent policy focus from the Federal government. Yet the region contains many of Victoria's best assets and offers the potential for substantial growth in employment.

This report identifies **five engines of growth** that should, together, be the primary focus of Labor Government development policy for the region. The report identifies the types of strategies that will be appropriate in ensuring that the region realises its potential.

### 2. OVERVIEW OF BARWON AND WESTERN DISTRICT

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Barwon and Western District contains around 370,000 people- around 8% of the total Victorian population of 4.7 million, or 28% of the population excluding Greater Melbourne. Greater Geelong accounts for 50% of the West regions population- around 190,000 people.

The Region includes the full statistical divisions of Barwon and Western District and a small part of the Central Highlands.

Politically the region contains the federal electorates of Corio and Corangamite, and the State electorates of Geelong Province, North Geelong, Geelong, Bellarine, and South Barwon.

Although the Region's overall population has not been growing significantly, there are pockets of growth that provide important clues for regional development policy:

*Population Growth Rates 1994-1999*  
*% per annum*

**BARWON**

Colac-Otway	- 1.0%
Golden plains	+1.0%
Greater Geelong	+0.7%
Queenscliffe	+0.6%
Surf Coast	+2.6%

**WESTERN DISTRICT**

Corangamite	-0.8%
Glenelg	-1.1%
Moyne	-0.5%
South Grampians	-1.2%
Warrnambool	+1.3%

*Source: Victorian Yearbook, 2001*

**BARWON**

Colac-Otway	20,650
Golden plains	14,000
Greater Geelong	190,000
Queenscliffe	3,450
Surf Coast	19,200

**WESTERN DISTRICT**

Corangamite	17,300
Glenelg	20,200
Moyne	16,500
South Grampians	17,600
Warrnambool	28,500

247,3000

100,1000

*Source: Australian Bureau of Statistics, 1999*

In general, population and employment growth is associated with more modern industries such as Tourism, whereas static or declining populations are associated with a continuing emphasis on traditional industries such as logging/sawmilling (which is in long term decline).

### **3. REGIONAL ENGINES OF GROWTH**

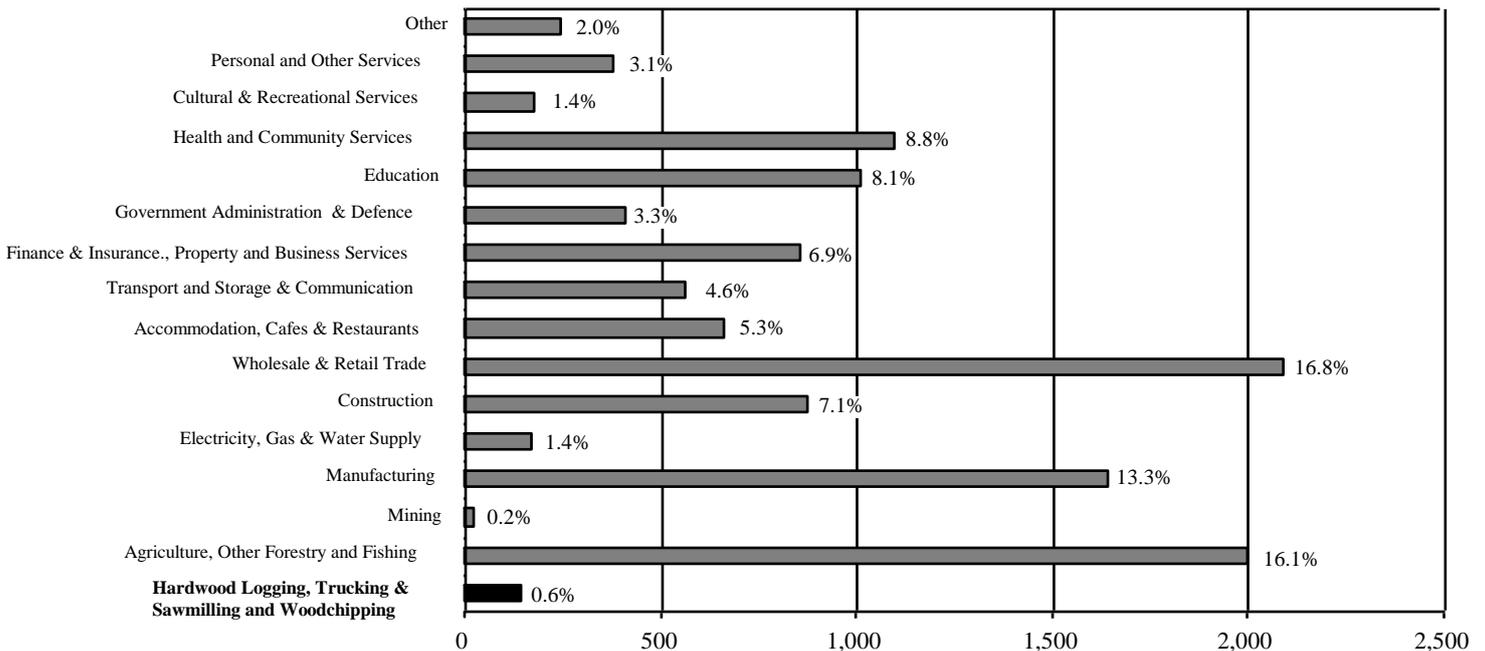
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Barwon and West Victoria have a fairly broad economic foundation ranging from Agriculture through Manufacturing to Tourism and Services. Five key elements have been identified in this industry mix that, appropriately guided, will serve as the main economic drivers over the next 20 years. These are:

- Geelong as an Economic Hub
- The Surf Coast
- The Otway Native Forest,
- Dairy, Sheep and Private Plantation Forest Industries
- Education and Health

Each of these elements is crucial to the future of the region, and Victoria as a whole, and must be managed skillfully from the standpoint of public policy.

### Employment Levels In the Colac-Otway/Surfcoast Shires Total FTE Employment



Source: A BS Special Data Query, Employment Numbers & Hours Worked - Barwon Region 1996 Census, Consultation Paper and Social Assessment (AFFA)

Employment in the Industry has been declining since the 1960s, and will almost certainly decline further as a result of inevitable sawmill consolidation.

#### 4. POLICY TO EXPAND GEELONG AS AN ECONOMIC HUB

Geelong is poised to become by far the most important economic hub in Victoria, outside of Melbourne. This is due to a unique combination of location, resource and infrastructure advantages that are creating three major opportunities:

- The potential for Geelong to become the main dormitory suburb of Melbourne;
- A parallel potential to expand as the economic service centre for the burgeoning Surf Coast;
- A parallel potential to expand rapidly as a preferred manufacturing location

Specific factors underpinning these likely developments are:

- Close proximity to Melbourne, and therefore also to international facilities, greatly facilitated by current improvements to transport infrastructure;
- Close proximity to the Surf Coast and the Otways;
- A diverse industry mix creating the scope for compatible development
- More than 600 industries, and 10,000 business enterprises, involved in the production of automotive components, petroleum products, textiles;
- large employers such as Ford (2400), Godfrey Hirst (1200), Alcoa (700), Steggle's (500), Shell (430), Deakin University and Gordon TAFE;
- A skilled workforce of over 80,000;
- Abundant, reasonably priced land with suitable zoning;
- Affordable commercial and residential building stock;

- Excellent sea, rail and road infrastructure
- Excellent health and education facilities
- Health-400 bed Geelong hospital. Two other large private hospitals. 200 General Practitioners and Specialists. Six community health centres; 33 maternal and child health centres. 34 aged accommodation centres.
- Education- world class private schools such as Geelong Grammar and Geelong College and public tertiary institutions - Deakin and Gordon TAFE.

These factors are already being reflected in recent economic statistics.

Record growth in building permits and construction:

- Record levels of trade (12 million tonnes) through the Port of Geelong;
- 10 year high in job vacancies and 10 year low in unemployment rate 5.2%- 1.4% lower than the State average

Record number of investment inquiries -

- In 2000/2001 22 organisations confirmed their intention to develop commercial projects representing \$210 million in investment and 674 new jobs

**Four policy areas are critical to the realisation of Geelong's potential and can form the central core of any policy development framework:**

**Initiatives to underpin the continuing viability of Geelong's major employers –**

Ensuring that Geelong continues to be a competitive manufacturing location for companies such as Ford and Godfrey Hirst

**Initiatives to ensure an adequate supply of water to support population and industry growth -**

1. Geelong is chronically short of water now and availability of water will be a major constraint unless it is resolved.
2. Barwon Water has put forward a range of options for expanding water supply. However, some of these options are highly controversial and all involve major investment. An objective of policy must be to assist Barwon Water in the implementation of the best options.
3. A particular opportunity exists in the area of forest management.
  - Barwon Water has not factored into its options the cessation of logging in forested Otway catchments which would add 10% or more to long term water supplies (based on the conclusions of the *Sinclair Knight Mertz* hydrology study commissioned by the Victorian State Government 2001)
  - The authority is concerned about logging but considers that it has no control over land use.

**Ensuring that environmental issues do not inappropriately constrain growth -**

- Addressing potential environmental issues in relation to the Shell refinery and Point Henry smelter
- Ensuring that Corio Bay remains clean and healthy

e.g. potential issues associated with the leaching of tannins from woodchip mill stockpiles

Working through and resolving potential environmental issues in relation to the expansion of power supply in the region

#### **Building a strong local Geelong identity -**

- **Geelong is poorly serviced by the media- there is no local television and limited regional radio broadcasting. Federal Government policy can stimulate an expansion in these areas.**

### **5. POLICY FOR REGIONAL DEVELOPMENT PLAN FOR WEST COAST**

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#### **Regional Development Plan is proposed for the Surf Coast**

The continuing rapid growth of the West Coast based on both residential development and tourism is a well documented phenomenon and represents perhaps the most important single development factor in Victoria apart from the Melbourne Docklands project

- domestic population in the West Coast region is expanding at the rate of nearly three per cent per annum
- The Great Ocean Road attracted over 2.5 million domestic visitors in 1999- 16% of all Victorian domestic visits. The area also attracted 6.2 million day trips.
- The Great Ocean Road is the most popular regional destination in Victoria for international visitors. International visits to the area are growing at an astonishing 30% per annum

To ensure that growth in this region stays on track in the long term, three key policy themes are proposed:

1. Without high level coordination, there is a risk that the plans of the various local authorities, and the tourism development bodies, will not be consistent. Accordingly a **Regional Development Plan is proposed for the Surf Coast** which seeks, in particular, to define the overarching infrastructure needs of the area and how these needs will be met.
2. The supply of water to this region is critical, as it is for Geelong. Policy must therefore address how water issues will be resolved
3. The area has important linkages to the Otway Native Forest hinterland which have not to date been adequately defined. Specifically:
  - a) The potential to **ease the pressure on the Surf Coast** through the creation of major attractions in the forest hinterland must be seriously examined;

- b) Legitimate community concerns about the adverse impact of clearfell logging on the scenic attractiveness of the hinterland must be acknowledged by both the State and Federal governments.

### **Trans Otway Walk - Two hundred and fifty jobs!**

The Otway Ranges Walking Track Association ('ORWTA') has estimated that, based on the *Read & Sturgess* figures for the Grampians, **250 jobs** would be created as a result of establishing the Trans Otway Walk. These jobs will be created in hospitality, catering and food service, transport, tour guiding, marketing, sales, construction, printing and graphic design, cottage industry and more. ORWTA estimates that, at a cost to construct of \$44 per metre, the 70 km length from Apollo Bay to Lorne would cost \$3.08 million and that the direct return to the local economies would be in the vicinity of \$21.56 million per annum.

There is a need to assess the economic potential of tourism and the contribution it can make on a regional scale in determining the economic priorities for Western Victoria.

1. The Great Ocean Road region is Victoria's most popular destination outside Melbourne. In 1998, it attracted 2.7 million domestic overnight visitors, 116,000 international overnight visitors, 5.4 million day trips and directly contributed **\$883 million** to the regional economy (compared with around \$10 million in revenue from logging). It is estimated by the Bureau of Tourism Research in its National Visitors survey 1998 that "if just 5% of the overnight visitors in 1998 were to stay in the region one more night it would represent an increase of between 17 and 19 million dollars to the local economies".
2. The Grampians National Park in West Victoria provides an analogous example of employment creation providing more than 1,270 jobs in 1991. (See *West Victorian Comprehensive Regional Assessment* page 94 which refers to a study carried out by Read & Sturgess and Associates in 1994.)
3. There will be a need for Federal Labor to address issues of low **wages** and consult with **Unions** to better ensure job security and acceptable employment **conditions**.

## **6. POLICY TO END CLEARFELL LOGGING IN THE OTWAYS - CREATING JOBS**

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The Otway Native Forest comprises a relatively small area of 150,000 hectares. Of this, 57,000 hectares is parks and reserves and the balance (93,000 hectares) is State Forest.

- The area of the Otway Native Forest has declined by two thirds since 1869 due mainly to land clearing for agriculture

Notwithstanding its small size the Otway Forest contains spectacular stands of **Mountain Ash** and **rain forest**. From a regional development perspective the forest is vitally important for two reasons:

- It is the main source of drinking water for the region;
- It has major eco-tourist potential that is as yet untapped

The importance of the Otway forested water catchments cannot be overestimated:

- 50% of the Otways are proclaimed water catchment, supplying water to over 300,000 people in the region;
- The forest acts as a huge reservoir, catching and holding the water, and releasing it slowly in the drier months. This enables water authorities to avoid investing in man-made catchments that have an enormous cost

The tourism potential of the Otway forests has not been exploited to date as the forest has been viewed, from a policy perspective, mainly as a source of sawn timber and pulpwood. Yet a focus on eco-tourism will almost certainly yield far greater economic benefits:

- There is strong demand for ‘nature experiences’ and ‘soft adventure’ from tourists;
- The Otways can meet this demand in many different ways, ranging from extensive walking tracks to hinterland resorts;
- These attractions tend to be labour, and therefore employment, intensive
- In the above context, the wisdom of continued logging of the Otway Native Forest is highly questionable:
  - a) logging is reducing water yields by over 10%
  - b) the cost of this water loss appears to substantially outweigh the economic benefits resulting from the processing and sale of sawn timber and woodchips
  - (c) logging is inconsistent with use of the forest as a natural attraction
  - (d) the industry that obtains benefit from logging the Otways is very small and not economically significant -
    - (i) two sawmills (Murnanes and Calco) employing around 50 people (including logging contractors) already rely on private plantation resource for 50% of their timber supply
    - (ii) dependent on woodchips for economic viability

These conclusions point to the need for a fundamental shift in policy with respect to forest management, involving the suspension of logging and the active management of the forest for other purposes- water production and eco-tourism

- This policy shift is unlikely to have any wider implications for forest management in other regions as:
  - (a) The Otways generate only 2% of Victorian native forest log production
  - (b) The factors supporting a change of policy are unique to the region

## **7. POLICY TO BUILD SUSTAINABLE TIMBER INDUSTRY IN WESTERN VICTORIA - CREATING MORE JOBS**

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There is the need to develop a vision of a significant commercial sustainable private fibre and timber industry sector in West Victoria.

Consideration for a Federal Labor government must be:

- the potential export markets in meeting global demand for timber and fibre

- the need to further define potential markets and processing opportunities;
- the benefits to farm income;
- the development opportunities for regional communities; and
- associated economic ‘spin-offs’ of tree growing.

Timbercorp has private plantations in West Victoria covering 70,000 hectares with an investment of \$300M and employing around 1,500 workers. It is now considering building a pulp mill and sawing for high value products.

Labor needs to consider future investment in the private plantation forest industry which could also include the construction of a **pulp and paper mill** resourcing from the private plantation estate exclusively (ie not from native State forests). This will lead to greater employment opportunities. However, such policy would need to be developed with great sensitivity to community concerns.

Federal Labor must work in with the State government and local councils to implement the "Plantations for Australia: The 2020 Vision" policy statement.

**Issues relating to Private Plantation Forest Policy that need to be further developed through community and industry consultation include:**

- Land Resource
- Local Government Support
- Quality assurance and management systems
- Planning Controls
- Economic, Social, Environmental, and Heritage Impact
- Environmental and Heritage Accounting and Reporting (See **Parliamentary Public Accounts and Estimate Committees** report re inquiry into Environmental Accounting)
- Investment Capital
- Sector Competitiveness

## **8. POLICY TO SECURE THE DAIRY INDUSTRY**

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Following national deregulation, the Dairy Industry in Victoria is positioned for solid long term growth:

- Victoria currently produces 60% of Australia’s milk and is the lowest cost state;
- The Victorian industry directly employs many people on farm and in processing, and generates revenue
- Victorian milk production has grown in recent years at around 5% per annum
- Overseas markets for major milk products such as powder, cheese and butter are strong, and Victorian producers are well placed to supply these markets due to cost advantages, perceived high product quality and the favourable \$A exchange rate
- The domestic market for fresh dairy products and cheese continues to respond positively to product innovation

Within Victoria, the South West region produces 30% of the State’s milk. This percentage has been growing at the expense of Gippsland (now also 30%).

- 2200 farms with 400,000 cows supplying more than two billion litres of milk to nine factories
- Volume of production growing at 6% per annum

The Northern Region, currently the largest, is expected to lose share significantly over the next 20 years due to severe limitations on the amount of water available for irrigation purposes.

The West is well placed to take up this slack, for three reasons:

- Most efficient farms (highest average herd size)
- Most efficient processing plants (highest milk intake per plant- nearly double that of Gippsland)

The Dairy Industry therefore has the potential to be a true engine of growth in the years ahead, provided policy settings are supportive. The key policy issues are:

- The need to upgrade transport infrastructure (particularly roads) in some parts of Western Victoria to facilitate the rapid, safe, movement of milk from farms to processing plants;
- The need to maintain the integrity of key river systems, such as the Gellibrand, which supply irrigation water to dairy farms and processing centres;
- The need to assist with the building and maintenance of vibrant rural communities in Western Victoria, paying particular attention to Health, Education and recreational facilities;
- The need to encourage dairy farmers to embrace sustainable farming practices

## **9. EDUCATION AND HEALTH POLICY FOR CORANGAMITE**

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*Education and Health Policy initiatives have been developed by the ALP Corangamite Campaign Committee and are ready for release.*