

Timber Industry Reform - A hallmark of Brack's first year of government

Strategy - Establish a **Cross-Ministerial Task Force** to develop a package of reforms for management of forests **beyond the scope of RFAs** and development and restructuring of timber industry.

Direct participation in **Cross-Ministerial Task Force** will involve:

- **Finance** - Minister's office
- **State & Regional Development** - Minister's office
- **Agriculture** - Minister's office
- **Environment & Conservation** - Minister's office
- **Energy & Resources (green-house)** - Minister's office
- **Co-ordinating the several environmental advisers across the Ministries**
- **CFMEU Forestry Division** - Union
- **Bio-Diversity & Conservation Sub-Committee** - ALP
- **Media and Marketing Adviser**

Objective -

To develop a package of reforms that **coincide and are released concurrently** with the signing of the RFAs, many of which will be drawn from current Labor policy. (See suggestions attached.)

If the RFAs are sold as part of a package of reforms aimed at increasing accountability, transparency and certainty (long been sought by the community and unions), Labor can better guarantee community and union support for the RFA process that would otherwise not be there. It will heighten the government's electoral credibility. This package can be one of the **hallmarks of the first year of the Brack's Government.**

If the two RFAs are signed in isolation as appears to be the intention, and not in a positive context as part of a total review and reform of forest management, then this government may well find itself stuck in a swirling drain of unending community and union anger and frustration. Any later fragmented or ad hoc releases of reforms will not restore public confidence lost on 31 March 2000 as a result of a perceived Government indifference to environmentalists and regional workers concerns.

Time frame -

- 6 weeks to finalise basic package;
- Announcement of strategy of reforms with signing of RFA Agreements on 31/3/00;
- Ongoing work by **coordinating task force** to ensure co-ordination between Ministries and to facilitate finalising of details, including consistent media releases.

Facilities -

Equipped office set up at appropriate location for working party.

Consultation and promotion of package -

Critical to the success of **further developing, packaging and promoting** the reforms in conjunction with the signing of the RFAs, will involve immediate consultation with stakeholders and analysis of submissions made to date. For the package to be successful consideration would need to be given to **marketing and media** coverage.

Envisaged Outcome of Package -

- Labor Federally should commend the Brack's government as they get the resolution they want being greater public acceptance of the RFA process.
- The State government would achieve positive community support through the package and political enhancement of the positions of Labor MPs in regional areas currently having to deal with the endless mistrust over RFAs. **Now is, politically, the appropriate time to implement the policies to countervail the mistrust and create a sense of confidence.** The Brack's government can only prosper from being seen to lead the way.
- Local environmental groups in the RFA regions should have greater confidence in the process because of the announcement of the inquiries providing ongoing accountability.
- Peak environmental groups will applaud the institutional changes and the independent review of royalties.
- Any growth in value added production within the industry will enhance opportunities of timber workers and satisfy some union concerns. The unions want certainty in the industry.
- Industry wants stability and resolution. Until DNRE is fully accountable and transparent in forest management, which is only possible through independent audits and the appropriate (and expected) independent inquiries, there will be no stability with or without RFAs. Public outcries against 'deforestation' are only going to increase otherwise.
- Tourism industry will support any development of a timber industry resource base (eg through value adding of timber and plantation development) that will alleviate pressure on forests of high tourism value.

**Package for concurrent implementation of Labor policies and reforms
with implementation of Western Region RFA and Gippsland RFA**

**Reforms that could be considered in the package which are beyond the scope of
RFAs but are absolutely integral to State Government forest management and
timber industry development**

1. Institutional changes to environmental management (see policy commitments at beginning of *Our Natural Assets* and *Greener Cities*):

- Establishment of a Commissioner for the Environment - \$4M funding
- Establishment of a Victorian Environmental Assessment Council - \$2M funding
- Independent review to ensure that royalties and charges cover all State management costs (see in *Our Natural Asset - Proper scrutiny in forest management*).

Time frames and funding announcements are essential for political reality and acceptance of the package by stakeholders.

2. Incorporate in the Forest Management Plans or attachments that form part of the RFA (or elsewhere) the following:

- There be an independent audit of logging rates in the Wombat Forest (see election policy commitment in *Labor's Plan for Managing the Western Region RFA*). A time frame is essential for political reality.
- The government affirms that preferential log licensing be given to industry operators who satisfy the government that they are capable of extracting the highest economic value from the resource, in terms of end product values and the creation of regional employment.

This is in fact consistent with the intentions of Labor's 1987 Timber Industry Strategy Plan being to maintain a primary saw log focus with an emphasis on value adding rather than a wood chip/pulp industry which involves minimal labor on a community/regional level.

- An independent scientific inquiry be held into appropriateness of each form of logging - eg clear felling; shelter wood; selective logging - for all forest management areas. A time frame is essential for political reality.
- The government institutes the hydrology research re Otway water catchments and establishes the independent Committee comprising of stakeholders to oversee the study (see - *Labor's Plan for Managing the Western Region RFA*). The Committee could have input into the guidelines for conducting the research. A time frame is essential for political reality.

3. Dealing with Union interests

- Put in place methodology that better ensures certainty of figures for sustainable yields.
- Redesign and restructuring of existing jobs and further job creation rather than elimination of jobs and ensure that sufficient funds are made available for training.
- With respect to all reforms, particular regard be given to issues affecting Occupational Health & Safety and other basic conditions.

4. Cash (Commonwealth)

- As per the Federal Government financial commitment and State Labor's commitment in *Labor's Plan for Managing the Western Region RFA* the State government will encourage the use of funding available to the industry through the RFA process (VICFISAP) to assist with restructuring where opportunity exists for further value adding.
- The State Government may consider contributing some money in this regard
- The State Government to pressure the Federal Government to re-assess taxation issues regarding expansion of plantation industry.

5. Future timber industry - timber industry heartland

- The package needs to point to developing a comprehensive plantation and sustainable native forest industry strategy for hardwoods and softwoods. In particular, this would involve John Brumby (as Minister for State and Regional Development), Keith Hamilton (as Minister of Agriculture) and Sherryl Garbutt (as Minister for Environment & Conservation). With a long term vision and industry support, Victoria could become a timber industry heartland.

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