



# Premier's Report to the Community

## Tasmanian Forests Intergovernmental Agreement – Questions and Answers

### **Why has the State Government negotiated a forestry agreement with the Commonwealth?**

Our forest industries are changing. International demand for our woodchips has fallen and Gunns Ltd has decided to exit native forest harvesting. These events are outside our control and they are happening whether we like it or not. Since 2008 these changes have resulted in a halving of the number of Tasmanians directly employed in forestry, down from 6460 to 3260. Unfortunately, this process is causing pain for the families affected and for the rural communities which traditionally rely on forestry. The Tasmanian and Australian Governments believe we need to provide support for the people and communities affected and create certainty for those jobs left in the forest industry while also creating new ones in a restructured forest industry as well as through new regional development investments.

### **What does the agreement do?**

The agreement will mean that the contractors and forest workers who lose their jobs as a result of Gunns' decision will be supported. We have agreed on funding of up to \$276 million to directly assist those affected and to help their communities create new jobs in future. At the same time, the agreement will protect more high conservation value forests in line with the Statement of Principles negotiated by key stakeholders from the forest industry, the union and environment groups.

### **Does the agreement mean an end to native forest logging?**

No. I'm a very strong supporter of a sustainable native forest industry continuing into the future. The agreement will give Tasmania's forest industry the certainty it needs while at the same time protecting high conservation forests. The agreement guarantees at least 155 000 cubic metres per year in wood supply, 12 500 cubic metres per year of specialty timbers and 265 000 cubic metres of peeler billets. All existing wood supply contracts will be honoured. However, I expect that over time the changes that are happening will see demand for plantation timber continue to increase.

### **What new areas of forests will be locked up?**

Subject to independent verification of the conservation value of the 572 000 hectares of native forest identified through the Statement of Principles process, the Tasmanian Government will reserve and protect areas of high conservation value while maintaining timber supply at the agreed levels. An independent process will be established to determine which areas have high conservation value.

### **What funding is available through the agreement and where will it go?**

The package will provide up to \$276 million for Tasmania. It includes up to \$85 million to respond to the immediate needs of workers who have been displaced and forest contractors, often with loans on equipment worth hundreds of thousands of dollars. Funding of \$120 million over 15 years will be used for regional assistance to diversify Tasmania's economy and create jobs. The Commonwealth has also agreed to provide \$7 million each year to manage new forest reserves.

**When will money be paid to contractors ?**

Under the agreement up to \$25 million will be available to provide employment and training support for redundant forest workers. A further \$15 million will be provided through ForestWorks Ltd to provide transition support payments for workers directly impacted by the industry restructuring. In addition, up to \$45 million will be available in assistance for haulage, harvest and silvicultural contractors voluntarily exiting the industry. We hope that this money can begin flowing as soon as possible. In the meantime support and other information is available through the Tasmanian Forestry Support Information Line on **1800 648 075**.

**Why has the government abandoned the forest industry?**

We haven't. The agreement ensures all existing contracts will be honoured and provides for a sustainable industry into the future. It also states that, where harvesting has already begun in coupes within the 430 000 hectares to be placed in Informal Reserve, that work can continue.

**Why doesn't Labor join with the Liberals and tear up the Statement of Principles?**

The vulnerability of international demand for our woodchips and Gunns' exit from native forestry are outside the Government's control. They are realities whether we like it or not. If we do what the Liberals suggest the changes would still happen but we would jeopardise funding from the Commonwealth for those affected and there would be no independent process to establish which areas of forest warranted protection. We must deal with the challenges that confront us and, unlike the Liberals, I do not believe it is possible to turn back the clock and pretend our forest industries will continue unchanged.

**Extreme environmental groups are still protesting – will this agreement really bring an end to the conflict in Tasmania's forests?**

We cannot control what fringe groups do but, importantly, groups like Environment Tasmania and The Wilderness Society which represent the mainstream environment movement have signed up and support this process. We expect that as a result of this agreement those groups will no longer seek to actively undermine the forest industry in overseas markets. We also expect they will support the application process for appropriate areas of Tasmanian native forest to receive FSC certification.

**Does the agreement include money for Gunns for its exit from native forests?**

The issue is complex and is yet to be finalised. I know many Tasmanians do not want any payments to be made to Gunns. But our legal advice is that we need to reach a commercial settlement with the company to extinguish some residual legal rights associated with its native forest contracts. We have appointed an independent probity auditor to ensure this process is handled transparently and in accordance with our legal obligations.

**Will this agreement prevent all future mining activity?**

No. The independent verification process will determine areas of high conservation value as well as consider what competing uses such as mining should be protected. Any mining proposal will be subject to the well established stringent environmental approvals process.

**FIND OUT MORE**

P: (03) 6233 3464

E: [premier@dpac.tas.gov.au](mailto:premier@dpac.tas.gov.au)

W: [www.premier.tas.gov.au](http://www.premier.tas.gov.au)