



## **PRIME MINISTER**

**STATEMENT BY THE PRIME MINISTER, THE HON P.J. KEATING, MP**

**THE FUTURE OF OUR FORESTS, HOUSE OF REPRESENTATIVES,  
30 NOVEMBER 1995**

Mr Speaker, I seek leave of the House to make a Statement on forest policy.

Mr Speaker, today I announce the Government's broad policy direction on Australia's forests and forest industries. I am also announcing several related initiatives vital to the future of our native forests and the industries which depend upon them. Full details of these measures will be released tomorrow by the Minister for Industry, Science and Technology, the Minister for the Environment, Sport and Territories, and the Minister for Resources.

Mr Speaker, Australia's forests are a defining feature of our landscape, a priceless element of our environment and heritage, a national resource of immeasurable proportions - and a profound national responsibility.

All Australians have a stake in these forests. All of us have a responsibility to insist that they are properly managed and carefully conserved.

They are a national treasure and their management must be ecologically sustainable and economically clever.

Our native forests are of inestimable conservation value. They are vital repositories of biological diversity - indeed, new species of plants and animals are still being discovered. They are a haven for endangered species. They are vitally important as water catchments, they influence our climate and act as carbon sinks to limit the greenhouse effect.

Just as importantly they are places of unique and unrivalled beauty. They are aesthetically and spiritually important to us. They are important to our sense of belonging to this land. Our respect for and enjoyment of them is part of our communion with Australia.

Mr Speaker, the national interest quite simply demands that we protect our forests.

This same national interest also demands that we use the forests intelligently for the things we need and for the communities that live with them.

Our forests have economic significance. They are an important renewable resource, contributing to the wealth of the nation, and providing us with essential commodities.

Many Australians, and many Australian communities, depend on our native forests for their livelihoods. Whatever we decide are our priorities, their interests must be attended to.

This perception of an irresolvable conflict between the environmental and commercial values of forests has produced deep divisions in the Australian community. The debate presents itself as a conflict between absolutes: the absolute necessity to protect these priceless parts of our environment, and the absolute necessity to protect Australia's economic interests and the well-being of Australian working men and women.

The conflict is easily understood. No Australians want to see these forests destroyed or damaged beyond repair. Nor do they wish to see the economic interests of Australia damaged or the livelihoods of their fellow Australians threatened.

We on the Government side number ourselves among these Australians.

No policy is going to satisfy everyone. Neither side of this debate can expect to get everything they want. The aim is to see that Australia is the winner, that the Australians of the next century are the winners. In the end, the essential goal is the protection of the long term national interest.

Mr Speaker, it is towards this goal that the Government has steered a course.

Our cause will be greatly advanced if, on both sides, the debate is conducted with the national interest in mind. We should all remember that no-one in this conflict has a monopoly on truth or virtue, or a mortgage on concern for the future of our forests. Those who presume they do and claim it exclusively will only debilitate the efforts of people of good will to find the best solutions.

We recognise that this is a debate which will of its nature arouse great passions. But, equally the solutions and the path to them cannot be other than rational.

We will not find solutions without cool thinking and a genuine desire to find common ground and a degree of shared good will.

Mr Speaker, if the task of devising a national forest policy which meets community expectations is made difficult by polarised opinion and emotion, it is made even more complex by the fact that, under our Constitution, the States have the primary responsibility for land management, including the management of our forests.

Many in the Australian community expect the Commonwealth to take more responsibility for Australia's forests than the Commonwealth has the ability to take. It is expected of the Federal Government that we develop an effective national policy, yet the Federal Government does not effectively have the power to do so. What powers we do have can never deliver the long term changes we are seeking - to the reserves, to sustainable management and to the industry - without the States.

The recourse to the Commonwealth Government underlines the failure of interest groups to secure the appropriate undertakings from those who do manage forests in Australia and that, of course, is the State governments.

In lieu of actual powers, the Government has taken the lead in developing with the States a cooperative approach to managing and protecting our forests. This policy has depended upon the States recognising that there is a national interest to be served, and success in the long run will in large part depend upon the States continuing to recognise this.

Mr Speaker, we started on this difficult journey towards a common approach to forest management with the development of the 1992 National Forest Policy Statement, to which all State and Territory Governments are now signatories.

This was itself no easy matter - and some parties have only more recently joined.

Embodied in that Statement are the shared economic, social and environmental objectives which all governments have made a commitment to achieving.

Through the National Forest Policy Statement, the Commonwealth and the States agreed to the ecologically sustainable management of Australia's forests. Realising that we did not know enough about our forests, the Statement provided the basis for thorough, cooperative assessments of their values, leading ultimately to the concept of Regional Forest Agreements with the States. These Agreements offer the real possibility of a long term framework for the protection and management of these important national assets.

As an idea it is probably unique in the developed world.

The Policy provides for the development of a National Forest Reserve System, which would ensure the protection of high conservation value areas required to maintain biodiversity, old growth and wilderness values.

Earlier this year, the Commonwealth through a panel of scientists, developed a set of criteria for determining which areas should become a part of this system. They include;

- a broad benchmark of 15 per cent of the pre-European distribution of each forest type to be protected within the reserve system.
- retention in reserves of at least 60 per cent of existing old growth, increasing up to 100 per cent wherever practicable for rare old growth

and

- protection of 90 per cent or more wherever practicable, or areas of high quality wilderness

These criteria are recognised as at the leading edge in world terms.

But, Mr Speaker, before we can arrive at a position from which we can negotiate Regional Forest Agreements and, through them, a comprehensive, adequate and representative National Forest Reserve System, we must put in place interim protection measures for forests which might be required as components of such a reserve system.

The device we are using for this is a Deferred Forest Area or DFA process.

The Deferred Forest Areas process has been designed to provide the appropriate degree of interim protection needed for the longer term RFAs. It is not meant to be the last word on which areas would be logged and which would be turned over to forest reserves. Rather, it was meant to provide an essential building block on the way to Regional Forest Agreements. The decisions to be announced tomorrow therefore, are but the first step in a longer, more rigorous process. But for the forests, a giant step.

For most of this year, the Commonwealth has been negotiating with New South Wales, Victoria, Tasmania, and Western Australia to identify forest areas to be protected pending further assessment in the development of Regional Forest Agreements.

In cooperation with these Governments, the Commonwealth has recently concluded a very extensive consultation process in which interested individuals and groups have had their say in an open and transparent process. Through their contribution they have been able to influence the outcome and, I am pleased to say, our Deferred Forest Areas are the better for it. At the same time, I believe, these consultations have underlined the fact that the policy approach we have chosen is undoubtedly the right one.

Through the Deferred Forest Areas process, we have delivered a positive and I stress immediate outcome for all Australians who have a stake in our forests - which is to say, albeit to varying degrees, every Australian.

As a first step, the decisions we have taken this week offer sound conservation outcomes as well as predictability for our forest industry.

We have taken a precautionary approach, so as to ensure that future reservation options are kept open.

Cabinet has agreed on the areas of state forest to be deferred. Detailed maps of these areas will be released tomorrow.

Our objective has been to ensure that options for establishing the reserve system, based on criteria developed by the Commonwealth are not foreclosed while longer term assessments are conducted.

Mr Speaker, I am confident that we have achieved this objective.

In the next few weeks, the Commonwealth expects to sign Deferred Forest Agreements with the States I have mentioned. I will be writing to the Premiers later today inviting them to enter these Agreements.

I have on a number of occasions talked about creating in Australia a forest reserve system the equal of any in the world. With the signing of these agreements, we will have taken a huge step towards this objective.

Mr Speaker, the management of those parts of the forest estate outside the reserve system is just as important as the reserves themselves.

The Government is committed to ensuring that the management of these areas, some of which will be available for harvesting, is truly sustainable.

As part of the longer term process, we will be joining with the States in a thorough review of forest management and codes of practice.

Our aim is to ensure that the full range of values we attach to our forests are maintained in perpetuity. We must adopt the view that these precious assets are held in trust for the future, they are not ours to neglect or degrade.

The forests industry should be a model of ecologically sustainable development. Our objective is to ensure that it is.

Mr Speaker, the annual turnover of Australia's wood and paper industry based on native forests and plantations, is in the order of \$10 billion, or about one per cent of Gross Domestic Product.

The Government believes it is imperative to have a viable wood and wood products industry.

Investments of between \$4 billion and \$6 billion are at present under consideration. Industry and unions predict between 15,000 and 25,000 potential new jobs over the next decade.

The associated Wood and Paper Industry Strategy also to be released tomorrow sets out the Government's long term vision for this industry. It is the Government's aim to transform it - to make it both internationally competitive and ecologically sustainable.

As part of this transformation, we will encourage increased investment in value-adding processes for wood and wood pulp, and give priority in issuing woodchip export licences to applicants who invest in domestic processing. We are determined to sharply improve domestic value-adding of residues currently being exported as unprocessed woodchips. We will, through this industry, expand job opportunities in regional Australia.

We will clear the way for value-adding to forest residues by the release of strict environmental standards for Bleached Eucalypt Kraft pulpmills.

And through Regional Forest Agreements to be developed with State Governments, we will provide industry with increased assurance about resource supply and greater regulatory certainty.

We will continue to remove duplication in environmental impact assessment processes at the Federal and State levels and reduce administrative and compliance costs.

Through AusIndustry, we will provide additional funding for enterprise development to firms in the wood and paper industries, and so promote best practice and competitive efficiency.

We will provide additional assistance to small and medium firms in the wood and paper industry who are seeking to move into new markets or upgrade existing facilities.

And through the Wood and Paper Industry Council, we will develop industry sector approaches to investment and improved import replacement and export performance.

Underlying all of these initiatives is a fundamental commitment to sustainable job growth and opportunities for Australian workers.

Mr Speaker, while the Government is committed to the long-term sustainability and prosperity of the native forest based industry, special recognition will also be given to the increasingly important role of plantations and farm forestry.

These sectors represent the best sources for future growth in the wood and paper industry. Plantations already supply a significant proportion of our total wood and paper products and major value-adding investment proposals are currently under consideration.

In 1995, the industry set a target of trebling the current plantation resource by 2020. The Government supports and welcomes this initiative. It will act to remove impediments to plantation establishment and establish a policy environment which will help industry to realise this target.

Mr Speaker, every effort has been made to minimise necessary disruption to the timber industry arising from the Deferred Forest Areas process. State Governments have been asked to re-schedule logging operations away from deferred areas. However, the Government recognises that in some cases re-scheduling may not be possible and that logging operations will be affected.

Accordingly, the Wood and Paper Industries Strategy contains details of a generous Structural Adjustment Package which will provide financial and other assistance, including retraining, to proprietors and workers in the timber industry, those detrimentally affected by the Deferred Forest Areas process.

Mr Speaker, we are especially conscious of the disruptive effect on some operators and communities of these changes. We will do all that we can reasonably do to help.

Mr Speaker, let me turn to the vexed question of the woodchip export licences. Applications for woodchip exports for this year were about nine million tonnes. However, as indicated last year the Government wants to reduce the amount of wood exported in this unprocessed form. The Government has therefore decided on a much lower volume for this year which will be 5.25 million tonnes. This amount is a fair and consistent down payment on that objective.

Licences will be issued for 80 per cent of that volume. The remaining 20 per cent will only be available in regions where there has been significant progress towards Regional Forest Agreements with State Governments.

Details of this year's ceiling will be announced tomorrow by the Minister for Resources.

The Government has made a commitment to phasing out woodchips exports by the year 2000 from areas not covered by Regional Forest Agreements.

We remain committed to diverting these exports into further domestic value-adding. The industry is on notice that unless we get the progress and the agreements, woodchip exports will be phased out.

Those on the extremes of the debate - in the timber industry and among their more uncompromising opponents - should understand that the Government will not waver from this course or these decisions.

Mr Speaker, no Australian government has ever made such a conscientious attempt to resolve this huge and vexed issue. Most governments would run a million miles from it. We have been at pains to strike the right balance; to find the means by which environmental and economic necessities can be reconciled in the national interest; the means by which a profitable industry and prosperous communities can be reconciled with our responsibility to preserve a unique and magnificent part of our natural heritage for our children and the Australians of the 21 century and beyond.

Mr Speaker, it can be done. This statement demonstrates that driving an intelligent course can reap substantial and permanent benefits for both sides of the debate and for the nation - more substantial and more permanent than any we might derive from pursuing one direction to the exclusion of the interests of the others.

The moral comfort of extreme and certain positions may be warming to those who hold them, but they do not confront the real moral challenge, to deliver real, worthwhile, lasting and democratic solutions. Ones that everyone can respect.

Mr Speaker, no-one should be under the illusion that with these decisions the difficulties and sensitivities surrounding the issue will disappear. Of course, they won't.

But I hope the process will decidedly help to create a more cooperative and analytical environment. An environment in which the common goal of the protection and renewal of our forests can be achieved with a forest products industry that has a future based on sustainability and ecological decency.

Mr Speaker, this statement will bring us much much closer to ecologically sustainable management of our great forests. And, with it, much closer to meeting our responsibilities to the Australians of the next century and thereafter.