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PRIME MINISTER

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

FORESTS POLICY

Cabinet met today to discuss the Government's strategy for the protection of Australia's native forests and the long term future of our forest industries. The management of Australia's forests is primarily a State responsibility. However the community looks to the Commonwealth for leadership in the protection of what are national assets treasured by all Australians.

Cabinet agreed to implement a number of important measures which will ensure Australia has a system of reserves comprehensively representing all forest types, and at the same time a diverse, internationally competitive wood products industry.

As a first step, I am releasing today a discussion paper detailing the Commonwealth's position for a future forest reserve system. The aim of the paper is to stimulate public comment on appropriate criteria for establishing the reserves. During the six week consultation phase, the Commonwealth will also be working with State and Territory governments to develop nationally agreed criteria for application in the development of forest agreements for all regions.

With the cooperation of the States, the Commonwealth will use these criteria to undertake a preliminary reserve analysis to set aside areas pending completion of regional forest agreements. This will enable applications for 1996 woodchip export licenses to be assessed on a regional, rather than coupe-by-coupe basis. Our strategy will also make sure that the Government's policy of protecting high conservation value forests in perpetuity will not be compromised while regional forest agreements are being developed, and industry will enjoy more certainty about the availability of resources.

These regional forest agreements will identify areas for incorporation in a national reserve system that adequately and comprehensively represents all forest types, and areas which may be harvested on a strict basis of ecological sustainability.

The Government takes the view that the best policy for Australia is one which at once protects forever our unique and irreplaceable native forests, and develops and maintains a profitable and ecologically sustainable forest products industry based on re-growth forests, plantations and other fibre sources. The two ambitions are compatible and mutually re-inforcing. An ecologically sustainable forest products industry is consistent with our environmental ambitions, including that of reducing the degree to which ecologically unsustainable industries develop in other countries. The development of a model industry in Australia can be a tangible expression of thinking globally and acting locally.

As an integral part of the overall strategy I am releasing an industry discussion paper and consultations will be undertaken over the next 10 weeks, prior to its finalisation in the middle of the year.

Central to the Government's position for the future of the industry is the need to turn around Australia's \$1.8 billion trade deficit in forest products by encouraging greater downstream processing, more intensive plantation production, and international best-practice forest management.

Relevant Commonwealth departments will be taking this opportunity to bring together labour market programs and industry programs aimed at improving the competitiveness of the wood products industry.

We have also agreed to recommend to the Minister for Resources that he ask export woodchip companies to refrain from sourcing woodchips from 264 coupes that Cabinet believes might be required for a future reserve system, and that were originally proposed by States for logging in 1995.

I will be asking the States to fully protect all these coupes, including the non-national estate coupes we have set aside, pending finalisation of the regional forest agreements.

The Government recognises that requesting companies to stay out of areas proposed by States for logging in 1995 will have consequences for the livelihoods of some forest workers. The Government will provide income support under existing programs for those workers. For any self-employed workers the Government will consider the payment of transitional assistance.

Local CES offices will be active in ensuring that workers are aware of programs they are eligible to join, and other forms of assistance that are immediately available to them.

The Government has developed a tailored package of assistance available immediately for self-employed workers, employees and their families affected by structural adjustment to the industry. The *Forest Industries Special Assistance Package* will provide individuals with access to training and

employment programs under *Working Nation*, including the National Training Wage, JobStart and JobSkills and assist with relocation and travel costs.

These programs will be individually designed to address the training and employment needs of people affected by the decision and will assist them to find alternative employment opportunities as quickly as possible.

In partnership with State and local government, industry, unions and communities, a range of projects will be identified in regions to provide employment opportunities in areas such as plantation and farm forestry and value-added forestry related industries. These projects will be initially facilitated through the Working Nation initiatives.

CANBERRA
30 MARCH 1995