

Tasmanian Forests IGA

Update & Progress Report

November 2011

Welcome to the first edition of the Tasmanian Forests Intergovernmental Agreement (IGA) Update and Progress Report which aims to keep you informed on progress with the IGA.

The Intergovernmental Agreement between the Australian and Tasmanian Governments is not only historic but unique.

It is historic because it provides the opportunity to end decades of conflict; it is also the first time that a solution in Tasmania has been driven by the community. There has been a downturn in the forestry industry due to market changes and international demand for some forest products and the community has responded to this. Industry and community groups have come together and sought a new way forward.

The Agreement is unique because of its long term focus; it will help the forest industry adapt to market changes while protecting the communities and families that rely on the sector to survive. It will also assist regions to adapt and develop for years to come, while protecting high conservation value native forest areas.

Under the Agreement a total of \$277 million is being provided in the following areas:

- Support for workers, contractors and their families affected by the downturn in the industry;
- Protecting high conservation value forests and ensuring sustainable wood supply; and
- Identifying and funding regional development and diversification projects.

The Australian and Tasmanian governments have already made significant progress in implementing this agreement including providing assistance to displaced workers, retiring Gunns' native forest contracts, and supporting an independent verification process to assess timber supply requirements and the boundaries of proposed new conservation reserves. Progress is also being made in finalising a Conservation Agreement to provide protection for a 430,000 hectare interim reserve.

Stream 1 - Support for Forest Workers

Forestry Workers Assistance

Re-employment and relocation assistance for forest industry workers displaced as a result of the downturn in the market is now available. Up to \$25 million has been provided for immediate employment and training support; this includes intensive support through Job Services Australia and other providers, together with relocation support for redundant forestry workers.

Tasmanian forest industry workers and businesses can call the Tasmanian Forest Support Line on 1800 648 075 for more information about the services and payments that may be available to them.

ForestWorks Agreement

ForestWorks has received \$15 million in funding under the IGA to provide transition support for forest workers who have been made redundant as a result of industry restructuring following Gunns' exit from native forest operations.

So far ForestWorks reports that it has:

- received 250 applications from ex-Gunns staff;

- provided more than \$4 million in payments;
- hired 8 ex-forestry workers to act as mentors;
- provided assistance in evaluating worker skill sets; and
- provided counselling services.

Forest workers are able to access information about their eligibility and the fund by contacting ForestWorks on 1800 177 001 or www.forestworks.com.au.

ForestWorks is a national organisation that facilitates learning and skill development in the forest, wood, paper and timber industries.

Support for voluntary exits from public native forest operations for haulage, harvest and silvicultural contractors

Under the terms of the Agreement \$45 million has been made available for those eligible contractors wishing to voluntarily exit the Tasmanian forest industry.

As a result of the downturn in the industry, many contractors now have reduced contracts. This package is designed to enable them to exit the industry with dignity.

Eligible businesses can apply for exit assistance of up to \$3 million. Applications for the \$45 million exit assistance program opened on 26 October and will close on 24 November 2011.

For more information about the program, or to register your interest, call 02 6272 5079.

Information about the contractor exit assistance package is available at the Department of Agriculture, Fisheries and Forestry website: www.daff.gov.au/forestry/national/aus-govt-tas-forests

Rural Alive and Well

The health and wellbeing of our forest workers and their communities is a very high priority. To ensure help is available if needed, \$0.5 million per annum has been provided to Rural Alive and Well Inc over the next two years to provide specialised counselling services.

These services include mental health counselling and community wellbeing assistance for forest workers, their families, and associated businesses and communities that have been impacted by recent changes to the forest industry within Tasmania.

Funding has also been provided to facilitate access to financial counselling where required.

You can contact the outreach team at: **Rural Alive & Well Inc**, 9 Blackwell Road, Melton Mowbray TAS 7030
Telephone: 6259 3014 Fax: 6259 3014 Email: admin@rawtas.com.au Web: www.rawtas.com.au

Stream 2 - Protecting High Conservation Value Forests and Ensuring Sustainable Wood Supply

Independent verification process

The IGA will ensure a sustainable timber supply for the Tasmanian native forest industry while also protecting additional areas of high conservation value forests.

A key element in delivering this objective is the establishment of an Independent Verification Group to assess and verify sustainable timber supply requirements (including at the regional level), available public native forest and plantation volumes, and areas and boundaries of reserves from within the environment

non government organisation nominated 572,000 hectares of high conservation value public native forest. The IGA is focused on public native forests and does not impose any obligations on private landholders.

The Independent Verification Group has six members who will consult widely with other external stakeholders. The Group will provide advice to both governments by the end of the year.

The members of the Independent Verification Group are:

Chair

Professor Jonathan West - Director, Australian Innovation Research Centre, University of Tasmania. In this role, he led the development of a 2009 report on innovation and economic development in Tasmania which identified growth areas suitable for further innovation and development, and suggested possible strategies to enable those sectors to reach their potential.

Members

Dr Robert (Bob) Smith - Former head of State Forests of NSW (forestry expert).

Dr Michael Lockwood - University of Tasmania (reserves).

Professor Brendan Mackey - Australian National University (conservation values).

Professor Mark Burgman - University of Melbourne (forestry modelling).

Professor Ross Large - University of Tasmania (geology and minerals).

The Australian and Tasmanian Governments have agreed to implement the outcomes of this independent verification process, in particular by legislating to formally protect those areas of high conservation value that are compatible with the IGA's wood supply guarantees.

The IGA guarantees annual sustainable timber supply of at least 155,000 cubic metres of high quality sawlog per year, 265,000 cubic metres of peeler logs per year and verified specialty timber requirements. Existing contracts for native wood supply will be honoured.

Under the IGA, the Australian Government is providing funding to support these activities, including:

- \$43 million to implement the IGA;
- ongoing funding of \$7 million per year (indexed) to support management of additional reserves;
- \$15 million for voluntary compensable exits for sawmillers wishing to exit the industry; and
- funding to support an independent verification process.

Expert Schedulers' Advice

A separate requirement of the Tasmanian Forests IGA was for independent expert forest schedulers to be appointed to determine:

- what harvesting work is currently occurring in coupes within the environment non government organisation nominated 430,000 hectare areas;
- the contractual wood supply that this harvesting is intended to meet; and
- whether there are practical alternative coupes outside the 430,000 ha area (and preferably the 572,000 hectare area) for meeting these contractual wood supply requirements.

This work is nearing completion and will enable the finalisation of a Conservation Agreement over the interim reserve area.

Voluntary exits by sawmillers

At least \$15 million will be made available to support a voluntary sawlog contract buyback program for sawmillers wishing to exit the industry as a result of the downturn.

The criteria for this program will be finalised once the Australian and Tasmanian Governments are better informed about wood supply requirements and options through the independent verification process, which will include the likely impacts on regional sawlog supply.

This review is expected to be completed by 31 December 2011. This will allow for the package to assist in delivery of the objectives of the IGA. This voluntary exit package will be completed by 30 June 2012.

Interested applicants who wish to register their interest in receiving the program guidelines when they are available can contact Kim Harris on 6233 8677 or email kim.harris@dier.tas.gov.au and leave their details.

Stream 3 - Economic Diversification

The IGA makes funding of \$120 million over 15 years available to support economic diversification projects, including initial funding of \$20 million in 2011-12.

The Ministerial Advisory Council on Regional Australia (chaired by Bill Kelty AC) is assisting with the identification and development of diversification opportunities in Tasmania.

The work of the Ministerial Advisory Council will be informed by Regional Development Australia (RDA) Tasmania and the State's regional reference groups.

Three regional reference groups have been established. They will focus on developing regional economic development plans for the Northern, North Western and Southern regions of Tasmania.

In addition, a detailed socio-economic study is being led by Professor Jonathan West, Director of the Australian Innovation Research Centre at the University of Tasmania. This will also inform the Governments' decisions on how the funding will be invested.

On 3 October 2011, the Prime Minister announced the Tasmanian Innovation and Investment Fund (TIIF) as part of the economic diversification stream of the IGA. The TIIF will provide up to \$8 million over three years to give innovative businesses an opportunity to generate new jobs while broadening the Tasmanian economy and strengthening its employment base. This \$8 million is part of the \$120 million IGA Stream 3 funding for economic diversification projects with \$4 million from the \$20 million of funding in 2011-12 and the balance over the next two years.

The TIIF will provide minimum grants of up to \$50,000, awarded through a competitive, merit-based approach, to support commercially robust projects that will create new, sustainable employment.

Applications are now open and will close on 14 December 2011.

Further information and registration is available online at <http://www.ausindustry.gov.au/CommunityAssistance/TIIF> or contact the AusIndustry hotline on 13 28 46 or email hotline@ausindustry.gov.au.



Australian Government



We want to keep you informed about what is happening in relation to the implementation of the IGA, so please contact us at iga.news@dier.tas.gov.au and we will add you to our email list.

Further consultation will take place in the next few weeks with visits planned to groups and individuals around the State.

For more information you can visit the [Tasmanian Government IGA website](#)

If you have any news or suggestion for the IGA Newsletter, please email us at iga.news@dier.tas.gov.au