

# **OUT OF THE FORESTS: A NEW WAY FORWARD FOR TASMANIA**

## **Introduction**

This document follows on from the roundtable discussion initiated by the SEARCH (Social Education and Research Concerning Humanity) Foundation and held in Launceston in May 2009. Those who took part and who have had input into the production of this paper come from different backgrounds, and have different life experiences, skills and political perspectives. We are united by a common concern for the future and the perceived need for a substantial change in social expectations, attitudes to our physical environment and economic directions.

One of the issues which prompted our discussions (but far from the only one) was the proposal by Gunns to build and operate a pulp mill in the Tamar Valley. The abandonment of the normal planning process and the consequent lack of rigorous scrutiny of this project were a cause of grave community concern, but, more than this, the proposed mill represents a wrong direction for Tasmanian development into the 21st Century.

This document will attempt to set out the need for a more sustainable, more intelligent and more humane approach to development, and to explore ways of meeting that need.

## **Wider Perspectives**

The original owners of the land white Australians now control lived in harmony with the land for millennia. White occupation introduced crimes against the first Tasmanians and other indigenous Australians, too many of which are still to be adequately addressed, and also brought changes which threaten our own future. Some of what we propose represents radical shifts in attitudes and some requires incremental shifts that are necessary NOW. In considering how to do this we are recognising that we are part of Australia and that our economy is tied to global structures. This makes us subject to outside influences and pressures. In these matters we are also influenced by the warnings and suggestions of local, national and international figures past and present with similar concerns about the future as our own .

For example, in his last book *The Return of Scarcity* in 1990 H.C. Coombs, Australia's most prominent economist of the 20th Century, wrote "...we are not inescapably dependent on this flood of commodities which our system is designed to produce. ... There are conceivable life styles more modest in their material demands, less destructive of the physical environment—lifestyles which are simpler, whose excitements are found primarily in the human relationships they provide for."

Another important aspect that needs to be addressed is societal structure and where the focus of power in a society actually resides. America's most eminent economist of the last century, J.K.Galbraith, in the context of expressing his concern about the diminishing power of workers

in modern capitalist societies, and the need for unions that stand up for workers' interests, wrote in 1996, "*In the market economy the natural focus of power is the employer, most often the business firm.*"

Herman E Daly, who once worked as senior economist with the World Bank's Environmental Division, suggested a long time ago that technical fixes and clever manipulations that do not address the context in which such fixes, or particular projects, might be introduced will not resolve our ecological problems.

In 1989 he wrote, "...the market cannot find an optimal scale anymore than it can find an optimal distribution. The latter requires the addition of ethical criteria; the former requires the further addition of ecological criteria...Economics has tried to reduce scale issues to matters of allocation (just to get the prices right) and has thereby greatly obscured the relation between the economy and the environment."

Daly argued that present day economic analysis is lacking in that it virtually ignores the "one way through put of matter." His further comment was, "It is as if biology tried to understand animals only in terms of their circulatory system with no recognition of the fact that they also have digestive tracts... The digestive tract firmly ties the animal to its environment at both ends." (i. e. human production activities use up natural resources and affect the air and soil we rely on, and the water we drink and bathe in.)

Daly also argued that "...the concept of through put of matter-energy...has implications that are unfriendly to the continuous growth of industry." And, "Growth of the economic organism means larger jaws and a bigger digestive tract." He also argues that "limits to growth do not imply limits to development." (Daly, Herman E, "Sustainable Development: From Concept and Theory Towards Operational Principles" paper for *Population and Development Review*, Hoover Institution Conference, 1989)

In another angle to what is in several respects basically the same issue, Dr. Peter Hay, in his *Main Currents in Western Environmental Thought* suggests that there are serious structural issues that have to be addressed in developing and implementing alternative economic policies. In other words it is not only an issue of ideas and values, important as these are, but also of the societal, structural context within which ideas and values arise and might be given practical expression (Hay P. 2002). The power of today's corporations extends well beyond their power in the workplaces in which the wealth they appropriate is created. Corporation chiefs use the wealth they accumulate to buy influence in political/ cultural issues and ideas forming aspects of modern life.

## **The Situation Now**

## 1. Climate Change

A large group of CSIRO scientists have worked since the late 1980s to build their understanding of global warming, its relation to greenhouse gas emissions, and its consequences for Australia. They all assumed that the effects of global warming would not get serious till about 2050. In 1997 a representative of Perth Water showed them a graph of inflows to their catchments, which (on average over 22 years) had halved since 1975; he asked, "Is this natural variability? Or is it global warming?" The scientists gathered results from nine global warming climate models from around the world, seven of which showed a strong drying in southwest Western Australia. Such examples have multiplied globally since (e.g. the Murray-Darling), and scientists are beginning to understand why such drastic droughts are becoming more frequent.

For such reasons, this document is firmly based on the premise that climate change, including the concept that we are approaching a "tipping point" where further warming will occur irrespective of what we humans do, is very much too real to ignore.

The inadequate and inappropriate reaction by the Rudd government, and vocal opposition from a large sector of the Opposition to any action on global warming indicates that there are strong pressures from polluting corporations on the major political parties.

As Greens Senator Christine Milne is quoted as putting it in the May 2009 issue of *Green News*, "Today's announcement will give Australia's big old polluters an extra \$2.2 billion in support through the massive increase in free permits. By delaying the start of the scheme and capping the carbon price at \$10 a tonne for the next year, the Government has ensured that there will be essentially no climate action in Australia until July 2012 at the earliest."

Recognising that limiting catastrophic climate change requires rapid and effective action to limit emissions, the world is entering a new industrial revolution based on introduction of sustainable technologies and limiting emissions from traditional activities such as agriculture. In this, as in all major transitions, the countries and regions that embrace the new most effectively will gain a competitive advantage over those that resist change.

For an excellent short-term analysis of the opportunities and risks for Australia, see B. McNeil, *The Clean Industrial Revolution*. This book, despite that it seriously underestimates the negative impact of the growth pattern in modern society and continued corporation control of the key elements of our economy, contains along with important scientific arguments a large number of positive practical ideas and sound arguments for short term change in Australia's investment practices and aspects of our current economic direction. There is no longer any question whether world governments will move to reduce greenhouse gas emissions; the only question is how fast and how radically they move and whether the net result will be fast enough to prevent irrecoverable damage to our living environment.

Invention and innovation of sustainable technologies is moving very fast, and will likely

transform almost all industries over the next few decades. The effect of this on employment, or the form of paid work, will depend to a considerable degree on the social, economic and cultural context that is developed, and particularly on the degree to which ecological sustainability and equitable social economic considerations guide our approach to these changes. Change away from Australia's current economic dependence on industries which have a very high per capita green house gas output, and from the emphasis on quick, short-term, but unsustainable, profit taking to an ecologically sustainable economy and more equitable social situation can bring real economic benefits.

Even 'climate sceptics' need to remember the importance of the 'precautionary principle'. Where two courses of action are open, one of which carries heavy risks of adverse consequences while the other does not, the only sane course is to adopt the lower risk course. The consequences of runaway climate change are dire, while the consequences of reducing emissions carry some short term dangers but large longer term benefits, even if the consequences of climate change turned out to be less damaging than forecast or negligible.

Among the consequences already becoming evident are:

1. A growing world crisis in food supply resulting from reduced river flows (e.g. the Murray-Darling), desertification and more extreme weather events (e.g. this year's floods in Queensland and NSW), which also provides opportunities in those areas that are able to increase food production (e.g. Tasmania). The problem is a global one, but is clearly evident in Australia.
2. Similarly a rapidly growing risk to the planet's 'lungs' and one of its major carbon stores through extreme fires of the sort that occurred in Victoria this year and have become an annual phenomenon in California and parts of Europe.
3. Strong moves in Europe and now in the USA and China to build a pre-eminent position in sustainable technologies. The risk to Australia is that we become a technological laggard, dependent on rapidly declining old technologies, particularly those based on coal. Tasmania, with a negligible coal industry, is well placed to benefit from investment and employment opportunities based on these sustainable technologies.

## **2. Water**

As the climate changes, the availability of water is going to become more of a problem. In Tasmania this problem is most apparent in the East, South-East and Midlands, and the provision of more dams and irrigation infrastructure can have only minimal impact on it. Until there is a complete water audit, including of groundwater, we have no way of knowing how much is available now, let alone of forecasting future supplies. It is irresponsible of governments to allocate this essential resource in such a knowledge vacuum.

What we do know is that there are already conflicting demands. Timber plantations make heavy demands on groundwater, exceeding the demands of mature native forest by 50 per cent. Plantation trees are harvested and replanted in cycles too short to allow groundwater levels ever to recover fully. Where plantations are drawing on the same water sources as farm and

domestic supplies, this tends to cause stress on the water system.

Where large dams have been constructed in relatively dry areas, salinity is becoming a serious problem, with the consequent degradation of domestic supplies and severe impact on agriculture. The Craighourne Dam in the Coal River valley is an example of this.

### **3. Forestry**

For nearly forty years Tasmania's forests have been primarily exploited for woodchips, which are exported. The bulk of the forest material is not processed at all, but either burnt or left to rot, thus releasing its carbon into the atmosphere. The woodchips are in turn converted mostly to paper or cardboard products with a short life, hence most of the carbon remaining of what was originally stored in the trees is released by the burning or decomposition of the end product. Only a small percentage of what is harvested ends up in durable timber products with its carbon intact.

Current forestry practices are degrading our waterways and reducing the habitat for native species. Anecdotal evidence points to many breaches of the Forest Practices Code which are overlooked. The use of triazines by the industry presents a danger to human health. Regeneration burns produce unacceptable levels of air pollution.

The end result of all this is a very small return to Tasmanians. Forestry Tasmania, contrary to the image it attempts to project, presides over the destruction of our native forests, including many areas of old growth, many stands of high-grade specialty timbers, and a considerable number of the leatherwoods which produce our iconic leatherwood honey, and all for a pittance in woodchip royalties. Truck drivers and other contractors are exploited, having to work long hours in dangerous conditions in order to recoup the outlays on their plant, and with the ever-present threat of the company cutting back.

The forestry industry in Tasmania provided 5,870 full-time equivalent jobs in 2005-6 according to the *Forestry Industry Survey 2005-6* by the Cooperative Research Centre for Forestry. (ABS figures for the same period are slightly lower.) Employment in growing, harvesting, haulage and processing had fallen by some seven per cent over the preceding decade. Since then the decline has continued, with Gunns alone retrenching over 200 employees in the past 18 months.

Tas Paper employs 450 people at its Burnie and Wesley Vale mills, but parent company PaperlinX, having said in June 2009 that Tas Paper is facing an 'unacceptable' financial loss, is looking at closing both plants.

Meanwhile overseas, mostly in China, Brazil, Vietnam and Indonesia, pulp mills with the capacity to produce 6,695,000 tonnes have come into production since 2007, and mills with a production capacity of a further 14,240,000 tonnes of pulp are planned for completion in the next five years. These mills all have the advantage of lower labour costs, fewer environmental

restrictions and being sited closer to large and growing markets. This forms part of the context in which we must look at what our forests are used for.

The likelihood of a monetary value being placed on carbon, either through some sort of global regulation or a national emissions trading scheme, adds to this context. It will make more economic sense to retain old growth trees for their value as carbon storage than to fell them for any purpose, let alone for woodchips or paper pulp.

#### **4. Transport**

Currently the main debate between the major political parties is whether or not, and how quickly, to upgrade the Midland Highway to four lanes. It is being argued that this huge expense would be justified by the increased safety that would ensue. Given the history of the last 30 or so years, during which the roads have been allowed to become more and more clogged with traffic, particularly heavy freight vehicles, while the railway system has been left to languish underused and poorly maintained, it might not be too cynical to believe that the main motive is to increase traffic even further.

#### **5. Energy**

Tasmania is well placed to benefit from the general world-wide trend towards renewable energy sources that is certain to accelerate in coming decades. Our basic source, hydro-electricity, can still meet most of our needs, although with the likelihood of smaller quantities of water being available as the climate changes, supplementary sources must be looked at. Currently the gas fired power station at Bell Bay and the Basslink cable importing coal-generated power from Victoria are our main such sources.

There is a very small wind-powered component, some use of solar panels on individual buildings, and King Island is in the process of getting an integrated wind/solar system (albeit with some diesel component) to serve the whole community.

### **Jobs, Jobs, Jobs?**

The loss of jobs in the forestry sector, outlined above, is repeated in other areas of the economy. This situation has come about largely because technological innovations in production, which have resulted in less labour time producing the same amount of output, has not also resulted in fewer hours work for the same income for employees. Profits have increased or at least remained at the same levels, whilst labour costs have declined considerably. This has meant that more workers are moving from full-time employment to part-time or casual.

The current global economic crisis has seen even further retrenchments and reductions in working hours, especially in the manufacturing sector, affecting workers at companies such as ACL Bearings in Launceston. Tasmania has not benefited proportionately from the Federal Government's stimulus spending on infrastructure. But to blame this crisis solely is to ignore

the gradual fall in workers' share of wealth over the last forty years.

It is common for any proposed development, however ill thought-out, environmentally destructive or socially detrimental, to be looked at solely in terms of the jobs it will create, and to be supported by political leaders if it can make them look as if they are encouraging greater employment. Often such an attitude overlooks the longer term or wider ramifications of the development, including the potential loss of jobs in other areas. Our planning structures ensure a certain degree of objective assessment, but decisions are still often made on narrow criteria. In some cases, such as Gunns' proposed Tamar Valley pulp mill, these structures have been bypassed altogether.

Job creation, if it is to be of use in the long term, should be part of an overall policy of developing sustainable and socially beneficial employment opportunities. We must look to our strengths in terms of resources and adapt intelligently to changing circumstances.

## **Principles**

All development must be based on the following principles:

- Greenhouse gases must be under limits whereby people continue to inhabit Earth successfully; our emissions must be radically reduced.
- Human labour, physical or intellectual, acting upon natural and social capital, increases wealth when it produces well-being and replenishment of ecosystems.
- The public good is served when governments ensure fair conditions of work, promote accessible and socially beneficial work, affirm just rewards, and respect voluntary work.
- Because unlimited growth of production and consumption is impossible, intelligent conversion of resources into consumables by value-adding is imperative as an alternative to gross increase in output.

## **Solutions**

### **1. Water**

Water audits, including of groundwater, must be conducted before any more major dams or irrigation infrastructure works are built, and before any more water is allocated for irrigation or secondary industry.

Regional water authorities must remain under public ownership and control so that all Tasmanians can effectively monitor their performance.

The sale of water to other parts of Australia is neither a practical nor an advisable option.

## **2. Forestry**

We must ensure that logging of old growth forests ceases, and that clear-felling be replaced in all coupes by selective logging, thus minimising the environmental impact of the industry.

The maintenance of large tracts of forest as carbon storage must be a priority.

Tasmania's timber should be used primarily for the manufacture of durable timber products and for construction, not for woodchips.

The planned and sustainable harvesting of high quality specialised timbers for craft purposes should be encouraged, and the export marketing of timber craft products should be supported by government subsidised promotion.

Our unique leatherwood honey industry must be allowed to thrive, with no more collateral destruction of leatherwood trees.

The proposed Gunns pulp mill at Long Reach should not go ahead. Investment should be directed instead towards veneer mills and laminated plywood plants, which would provide four times as many jobs per tree and add considerably more value to the raw resource.

There must be a moratorium on timber plantations on land suitable for agriculture or dairying, and existing plantations should be phased out. Regeneration of logged forest areas should ensure biodiversity rather than monoculture.

We must turn forest waste into biochar by pyrolysis, in order to reduce the risk of bushfire, minimise carbon emission and improve soil quality for food production.

We should have a law of chemical trespass to protect our farms and waterways from poisons. Triazines and 1080 should be banned, and current exemptions from environment protection regulations must be removed from the forestry industry.

## **3. Transport**

A fast rail service for both passengers and freight should be instituted to link Burnie, Devonport, Launceston and Hobart. This must have priority over further development of the Midland Highway.

There should be free public transport within our cities, preferably in association with 'park-and-ride' facilities.

There should be an investigation of the possibilities of solar powered public transport, such as

Adelaide's 'Tindo' bus.

Safe and well-planned cycle paths, along with associated facilities (storage, showers and change rooms), should be constructed in urban and suburban areas.

#### **4. Energy**

The generation and transmission of hydro-electricity in Tasmania must remain under public ownership and control.

The use of solar panels for domestic power generation needs to be encouraged by an adequate feed-in tariff.

Following the example of King Island, the use of wind and solar baseline power should be extended to other areas of the State.

Funds must be directed towards further research and development of renewable power sources, as well as towards the development of a local manufacturing industry supplying component parts for the generation and distribution of such power.

#### **5. General**

Any industrial development or associated infrastructure must not damage or detract from what we already do well. The wine, seafood, horticulture, essential oils, and other quality products for which Tasmania has a reputation should be developed and promoted rather than jeopardised. Likewise, the tourism and hospitality industries should not have to suffer because of short-sighted or inappropriate developments.

Tasmania's 'clean green' image has served us well, but it must not be allowed to become a hollow marketing ploy with no real substance.

We should recognise that Tasmania is not well situated for the export of bulk materials. We would be better to concentrate on high quality products and services that are easily and cheaply shipped or 'exported' electronically.

All infrastructure for the production and delivery of goods and services must be built in such a way as to take into account sustainability and quality of life for all people and end the ruthless treatment of and destruction of other species.

### **Conclusion**

Tasmania is a place with great natural beauty, an interesting history, enterprising and intelligent inhabitants, and much unique flora and fauna. This makes an excellent starting point for social and economic development that will enhance rather than destroy our environment.

We must ensure that future development is ecologically sustainable and embodies the principles of social and environmental justice.

To this end what is necessary is a movement which goes beyond party politics, beyond even the urgent and crucial concerns being addressed by single-issue organisations. The energy, intelligence and resolve of all those of us who recognise that we and our descendants have a stake in the kind of future outlined above need to be harnessed towards creating a Tasmania that is cleverer, kinder and more connected.

In order for such a movement to get results, it needs to involve large numbers of people. Historically, social and economic improvements have come about through the concerted actions of organisations with a numerically large and strategically important constituency. Trade unions, for example, have achieved considerable gains for working people. Some churches have also been influential in putting pressure on governments. Environmental groups with large followings have had successes such as saving the Franklin River, and have been very effective in getting their message across to ordinary people, if not always to politicians, who are subject to intense lobbying from vested interests.

The present apparent impasse between 'greenies' and unionists concerning many of the issues raised in this paper has to be broken down. Once people on both sides of this artificial divide realise and explore what they have in common, rather than what is being used by manipulative forces to keep them divided, then a tipping point can be reached from which rapid progress towards a better future can be made.