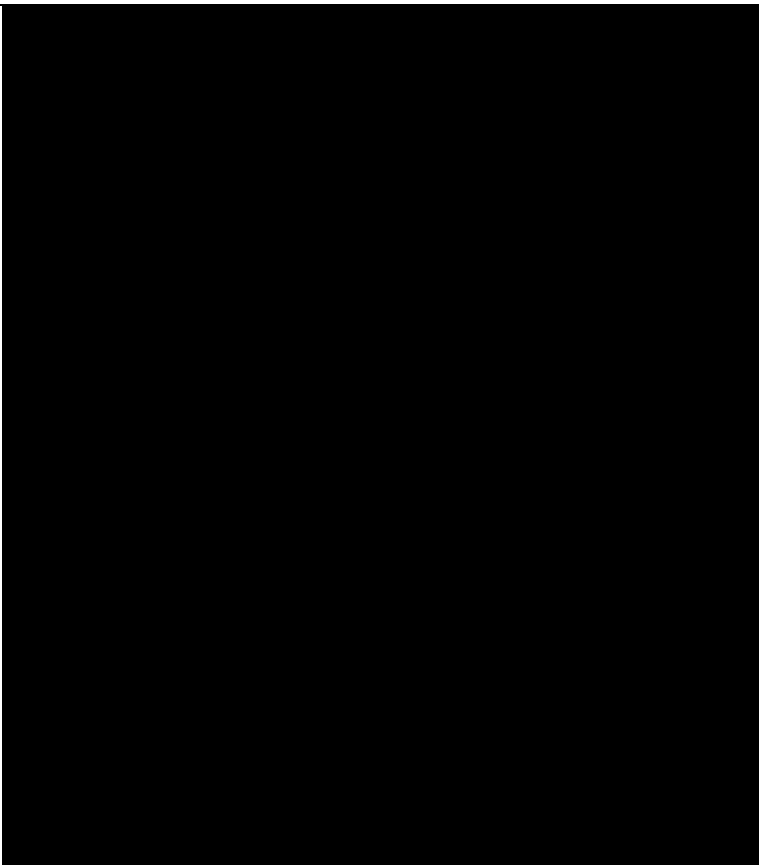




**Review of NSW Forest Industry Mitigation
Measures**

Lower North East CRA region

A project undertaken as part of the NSW Comprehensive
Regional Assessments
October 1998



**REVIEW OF NSW
FOREST INDUSTRY
MITIGATION
MEASURES**

**LOWER NORTH EAST
REGION**

Rush Social Research Agency

A project undertaken as part of the
NSW Comprehensive Regional Assessments
project number NA63/ES

October 1998

For more information and for information on access to data contact the:

Resource and Conservation Division, Department of Urban Affairs and Planning

GPO Box 3927
SYDNEY NSW 2001

Phone: (02) 9228 3166

Fax: (02) 9228 4967

© Crown copyright October 1998

This project has been funded by the New South Wales Government and managed through the Resource and Conservation Division, Department of Urban Affairs and Planning.

ISBN 1 74029 108 5

Disclaimer

While every reasonable effort has been made to ensure that this document is correct at the time of printing, the State of New South Wales, its agents and employees do not assume any responsibility and shall have no liability, consequential or otherwise, of any kind, arising from the use of or reliance on any of the information contained in this document.

Contents

1. EXECUTIVE SUMMARY	1
1.1 EMPLOYMENT CHANGES.....	1
1.2 MITIGATIVE MEASURES	1
1.3 RESPONDENT EXPERIENCES.....	2
1.4 COMPARISON WITH OTHER WORK.....	4
2. INTRODUCTION	1
2.1 CHANGES IN STATE FORESTS LOG AVAILABILITY.....	2
2.2 GOVERNMENT ASSISTANCE OPTIONS	2
2.3 THE POPULATION OF INTEREST	3
3. RESEARCH OBJECTIVES.....	5
4. RESEARCH METHODOLOGY	6
4.1 DESK RESEARCH.....	6
4.2 TELEPHONE AND FACE-TO-FACE INTERVIEWING	6
4.2.1 <i>Sampling</i>	6
4.2.2 <i>Procedures</i>	6
5. DESK RESEARCH FINDINGS.....	8
5.1 CURRENT TIMBER INDUSTRY WORKERS.....	8
5.2 DISPLACED TIMBER INDUSTRY WORKERS	9
5.3 NEW POSITIONS AND INDUSTRY INITIATIVES IN THE TIMBER INDUSTRY.....	10
5.4 FISAP ASSISTANCE APPLICATIONS	10
6. FIELD-WORK FINDINGS	12
6.1 CHARACTERISTICS OF THE SAMPLE.....	12
6.2 PERSONAL BACKGROUND AND WORK EXPERIENCE.....	13
6.2.1 <i>Schooling, training</i>	13
6.2.2 <i>Entry into timber industry</i>	13
6.2.3 <i>Length of employment and jobs held</i>	13
6.2.4 <i>Perceptions of the future of the industry</i>	14
6.3 TYPE OF ASSISTANCE ACCESSED.....	14
6.4 OTHER SOURCES OF ASSISTANCE.....	15
6.5 OUTCOMES FOR DISPLACED WORKERS.....	16
6.6 THE EXPERIENCE OF UNEMPLOYMENT / REDUNDANCY.....	17
6.6.1 <i>A sense of place</i>	18
6.7 NEGATIVE IMPACTS	18

6.7.1 <i>Employability</i>	19
6.7.2 <i>Health</i>	19
6.7.3 <i>Relationships</i>	20
6.7.4 <i>Self-esteem</i>	20
6.7.5 <i>Anger and dissatisfaction</i>	20
6.7.6 <i>Money worries</i>	21
6.8 POSITIVE IMPACTS: IDA	22
6.9 POSITIVE IMPACTS: WORKERS ASSISTANCE / BEA.....	23
6.9.1 <i>Paying off debts</i>	23
6.9.2 <i>New training opportunities</i>	23
6.9.3 <i>Quality family time</i>	23
6.10 QUALITY OF LIFE ATTRIBUTE RATINGS	23
6.11 INTERVIEWEE ATTITUDES TOWARDS TRAIN ASSISTANCE.....	25

1. Executive Summary

A survey of structural adjustment and mitigative processes in the Lower North East CRA region has been carried out from a social research perspective. The study has focused on the experiences of workers and contractors in the native hardwood timber industry who have been laid-off in the period January 1996 to August 1998 as well as existing hardwood timber industry businesses. The study also describes the mitigative measures available to businesses (either still operating or closed) and retrenched workers, and access to these and other forms of assistance.

1.1 *Employment changes*

- o During the period January 1996 to August 1998 the timber industry in the Lower North East region has experienced the loss of at least 329 full and part-time jobs. Numbers employed in the industry and in timber dependent businesses (eg logging contractors) currently number about 1264 in the region (based on CRA employment figures produced in September 1998). In addition, State Forests employs 247 people in the management of hardwood forests in this region.
- o Of the fifty nine individuals previously in full-time employment who were interviewed in the present research (see below), currently: 21 are in full-time employment, 16 are casually employed, 14 are un-employed, and eight are retired.

1.2 *Mitigative measures*

- o The Commonwealth and NSW State Governments have put in place a program, the Forest Industry Structural Adjustment Package (FISAP), involving the commitment of up to \$60m from each government, designed to help businesses and their workers adapt to changes in the NSW native timber industry.
- o The main components of FISAP are:

- Industry Development Assistance component (IDA), to assist native hardwood timber businesses which have been affected by Government forest policy and who wish to invest in new value-adding processes within the industry, thereby creating new job opportunities;
 - Business Exit Assistance (BEA) component, to assist businesses closed as a result of Government forest policy; and
 - Worker Assistance, directed to helping workers relocate and/or retrain for other jobs (RRT), or, as a last resort, to provide a Special Redundancy Payment (SRP).
- o Payments approved under FISAP (December 1995 - 30 August 1998) were as follows:

Category of assistance	Number of grants made	Total amount paid to date (\$)
Businesses		
IDA	10	\$ 2,865,818
BEA	31	\$ 3,826,267
Workers		
RRT	73	\$ 371,004
SRP	151	\$ 4,295,184

(Note: Eligibility for FISAP assistance is specified in the program guidelines.)

1.3 Respondent experiences

- o Interviews were carried out with 58 individuals laid off in the timber industry since January 1996. Thirty four of these were completed by telephone, and focused on gathering quantifiable data, while 24 were completed face to-face.
- o Six Lower North East business owners were interviewed by telephone in relation to their IDA grant applications. Three of these applicants were successful, one was intending to apply and two were pending. The three successful applicants indicated that a total of 20 new staff had been employed following receipt of their grant monies, and a total of 20 more staff were planned.

- o For those interviewed face-to-face, the financial situation had improved for two, remained the same for four, and had deteriorated for nineteen respondents.
- o Those receiving mitigative payments had in general given priority to reducing or eliminating debt (particularly property debt).
- o Work and personal identification with workmates and workplaces were reported as vital aspects of timber workers' lives. Few interviewees had prior experience of not working. The loss of employment entrained disorientation and significant loss of self-esteem.
- o Those who chose (due to age or commitment to family members within their town) to apply for Special Redundancy Payments, were very likely to have suffered adverse effects on health and overall quality of life.
- o Where businesses had closed, those with a large capital investment in that business also suffered adverse effects on health and quality of life.
- o Many interviewees, particularly those with families, identified significant barriers to relocation. These related in particular to the perceived relative cost of housing (and particularly the real cost of selling a mortgaged house in a recessionary market), the removal of family support networks and identification with a region in which (in most cases) families had lived for many years.
- o For a significant number, there was a pervasive sense of financial insecurity and uncertainty about the future; there was a strong feeling of lack of control in their lives.
- o The mitigative measures provided have not been such as to significantly alter the negative experiences - economic, personal and social - of redundancy in the lives of those experiencing it, not for many in securing a productive future.

1.4 Comparison with other work

- o The findings of the present study are in agreement with earlier studies in forest communities in the Eden region (1996), and in general agreement with experiences elsewhere (e.g. forest communities in the USA).

2. Introduction

The **Lower North East CRA area** comprises 2,753,600 hectares of forested lands. This area is bounded in the north east by Sawtell, in the north west by Guyra, in the east by the coast, in the south east by Brisbane Waters and in the south west by Wollemi National Park. These forested areas in the Lower North East CRA as at 30 June 1997 were divided as follows -

Table One: Land Tenure within Forested Areas¹

Land Tenure	Hectares	%
State forests - Native	746,400	27.1
- Plantation (eucalypt & softwood)	30,400	1.1
Other Crown native forests	245,800	8.9
National Parks and Reserves	887,600	32.2
Private Forests - Native	842,600	30.6
- Plantation	4,600	0.2
TOTAL	2,757,400	100

It is important to note however that changes in the extent of private native and plantation forests are difficult to keep an accurate record of, and updates are obtained chiefly from regional State Forests staff.

Administratively, this area includes over 20 shires including Bellingen, Cessnock, Dumaresq, Dungog, Gloucester, Gosford, Great Lakes, Greater Taree, Hastings, Hawkesbury, Kempsey, Lake Macquarie, Nambucca, Nundle, Port Stephens, Scone, Singleton, Uralla and Walcha.

¹ This data is based on a Forestry Commission land use survey 'Review of Forest Resource Inventory Systems', first published by Hoschke & Squire as an interim report in 1976 (Technical paper No. 30). This data has been updated annually since that time.

2.1 Changes in State Forests log availability

The NSW government introduced reductions to State Forest quota log allocations beginning in July 1996. Generally speaking, the policy reduced quota log allocations by 40% to mills north of the Hunter River using mills July 1995 allocations as a baseline . Of the retained 60% quota allocations in this area, most was allocated as 5x5 term agreements (83%), and the remainder (17%) as annual agreements pending completion of Comprehensive Regional Assessments.

It is important to note that these reductions in compartments available for logging have forced larger mills with a former reliance on State Forest quotas to buy greater quantities of logs from private property, in order to keep running at capacity. This has made it increasingly difficult for smaller mills with a reliance on private property logs to compete for a scarcer resource.

As shown in the previous tables, a significant area of native forest in the region is in private ownership, however anecdotal evidence suggests that mills and contractors are now sourcing timber from a very wide catchment area since both private and State forest hardwood timber is at a premium.

2.2 Government assistance options

The New South Wales and Commonwealth Governments have together committed \$120m over five years to a Forestry Industry Structural Adjustment Program (FISAP) aimed at assisting individuals and businesses adjust to the changes. The key Program has three major components²:

- (1) An Industry Development Assistance (IDA) component, for those businesses wishing to invest in new value-adding processes in the native forest industry;

² Resource and Conservation Assessment Council, 1996, *Draft Interim Forestry Assessment Report*, NSW Government, Sydney, pp3-4.

-
- (2) a Worker Assistance component for retraining and re-skilling for jobs in the restructured timber industry, assistance in various forms, and redundancy payment as a last resort; and
 - (3) a Business Exit Assistance (BEA) component, for those businesses wishing to exit the industry due to the implementation of Government forest policy.

It is important to note that for industry workers seeking assistance, the conditions attached to the FISAP Program permit application for assistance in relocating, retraining, or 'in exceptional circumstances' for a special redundancy payment. Assistance can be provided for both relocating and retraining, but assistance under special redundancy precludes application for either of the other two forms of assistance.

Other forms of assistance not dependent on FISAP criteria are also available, for example, National Parks and Wildlife Services priority employment for displaced workers.

Other sources of assistance include Commonwealth agencies such as DEETYA, DSS, and Centrelink, as well as industry groups such as the National Association of Forest Industries (NAFI), and the Construction, Forestry, Mining and Energy Union. Part of the task of this consultancy was to clarify the measures of this kind that are available, and identify which have been accessed in the Lower NE region.

2.3 The population of interest

The study group is limited to native timber industry workers and business owners currently involved in the industry, and those who have exited the industry since January 1996.

These include:

- (a) businesses³
 - . mills (commonly carrying out milling and 'contracting' functions)
 - . independent contractors (usually carrying out integrated operations of felling, snigging and haulage to mill, also fencing contractors and sleeper cutters)
- (b) workers

Our research has identified workers from three types of timber-related work as being primarily impacted by the Government forest policy. These are:

- sawmills with access to State Forest quota allocations,
- small sawmills with no access to State Forest quota allocations
- haulage, felling and snigging contractors

The figures presented are often broken down into large/medium size mill employees/owners and smaller businesses to show the differences and similarities in the impact of changes upon each.

³ Includes businesses which have closed as well as remained open: also includes businesses which have accessed IDA.

3. Research Objectives

The overall project objective of the project was *to provide baseline data for a longer-term longitudinal analysis of some of the social impacts of recent structural adjustment and mitigative processes in the Lower North East region of New South Wales.*

The specific research objectives include the following:

- (a) *to provide an analysis of the numbers of people who have accessed structural adjustment funds from January 1996 to August 1998, and to describe the current status of workers and business owners in the timber industry, including all those who have exited the industry in the Lower North East (LNE) region between January 1996 to August 1998*
- (b) *to provide a situation report on the quantum and nature of mitigative measures accessed by workers and businesses across each FISAP⁴ program area in the native hardwood industry in the LNE region*
- (c) *to undertake case studies to understand the individual experiences both of the social impacts of recent structural change and of the mitigative measures that have been implemented in the native hardwood industry in the LNE region.*

In the longer term the study will *provide data for a longitudinal study and will assist in assessing the predicted social impacts in the RFA* against the outcomes of the study.

⁴ FISAP = Forest Industry Structural Adjustment Package

4. Research Methodology

The research process was broken into three components : a desk research phase, telephone-based surveys and face-to-face in-situ interviews.

4.1 Desk research

The desk research component made use of data published by State Forests NSW, National Parks and Wildlife Services, TRAIN, FISAP and FILAP. This data was used in conjunction with mill and contractor survey data to determine the extent of use of mitigative measures by various types of forest worker groups.

4.2 Telephone and face-to-face interviewing

The primary data collection involved interviews with a total of 64 affected workers and business owners in the Lower North East region. Of these, 40 were completed via telephone interview, obtaining mostly quantifiable data, and the remaining 24 were conducted face-to-face, so that both quantifiable and qualitative data was able to be collected.

4.2.1 Sampling

A combination of methods were used to draw the sample of interviewees. Lists of those who had applied for Worker Assistance were supplied by the Forestry Structural Adjustment Unit. In addition, we compiled our own list of displaced workers through contact with key informants. This ensured that timber industry workers not recorded in FSAU files were also included in the sample.

4.2.2 Procedures

Telephone interviews were of 20 to 40 minutes duration. The face-to-face interviews were of 50 to 120 minutes duration, depending on the experiences of the individual. These were mostly conducted at the interviewee's home, and more often than not the interviewee's spouse also participated.

The following table outlines the numbers in each type of work who were interviewed.

Table Two: Type of Work

	Telephone (n)	F-to-face (n)
Large mill workers/ owners	29	16
Contractors and small mills	11	8
Total	40	24

5. DESK RESEARCH FINDINGS

5.1 *Current timber industry workers*

Our first task was to estimate the size of each of these populations in the Lower North East. A thorough analysis of the current State Forests database of licensed operators and contractors was decided to be a very useful start in defining the current *working* population. This shows the numbers of employees *currently directly employed within* hardwood-dependent roles in the Lower North East region as at 30 June 1998. Figures are given for this time period to ensure consistency with other RFA review documents, however there has been a further fall in numbers employed since June, totals as of September 1998 are given in brackets. Sawmill employees are separated according to their employer's reliance on State Forests resource over the last two years.

- 501 (n=482 as at September 1998) sawmill employees in mills with **long or short term log quota allocations** with State Forests⁵
- 294 (294) sawmill employees in **other mills that have accessed State Forest logs** (including secondary processors)
- 134 (134) sawmill workers in small mills **without access to State Forests**
- 226 (210) **contractors** or employees of contractors
- 109 (109) pulp, chip and panel plant workers

State Forests data shows the following approximate numbers of individuals employed in other forest-related industries who specifically make use of State Forests lands

- Non-mill product employees⁶ n = 93
- Apiarists⁷ n = 35
- Forest tourism⁸ n = 49

⁵ As defined on page six

⁶ Non-mill product employees include sleeper cutters, seed-cutters, post collectors, pile cutters, firewood cutters, extractors of leaves for essential oils and fencing contractors.

⁷ These include only licensed apiarists and includes both part-time and full-time employment

⁸ These operators may make use of State Forests as one of a number of 'attractions'

Other major employers within the Forestry Industry include State Forests staff and National Parks and Wildlife Services. Current hardwood related employment by State Forests in the region stands at 247 employees.

In total then, as at 30 June 1998 there were currently approximately 1688 individuals employed in forest-related industry in the Lower North East region (1653 as at September 1998).

5.2 Displaced timber industry workers

We have attempted to identify the number within each group who have lost their jobs since January 1996. To do this, we used a variety of sources, in particular, State Forest NSW data bases⁹. From personal contact, we constructed a list of sites which have ceased or down-graded their operations since January 1996, and obtained figures on the numbers off-laid for each. Figures were obtained from each mills management and from State Forests NSW.

Table Three: LNE Redundancy Levels By Business Type

	Number
SF Quota mill employees	194
Non-quota mill employees	28
Non-mill product employees	10
Contractors	97
TOTAL	329

Table Three shows accumulated net numbers of timber industry workers whom we could identify as made redundant by native hardwood businesses between January 1996 and September 1998.

Given the fluid nature of employment for many in this industry, it is important to take into account that some of those who have been displaced from jobs have obtained new jobs

⁹ It proved impossible to make contact with a number of ex-business owners, particularly those who had closed over a year ago, or left the area.

within the industry, and thus could be included in both 'currently employed' and 'exited worker' counts.

5.3 New positions and industry initiatives in the timber industry

Rush Social Research Agency has been able to use findings from its concurrent studies of the Locational Impact of Forestry-Based Industry Expenditure to ascertain approximately how many new jobs have been created in hardwood and other timber industries since January 1996. These positions are likely to have absorbed some of the displaced workers cited above.

Within the three IDA recipient firms interviewed, 20 jobs have been created in existing firms in the native hardwood timber industry in the Lower North East CRA region since January 1996, with 20 more planned.

Further, as part of the Structural Adjustment Program, employers such as National Parks and Wildlife Services undertook to give priority employment opportunities to displaced timber industry workers. Their records show that about twelve displaced timber workers have been trained and re-located in NPWS fieldwork positions in the Lower North East region.

5.4 FISAP assistance applications

The Forestry Structural Adjustment Unit has provided its data on numbers of applications approved for various components of the Forestry Industry Structural Adjustment Package in the Lower North East region between January 1996 and 31 August 1998.

Fifteen applications for **IDA**, from 13 businesses, have been received of which 10 applications from 9 businesses have so far been approved, to a total of \$2,865,818. Two businesses have been refused IDA and 2 applications are deferred and currently inactive.

Seventy-four (74) applications for **Business Exit Assistance** were received and 31 of these approved, to a total of \$3,826,267. The average grant given per business was

thus about \$123,430. FSAU records show that only three applications have been rejected, while another 14 are pending.

Over the same period, 224 approvals for **Worker Assistance** were made. Of the total 224,151 were for Special Redundancy Payments (SRP), to a total of \$4,295,184. Therefore an average of \$28,445 has been spent per SRP recipient to date.

Seventy-three (73) applications have been approved for relocation and/or re-training (RRT) assistance. The following amounts have been accessed to date -

- \$371,004 from FISAP
- \$130,920 from FILAP contributions¹⁰.

Therefore an average of FISAP \$5,082 has been spent per RRT recipient to date¹¹.

¹⁰ The Commonwealth has contributed an additional through its Forest Industry Labour Adjustment Package, spending this on a reported 120 recipients (an average of \$1,090 per individual).

¹¹ The RRT expenditure figures reflect the amount spent to date. Individual workers approved for RRT can potentially access up to \$25,000, on an "as needs" basis. The amount for RRT is therefore a much higher figure (73 X \$25,000).

6. Field-work Findings

6.1 Characteristics of the sample

The median age group of the interviewees was 36-45 years, and the age range 19-68 years. The average number of years spent in the timber industry was 24 years, and the range one year to 44 years. (see Figures 1 and 2).

Figure 1. Respondent Age Distribution

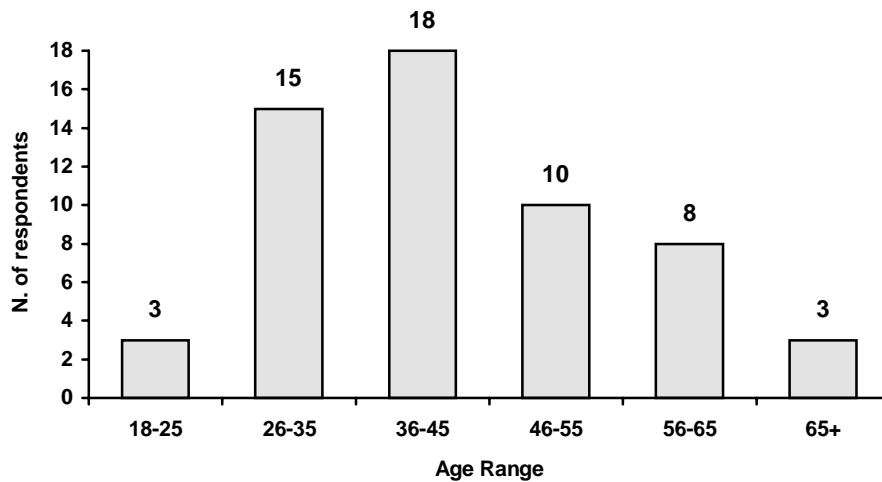
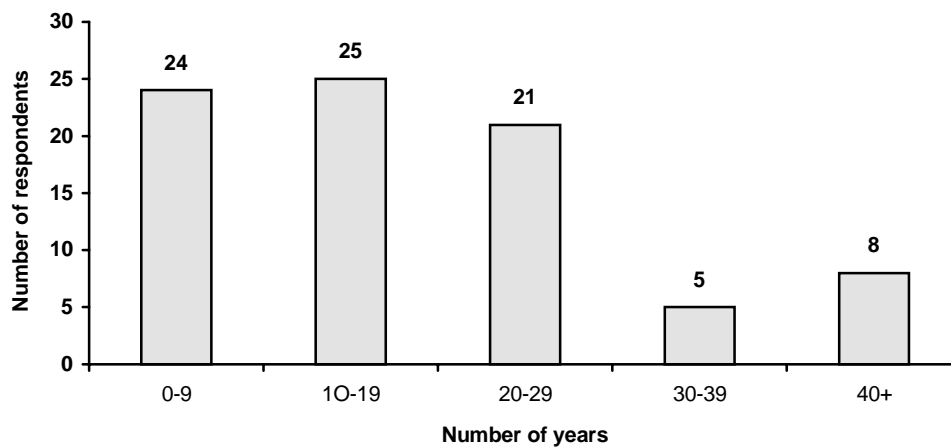


Figure 2. Respondent Years in Forestry Industry



Of the 58 timber industry workers interviewed, only five were single and one separated or divorced. The great majority (n=49) were married or in de facto relationships.

6.2 Personal background and work experience

6.2.1 Schooling, training

The majority of the interviewees had low levels of education, reporting leaving school at fifteen and some at sixteen. A small number had considerably less experience of school, for example, had left school as early as thirteen. A few had undertaken apprenticeships, but most had gone straight into full-time work after school.

6.2.2 Entry into timber industry

For a number of the workers, entry into the timber industry had occurred immediately on leaving school, with one or two doing weekend work in the bush or having work experience at a mill, prior to leaving school.

Several interviewees however, had held other jobs (at least for a short period) before becoming involved in the industry: for example as farm worker, factory worker, or mechanic.

6.2.3 Length of employment and jobs held

Most if not all respondents had enjoyed a long-standing employment history within the timber industry. Some had indeed spent their entire working lives in various types of jobs within this industry. Thirteen respondents recorded over thirty years straight employment with their employer, and a further 21 had twenty years or more with their employer. Younger respondents also recorded a work history which showed a consistent association with the forest industry. Some respondents had begun work on a farm in the local dairy industry at the age of 15 or 16 and after a few years moved into timber.

Respondents covered such 'bush' jobs as: faller, skidder operator, bulldozer operator; transport jobs such as haulage (as prime contractor or sub-contractor), machines

maintenance ; and mill jobs including manager, bandsawyer, benchman, sorter, fork-lift driver, and mill clerk.

6.2.4 Perceptions of the future of the industry

Most of those interviewed agreed that the industry could not have continued the way it was. Value-adding was generally recognised by older respondents as an important step for the industry to embrace.

“Rationalisation of the industry is a good thing. There is no way that resource could satisfy demand”.

6.3 Type of assistance accessed

Of those 58 interviewed, seven had applied for Business Exit Assistance, and 41 had applied for Worker Assistance. Of these 41, 17 applied for re-location (6 have been granted, the rest pending). Twenty-six (26) applied for re-training assistance, 22 of whom are so far successful. Sixteen applied for redundancy, 15 of whom were successful. Ten interviewees did not apply for any FISAP monies.

Table Four: FISAP Applicant Approval Rates to Date

	Applied (n)	Granted to date (n)
Industry Development Assistance	5	3
Business Exit Assistance	7	7
Re-location assistance	17	6
Re-training assistance	26	22
Special Redundancy Package	16	15

Displaced timber industry interviewees were also asked what other sorts of assistance they had accessed. Many mill-workers said they had received employer redundancy payments or long service leave (n=15), and job search assistance was also commonly mentioned as accessed by workers (n=14).

Employers are in fact required to pay workers two weeks pay for every year of service to a maximum of 15 years and FISAP ‘top up’ this payment through the SRP to the equivalent of 3 weeks pay for every year of continuous service in the industry.

Employers are also obliged to pay long service leave for those with the company for longer than 10 years, while FISAP pays such leave for those employed between 5 and 10 years. Workers displaced at some mills, because of their terms of employment, received a redundancy package from their employer, which FISAP 'topped up' as described.

6.4 Other sources of assistance

The following assistance had been sought and received by 15 of the 35 people interviewed by telephone: :

- | | |
|----------------------------|----|
| • TRAIN retraining | 10 |
| • Centrelink | 12 |
| • Forestry Liaison Officer | 4 |
| • State Forest | 1 |
| • Employer | 1 |

Centrelink (and previously the Commonwealth Employment Service) was often referred to as a source of assistance. Those who had been made redundant more recently were particularly likely to report that Centrelink's involvement in assisting displaced workers had been very professional - "it was fantastic".

Several workers admitted that they had put off going to see Centrelink because they were concerned that Centrelink staff would tell them they had to take a job in a distant town or lose any benefits. Many displaced workers reported that they had only one car in the family, and this was needed during the day to transport children or grandparents. There was, as previously mentioned, a distinct unwillingness amongst many to be forced further afield to work:

"They can probably say to me, 'You can drive 90 minutes to work'".

Other interviewees intimated that they were reluctant to apply for unemployment benefits, and simply could not see themselves as 'on the dole'. There were a number of misconceptions amongst many about the disadvantages of using an employment broker:

"If I've got to, I'll go to them. There's one in Taree. They charge \$200 up-front to get you a job though".

When asked whether they had sought help from any other sources, hardly anybody had done so. Some admitted that they were too proud to go to places such as church organisations.

6.5 Outcomes for displaced workers

The 58 interviewed workers were asked about their current work status.

- a third of displaced workers (36%) reported they had returned to full-time
- a quarter of the sample (27%) had found casual work.¹²
- 24% remain unemployed and looking for work
- 14% retired

The incidence of current employment was highest amongst contractors interviewed, at 19 of the 22: 11 in full-time and 8 in part-time employment. (see Table Five, following) This compares favourably with the employment outcome for the 37 large mill workers interviewed, of whom 10 were in full-time and 18 in casual employment.

¹² Owing to the fact that most displaced workers brought only manual labour skills to the local job market, casual work rather than permanent part-time employment was a common finding.

Table Five: Work Status of Displaced Workers

WORK STATUS	Large mill employees (n)	Contractors and small operators (n)	TOTAL (n)	% of total %
Unemployed	12	2	14	24
Retired/ on pension	7	1	8	14
Employed in timber industry				
f/time	6	8	14	24
casual		2	2	3
Employed outside timber industry				
f/time	4	3	7	12
casual	8	6	14	24
TOTAL	37	22	59	100

Very few of those displaced workers had been able to pick up full-time alternative work. One contractor had put off all his staff and was now running a transport business on his own. One ex- mill worker had found a good job as a linesman, one was working as a private consultant, another as an office clerk. Many however were surviving by picking up casual work when they could (eg coffee shops, builders labourer). Much of the alternative casual work available was found via word-of-mouth rather than relying on government assistance.

Of those workers who had completed TRAIN-sponsored courses, about half were able to find work, however this was sometimes only casual. Of those who had completed TRAIN courses, most believed that the course had helped them to find work.

6.6 The experience of unemployment / redundancy

For most of the workers interviewed in this research, the experience of redundancy was their first period of unemployment. Most respondents had never had to worry about job security and for them, being a productive member of a small community was an important part of their identity. As such, the experience had a major impact on their lives.

The period leading up to the redundancies was reported as one of great uncertainty, even for those respondents who had “seen it coming”.

The experience of being made redundant was very painful for those unable to find alternative work. Many respondents found it difficult to articulate their feelings, with some becoming obviously emotional when asked about it.

6.6.1 A sense of place

Most of those interviewed reported that their workplace was an important social link to the community:

“We had a social club at the mill. All the families grew up together “.

“It’s a small close-knit community - if anything goes wrong, the whole community gets behind you”.

All those workers who had young families (and often parents in the vicinity) were very clear that moving away from their town was out of the question. Some were outraged that government officials had even offered them this option. Many reported that they fought hard to stay in the area (i.e. by gathering evidence of their commitments to the town to assist in their application for a Special Redundancy Payment). These people had a strong sense of identification with their community.

6.7 Negative impacts

The over-riding life outcomes described by workers were much more negative than in the Upper North East. Of the 24 respondents interviewed face-to-face, 19 reported negative impacts on their lives, and of the 34 interviewed by telephone, 29 reported negative impacts on their lives.

6.7.1 Employability

Whether respondents had found alternative full-time work was a good determinant of how negative an impact the changes have had on their lives. Older respondents (who had often spent their whole lives in the industry) were more likely not to have found alternative full-time work.

6.7.2 Health

Many respondents reported very high levels of stress following their redundancies. Common manifestations of this were migraines, fights with family and depression. Three male respondents interviewed face-to-face admitted they were currently using anti-depressant medication. One of these respondents said that he had come close to killing himself at one stage, his self-esteem had dropped to such a low. Of those interviewed by telephone, a third (n=12) said they had suffered from depression following their redundancy.

Many of those interviewed reported more frequent visits to the doctor, and sometimes to the local physiotherapist and eye doctor.

The wife of one displaced worker reported having had a nervous breakdown as a result of constantly trying to make ends meet in the last year. Providing for their children and grandchildren who lived in the area was an important priority for them and other families interviewed.

Senior managers who were interviewed reported that they had a tough time having to tell logging contractors what was happening. Office-based staff at mills found themselves acting as counsellors to their workmates, which was often draining.

6.7.3 Relationships

A few interviewees admitted that they would like to get some marital counselling to help address the strain placed on their marriage by their loss of employment. Workers did not seem to know where they might go to obtain such a service.

A number of those interviewed reported that their wives and sometimes children had experienced anxiety about the redundancy:

“My daughter was concerned that we might have to move away”.

Some workers admitted that they felt bad that their wife was forced to stay in the workforce longer than they had planned:

“She was going to retire at least by sixty. She’ll have to keep working. She shouldn’t have to work”.

6.7.4 Self-esteem

A number of workers reported feeling particularly low following their redundancy, and often blamed themselves for their plight:

“You still feel ‘it’s my fault’, but you know it’s not”.

6.7.5 Anger and dissatisfaction

Anger and dissatisfaction were most prevalent amongst the following groups:

- those whose businesses had closed
- those who were not eligible for government assistance
- those who were still waiting for a response to their FISAP application

Contractors whose business had depended on the timber industry and who had made heavy investment in machinery and other equipment to operate their business were particularly angered, even though the majority had obtained other employment. These men were typically faced with machinery or trucks they were unable to sell, and debts to pay off.

Those whose employment in the native timber industry was long were also extremely unhappy about their predicament, claiming it was nearly impossible to adapt, particularly if they would have to move to another area to obtain employment.

6.7.6 Money worries

Many workers reported that they were unable to access unemployment benefits because they had assets. Centrelink had told such people that they would have to sell their assets before receiving assistance. Many reported that they consequently had to live off any savings they had accumulated until they found work, or their savings were used up.

As a result, many families had made cutbacks to their household spending, particularly on clothes, food and entertainment. The following changes in lifestyle were reported by 15 or more of the 58 respondents who had been displaced or decided to close their businesses:

- loss of friends
- spending less on food
- spending less on clothes
- spending less on entertainment
- spending less on vehicle maintenance

A number reported that their lack of household income meant going out a lot less and consequently their social life suffered:

“We can’t go to the club any more, or to a restaurant”.

“We can’t afford the fuel to visit relatives”.

Many said that they did not go out to the local club any more, did not have BBQ’s with friends, go fishing or other pursuits such as carpet bowls:

“I’ve lost a lot of friends by not going to the club”.

One family did not have the telephone connected any more because they could not afford the bills. Some admitted that they were now stuck if any major household appliance broke down, as they would not have the money to replace it:

“That’s going to be hard now. If things break down, how do you replace it ?”

“If something breaks then that’s it...if the fridge needs fixing, we need to sacrifice something else”.

Others reported going without holidays due to their depressed financial position.

Others still reported that they had no money to continue maintaining their equipment and machinery:

“I haven’t bought a tyre since February- it used to be once a month”.

Those workers and businesses who had been unsuccessful to date in applying for assistance reported that they were so close to penniless that they could not afford to go out and complete training for ‘tickets’ to stand them in better stead for other work.

6.8 Positive impacts: IDA

Those employers who had applied for IDA said that they were fairly optimistic about the future of the industry. Some owners had applied for and received more than one IDA grant. One mill-owner had entered his business in Telstra’s small business awards for NSW industry under 100 employees. He was proud to note that his firm was one of only six in the State which had reached the finals.

6.9 Positive impacts: Workers Assistance / BEA

6.9.1 Paying off debts

Some identified at least short-term positive impacts of the changes in the industry. For example those who received FISAP money often reported this was used to pay debts, mortgage, savings, or set aside for children's college education.

6.9.2 New training opportunities

A few reported that they had been unemployed for a very short period before getting other work, and a few went straight from one mill to another. Some were pleased to be given the chance to learn new skills such as an Information Technology course.

6.9.3 Quality family time

A few were pleased with the opportunity unemployment gave them to spend time with grandchildren or do some home handyman work. Some enjoyed having more time to themselves during the day. However these often did not outweigh the negative effects.

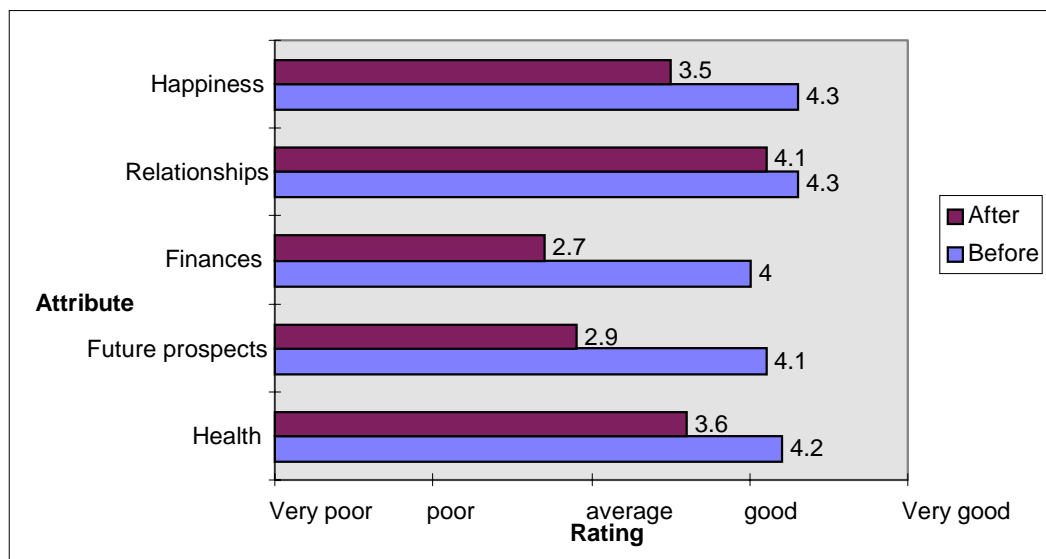
6.10 Quality of life attribute ratings

The common family situation of a timber worker consists of husband, wife and children, with elderly parents often in the district. Many reported that not only did they have very strong friendships within their local community, but they often had an elderly parent to care for in the area. As a result, respondents usually had very close ties with their community. This was reflected in their satisfaction ratings with their relationships and where they lived.

Figure Three shows that on average, before redundancies occurred, *relationships with family and friends* were rated consistently highly (between good and very good). Redundancies had no apparent effect on this 'quality of life' attribute.

Figure Three: Change in Ratings of Quality of Life Attributes

Base: All displaced workers/business owners (n=58)



Mean ratings for all five attributes above were all between 'good' and 'very good' before redundancies took place. Following the industry changes, the quality of life attribute which showed the largest fall was *financial security*, followed by *future prospects* (both these fell to a mean of below average).

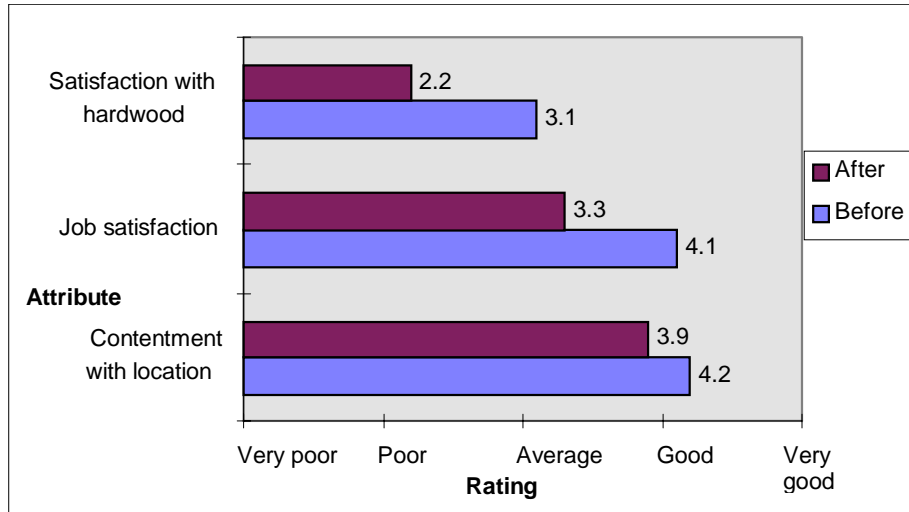
Face to face interviewees (n=24) were also asked how content they were with where they lived, satisfaction with their job and with the native hardwoods industry in the North East before and after the changes. Naturally, only those who were working (n=21) were asked about their job satisfaction after the changes.

As shown, the poorest rating was given to satisfaction with the native hardwoods industry. This showed the largest drop following redundancies.

Contentment with where workers lived was consistently high both before and after the changes. Most reported that they were very happy with the community they lived in, as reflected in the earlier qualitative findings.

Figure Four: Mean Attribute Ratings

Base: Face-to-face interviewees (n=24)



6.11 Interviewee attitudes towards TRAIN assistance

TRAIN offers practical job placement and training assistance within the FISAP program to timber industry workers affected by Government forest policy. Overall, TRAIN was well-known amongst displaced workers interviewed in this research and was described as providing good support.

“That’s what keeps us going, knowing that there have been lots of good offers from TRAIN”.

Some courses provided by TRAIN were reported to be excellent - in particular the introductory course in which wives were included was said to be a very good means of generating support and understanding within families. Of the 24 interviewed by telephone, 10 had undertaken training and 6 of these were satisfied or very satisfied with the training received. Two interviewees said they were neither satisfied nor dissatisfied, 1 was dissatisfied and 1 was very dissatisfied with the training.

TRAIN was usually reported as being of great use in helping interviewees with the paperwork required by the FSAU.

However, there was criticism in both face to face and telephone interviews, of TRAIN as being slow in providing help and feedback on the status of their application. A number reported being unhappy with the assistance provided to them by TRAIN, and/or the time lag before messages were returned. Some commented that the TRAIN courses on offer were inappropriate given that they were in areas in which workers were already skilled. Others commented that while they had been given training in areas of interest, there were no jobs in the area:

“I’ve got all the qualifications, but nothing here to use them on”.

Most who had taken up training courses through TRAIN reported being grateful for the money they were paid while attending.