

3. CHAPTER THREE: GEOGRAPHICAL, HISTORICAL AND SOCIAL CONTEXT OF THE SEQ RFA REGION

3.1 HISTORICAL CONTEXT TO THE SEQ RFA

The coastal strip of the SEQ biogeographic region is rapidly growing. The population is increasing and urban areas are expanding rapidly (see Chapter 5 for more information). The remaining forests and forest operations are in the Great Dividing Range west of the coastal strip. Some forest-related towns such as Cooroy are now outlying suburbs in growth regions and are experiencing the strains of rapid growth. However, regional towns north of Noosa (except for Gladstone which is an industrial town) and the more western rural towns are experiencing socio-economic problems associated with regional and rural decline.

This section outlines the historical background of rural communities potentially sensitive to changes in forest use and management. Consultation during the social assessment process has shown that people within rural forest-based communities are incredibly frustrated by the decline in their quality of life over the past few decades. Some key issues are:

- changes in the timber industry
- ongoing rural decline
- ongoing restructuring of the forestry industry
- concern regarding previous compensation packages for workers retrenched through changes in forest use.

These issues are discussed below. Any social assessment must take into account the context within which it is to assess any change. A central context for this Regional Forest Agreement (RFA) process is the economic and social context of rural and regional communities in Australia and the history of the timber industry within these communities.

3.2 RURAL DECLINE

Much has been written about the current state of rural communities, including local economies heavily reliant on, or traditionally involved with, timber. A number of national and global trends are leading to a contraction in many rural communities in Queensland and Australia. These broader challenges and pressures face all rural and regional communities, including those communities traditionally dependent on the timber industry. These national and global trends include:

- static or falling commodity prices, and rising costs, eroding farmers’ cash flows and terms of trade
- advances in technology and improvements in communications which, while providing some benefits to rural communities, have seen the migration of services away from smaller communities to larger regional or metropolitan centres
- advances in technology have also seen the increase in the scale of agricultural operations and the substitution of capital for labour in rural communities.

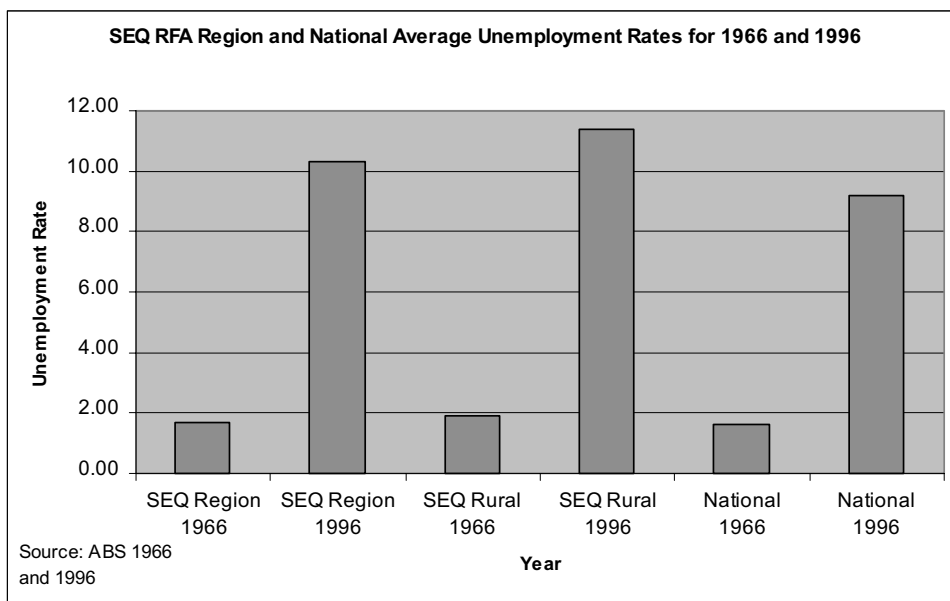
These and other associated pressures have resulted in:

- employment contraction in primary industries and forestry
- shrinking business activity in small towns
- out-migration of the brightest young people seeking broader educational choices
- Low returns on investment are discouraging young people from entering the agricultural industries, resulting in a rural population that is rapidly ageing (Office of Rural Communities; 1997, and Perkins; 1997).

Rural decline has been a major political issue in Queensland for the past year. The movement of Australia’s economy into the global arena and its consequent economic structural changes has directly affected rural and regional communities. The benefits from economic restructuring such as greater market opportunities for our produce have not always directly benefited rural communities. The political support for improved productivity and efficiency, and increased competition and ongoing privatisation of government-owned enterprises has exacerbated the concern of rural people. Rural and regional people perceive that they are losing employment and services at the same time.

A second major concern has been the steadily rising unemployment rates. Figure 3.1 illustrates that unemployment has risen in the past 30 years from 1.7 to 10.3 percent. Both the 1966 and the 1996 unemployment rate in SEQ was slightly higher than the national average rate. Figure 3.1 also illustrates that the unemployment rate in regional and rural SEQ is higher than the overall and metropolitan SEQ unemployment rate.

FIGURE 3.1 RATES OF UNEMPLOYMENT IN SEQ RFA REGION AND AUSTRALIA IN 1996 AND 1966



Rural SEQ 1966 is minus the Brisbane Statistical Division.

Rural SEQ 1996 is minus the Gold Coast, Ipswich, Brisbane, Redland, Redcliffe, Pine Rivers and Logan Local Government Areas.

All levels of government have attempted to address the issue of rural decline by introducing a number of packages and programs over the past two decades. The Federal Government introduced long term programs such as Landcare and the Priority Country Area Program. The Queensland Government established the Office of Rural Communities to assist local communities and to develop and implement programs to promote economic growth (*Project SE 5.1 Post Impact Studies Analysis, 1998*).

Such programs, while perceived as being beneficial, have not been able to stop the trend of rural decline in Queensland. The recent political prominence of rural decline indicates that the economic restructuring has been achieved at a social and economic cost to these communities.

3.3 LINKAGES BETWEEN RURAL DECLINE AND FORESTRY

The dependency between the forest industry and rural and regional communities means that there are strong linkages between forestry operations and socio-economic structures within timber dependant communities. The Department of Primary Industries in a report (*An Overview of the Queensland Forest Industry, 1998*) stated:

This situation is not uncommon throughout rural Queensland and there have been previous studies on the impacts of a contraction or withdrawal of a dominant industry in a small community. These studies show that this can create a domino effect in the social and economic fabric of the community. For example, contraction of a major industry can result in increased unemployment, rising business closures, decreasing viability of community service and social clubs, and the rationalisation and withdrawal of Government and private services and infrastructure.

Such changes can ultimately result in a decrease in the viability of small communities, with people moving closer to regional centres and coastal cities to access services and find employment. The general outcome is that previously viable communities can become 'towns in decline'. The impacts are generally more severe in smaller communities because the population base is insufficient to offer a broad range of alternative employment opportunities.

The effect of a resource management decision, such as the RFA, on people and communities is the RFA's *social impact*. The social impact is the consequences to people, communities or groups of any decision that alters or changes peoples way of life (how people live, work, play and interact with each other), their cultural traditions (shared beliefs, customs, and values) and their community (population structure, social cohesion, services and facilities) (*Interorganisational Committee on Guidelines and Principles for Social Impact Assessment, 1994*).

3.4 RESTRUCTURING IN THE NATIVE TIMBER INDUSTRY

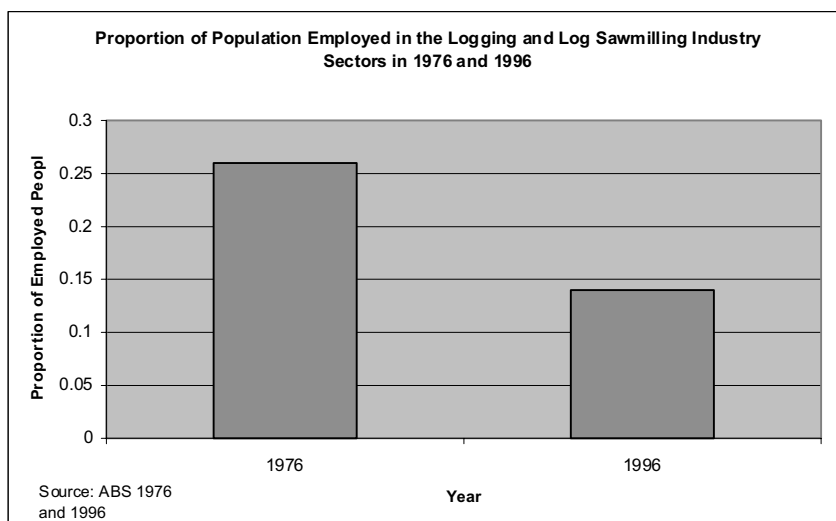
The restructuring of the timber industry, the establishment of conservation reserves and historical non-sustainable timber harvesting rates have all, in part, directly caused the socio-economic decline of forest dependant communities. Project SE 2.5 states, 'Throughout Queensland, increasingly stringent environmental constraints, a decreasing area of production forest and historical overestimates of sustainable yield have resulted in declining annual hardwood supply from Crown forests'. SEQ has sustained about 70 000 cubic metres reduction in the recent past.

Economic restructuring of the timber industry over the past two decades has had impacts on timber dependent forest communities. The timber industry is largely centred in small rural and regional communities across South East Queensland, with the smaller rural communities (such as Buiyan, Many Peaks and Linville) having a distinct reliance on the timber industry for sustaining their local economies.

Employment within the timber industry has declined, amongst other reasons, due to the introduction of new technology which has improved efficiency. See Figure 3.2.



FIGURE 3.2 LEVELS OF EMPLOYMENT IN THE SEQ RFA REGION WITHIN THE LOGGING AND LOG SAWMILLING INDUSTRY SECTORS, 1976 COMPARED WITH 1996



Note: This figure concerns both hardwood and softwood based employment.

Logging is defined by the ABS as “units mainly engaged in felling trees for logs, in cutting and shaping trees for rough-hewn products such as mine timbers, posts, railway sleepers, etc., or in cutting trees and scrub for firewood. This class also includes units mainly engaged in gathering other forest products or in distilling of eucalyptus oil in the forest.” (ANZSIC Code Book)

Log Sawmilling is defined by the ABS as “units mainly engaged in producing rough sawn timber, sleepers, palings, scantlings, etc., resawn timber from logs sawn at the same units. This class also includes chemical preservation of rough timber or logs produced in the same unit.” (ANZSIC Code Book)

Plantations have become increasingly important as we see a transition from native forests to plantations. SEQ contains 90 percent of Queensland’s total plantation estate, as it is economically efficient to locate them close to the major population centres, transport facilities and markets. Ninety-five percent of the total plantation harvest in 1994-95 was surceased from within SEQ (Project SE 2.5, 1998).

Investment in modern, efficient technology has occurred as plantation timber has become available. Such operations have improved productivity and therefore have required less labour than the older milling operations.



Logging of native hardwood is still a significant industry in SEQ. Current and potential native production forests cover around 2.2 million hectares of SEQ.

Forestry in the Crown native forests of Queensland has resisted the trend observable in other states towards clearfelling on the basis that public forests are ‘natural’ and should be managed conservatively. A computer-based sustainable timber yield calculation is made for each forest area and reviewed every five years and the logging operation itself must abide by DPI Forestry’s comprehensive series of prescriptions and operating manuals for native forests (Project SE2.5, 1998)

Ecological and climatic factors also favour uneven aged stands in many places and the lower quality and quantity of timber yield does not economically justify regeneration practices required by learcutting (pers.com. Senior Principal Conservation Officer, Department of Environment and Heritage, Nov. 1998).

However, sustainable yield rates in the past have been overestimated. Overharvesting in the past has led to a decline in availability of Crown native timber in SEQ. Harvesting of timber from private lands is currently filling the shortfall. Although information on private management is scant, it is generally believed to be less sustainable than that carried out in Crown forests (Project SE 2.5, 1998).

Forestry land has also been lost from production because of conservation regimes being established and more stringent environment conditions limiting Crown allocations. Logging has been halted on Fraser Island and reduced significantly in the Conondale Ranges for conservation during this decade. In addition, timber has been removed from production areas as more stringent environment management criteria have been put in place. This has decreased the total output of timber production from Crown lands.



3.5 PREVIOUS COMPENSATION PACKAGES

Governments in the past have established structural adjustment packages to assist with the socio-economic impacts of forestry closures to industry, the workers and the communities in which they live. There has been some community scepticism about previous structural adjustment packages in the Wet Tropics and Fraser

Island and the Great Sandy Region even though both the State and Federal governments offered substantial packages. A *Post Impact Studies Analysis Report* has been undertaken to assess the adjustment packages and to identify lessons from previous experiences.

The Report identified some key variables that indicate the level of impact felt by individual workers. These include:

- Age - older workers (those over 50 years of age) were less able to consider future job prospects and reluctant to relocate.
- Life Stage - those workers with family responsibilities and high financial obligations such as mortgages (typically 25-50 years of age) did not view relocation favourably.
- Experience in the Industry - those workers with a mixed employment history were more likely to find employment in other industries, compared to those who had only timber industry experience.

The case study areas in the Post Impact Analysis Report were Fraser Island, the Wet Tropics World Heritage area in north Queensland, and the Northwest Forest in Oregon, United States for comparative evaluation.

The Wet Tropics package was evaluated by Lynch-Blosse in 1991 who made a number of recommendations regarding mitigation strategies. They were:

- 1 Government intervention in minimising negative impacts for displaced timber workers is important, but how strategies are operationalised is equally important.
- 2 The Structural Adjustment Package (SAP) rationale should link economic, social, and psychological factors.
- 3 Flexible administrative guidelines need to be developed in order to respond effectively to changing needs.
- 4 Sufficient resourcing of the implementation units of the SAP needs to occur.
- 5 Commitment to locally appropriate implementation procedures needs to be made.



A substantial package was put in place after logging ceased on Fraser Island. The Social Research Consultancy Unit (SRCU) at the University of Queensland was commissioned to undertake a SIA and evaluation of the package. Recommendations made by the SRCU (1993) regarding future Structural Adjustment Packages (such as the Workers Structural Adjustment Package) include:

- 1 The location of alternative employment has to be local, as most people are not interested or able to move or travel very far from their homes and families.
- 2 There should be equity of treatment for all affected workers, including government employees.
- 3 The assessment of business compensation claims process should involve someone with a social or behavioural sciences background so that people under stress can be identified and appropriately supported.
- 4 Mitigation has to address the common issues of at-risk groups, including: people with low education or skill levels; older people who have only had one job, with specific skills; people with physical impairments caused by industrial experiences which limit their future employment opportunities; and people with few networks outside of their local area.
- 5 Mitigation has to address the common issues relating to the re-employment and retraining of timber workers, in that alternative employment and training opportunities are desired by and appropriate to the needs of the individual concerned.
- 6 Future mitigation programs should consider the strengths and weaknesses of Structural Adjustment Packages in that they are reliant on available funding from governments, they are largely short-term solutions, and also relatively 'hit-and-miss' in terms of who is compensated.
- 7 The "independent, autonomous timber workers" such as self-employed contractors are often left out of the mitigation and compensation equation, and this needs to be addressed.

In relation to the North-West Forest Cessation of Logging in Oregon, impacts on timber workers and on particular communities included such things as:

- increased unemployment
- impacts hardest on the 55year+ age group, who were not able to adjust to changes
- increased pressure on social services
- broken families
- forced migration for work
- city funding shortages
- Increased ageing of population in towns as young people leave to look for other work.

The impacts were very reliant on the age, ability to adapt to change, and location of the individual, and on the geographical and regional context of the town. Towns closer to regional arterial routes have not been as badly impacted because of their locational advantage in terms of access and attraction to alternative industries. Towns with a more diverse local economy have also been able to adjust to the changes much more readily, and with government support have been able to begin to flourish.

In summary the key findings from these case studies concerning the social impact assessment and mitigation programs were:

- collaboration between government, stakeholders and the local people is essential
- Structural Adjustment Packages need to be locally specific and long term if they are going to be sustainable

- professional social scientists need to be engaged for the development; implementation and evaluation of plans for the management of imposed structural change
- the timber workers, particularly those with no other vocational experience, felt the highest costs of social change
- local employment is vital.

3.6 FORESTS AND PROTECTED AREAS

The SEQ biogeographical region covers approximately 6.2 million hectares from the New South Wales - Queensland boarder north to Gladstone, and west to Toowoomba. This region is defined by a diverse range of soils, vegetation, landforms and climatic conditions.

The region is in an area of great biological and physical diversity. Its physical geography ranges from extensive alluvial valleys and coastal sand mass to volcanic hills and ranges, all of which support a wide range of forest types.

Specific forest types include remnants of sub-tropical and warm temperate rainforests and moist eucalypt forests which are mainly restricted to the mountain ranges in the region. Other forest types include tall open forests, Eucalypt open forests and woodlands, dry Eucalypt forest, Melaleuca wetlands, and Banksia low woodlands and heaths. The diversity of habitats is reflected in the overall species richness of the area. South East Queensland, together with north-east New South Wales, is one of the richest parts of Australia for birds, amphibians and eucalypts.

About 50 percent of the vegetation cover of South-East Queensland has been cleared for urbanisation, agriculture and grazing. Clearing and fragmentation has led to a decline in many lowland-dwelling species. Some of the ecosystems most affected by clearing include lowland rainforest that fringed many streams, Red Gum woodlands of alluvial plains and the tall paperbark forests that grew near the estuaries of coastal streams. In comparison with the lowland parts of the region the forested hills and ranges retain a high proportion of their natural vegetation cover.

There is under-representation of biogeographic regions and threatened species in the conservation estate. The current national park estate is approximately 4 percent of the State. The SEQ biogeographic region currently has 6.7 percent as national park and 15 percent as State forest (Project SE 4.2 Forest Grazing, 1998)

3.7 HISTORY OF CONFLICT IN FORESTS



The World Heritage listing of the Wet Tropics and Fraser Island have been the two major conflicts in relation to forestry in Queensland.

Sustained conflict, including direct action, occurred in the Wet Tropics for a number of years. The Federal Government intervened in the dispute by nominating the area for world heritage listing in 1983. The Queensland Government opposed the listing. The other substantial conflict over logging was on Fraser Island. The Queensland Government in 1990 held a Commission of Inquiry into Fraser Island and the Great Sandy Region. One outcome of the Inquiry was the cessation of logging on the Island.

Unlike other states, there are no active environmental groups involved in direct action in the forests. Environment groups in Queensland consistently negotiate with the government regarding forests.

The last direct action was on Fraser Island when no moratorium was put on logging during the Commission of Inquiry. Further protection of forests and improved management practices has occurred gradually through these negotiations.

One such negotiation was in relation to the Connondale Range in SEQ during 1991-92. The local, regional and state conservation groups, the Queensland Timber Board and local millers were involved in a dispute resolution process facilitated by the Queensland Government. A complex negotiated outcome was supported by both conservation and timber interests.

Woodchipping, another area of intense conflict in Australia's forests, has never been an export industry in Queensland. There have been no successful applications for export woodchip licences.

Consultations during the SEQ RFA reflect a willingness by key stakeholders to reach a negotiated outcome. Stakeholders are supporting a comprehensive regional approach after several decades of *ad hoc* way forestry disputes. The timber industry recognises the need for a comprehensive reserve system and the conservation groups recognise the need for the timber industry to have certainty about its future.

3.8 CONCLUSION

There has been debate about whether removing forests from production into conservation reserves has alone created significant socio-economic impacts when put in the context of rural decline and industry restructuring. Research undertaken by Lynch-Blosse et.al (1991) found that while impacts of World Heritage Listing on individuals and their families could be quantified, it was more problematic to assess the impacts of this single policy decision on towns and communities that were already experiencing a range of negative impacts.

Closure or major changes in forest use because of government decisions have historically had socio-economic impacts on the forestry enterprises, forest workers and forest dependent communities. To people living within those communities it is perceived as a significant impact.

Analysis of previous programs attempting to deal with rural decline has consistently highlighted two points:

- 1 Change management and economic development relies on collaboration between Federal, State and Local government, local people and the community.
- 2 The willingness of local people to accept and manage change is a factor that will influence success of implemented programs. The case studies showed that the *implementation* of change management strategies is crucial if the structural adjustment packages are going to be successful.

The *Post Impact Studies Analysis* of structural packages in Queensland has highlighted previous problems.

The State and Federal governments recognise that a long term resolution of the forestry dispute in SEQ will only be possible if:

- 1 Timber workers and communities are listened to and their concerns addressed.
- 2 The governments acknowledge the stress regional and rural communities are under.
- 3 Stakeholders and people potentially affected by the SEQ RFA continue to participate in the SEQ RFA and have an opportunity to develop an agreed negotiated outcome for the RFA.