

# **Cumulative social impacts in northern NSW: forest policy 1980–2010**

*Edwina Loxton, Jacki Schirmer,  
Peter Kanowski and John Dargavel*

Fenner School of Environment and Society,  
The Australian National University, ACT 0200

---

## **Introduction**

Northern New South Wales, like all forested areas in Australia, is home to multiple social and political factors that have contributed to forest policy change. These changes and subsequent industry restructures have reduced the quantity and affected the location and qualities of the native timber resource that is available, in addition to altering the means through which people gain access to the resource. There have been three key policy developments since 1980: the 1982 Rainforest Decision; the *National Forest Policy Statement* and Regional Forest Agreement (RFA) process of the 1990s; and more recently, changes to the NSW *Native Vegetation Act 2003* that regulate the clearing and harvesting of native vegetation on private land. The processes through which these changes have been decided and implemented have had a number of positive and negative impacts on people working in the native forest timber industry and have led to a diversity of responses. These impacts have been cumulative because the long-term effects of earlier changes have become interwoven into the social context and personal experience within which subsequent changes occur.

## **Method**

This research used a qualitative approach to explore how people have experienced policy and resource change. Thirty-five semi-structured interviews were conducted, recorded, transcribed and analysed thematically, using the framework discussed in the following section. The interviews began with two key questions to ask people about the history of their involvement in the timber industry and the changes they had experienced through that time. The upper north-east NSW Regional Forest Agreement region was selected as the first of two case study regions. These boundaries were used because the research was instigated to follow up the social impact assessments that were conducted during the Regional Forest Agreement process. This paper discusses some of the initial findings, focussing particularly on business owners. Future work will expand this to include sawmill workers and other employees and their families.

## **Framework: interpreting changes, impacts and responses**

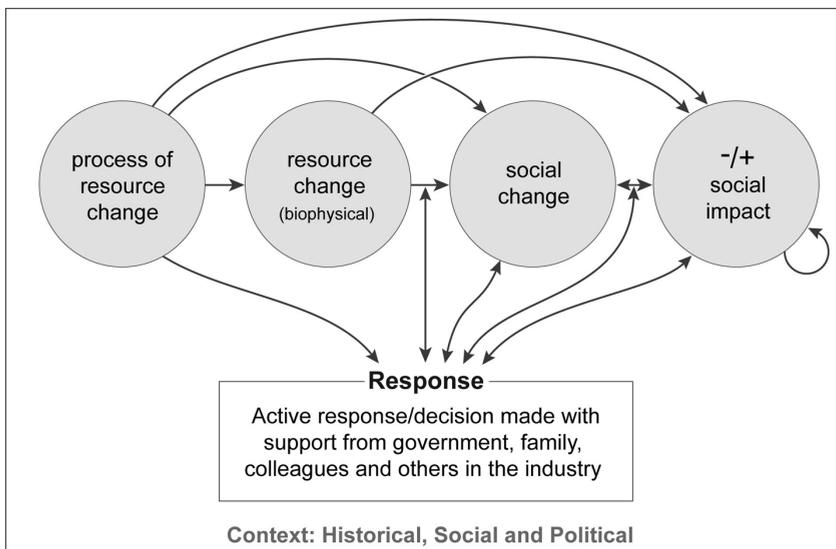
Policy and resource changes, negative and positive impacts, and individual, community and government responses come in many guises and constantly interact with each other, as conceptualised in Figure 1. There are several parts to this diagram, which adopts some of the elements from the function evaluation framework proposed by Slootweg et al. (2001). The circles focus on the decision-making process used to design and implement change, and the resulting social change processes and social impacts. In particular, the separation of a social change process from a social impact highlights the concept that the physical or emotional experience, or impact, of a change process or response will differ depending on the individual and their context (Vanclay 2002). These social changes and impacts are influenced by the measures put in place at a range of levels as people actively respond to the changes and impacts they either predict or experience. These impacts and responses occur within an historical, socio-economic and political context that recognises the multitude of past or present factors that effect how people experience the entirety of the change/impact process. Finally, the arrows highlight the iterative way in which one

factor links to another because impacts and responses begin before policy changes are finalised, and continue through time.

## Initial limitations to timber rights

The 1982 Rainforest Decision remains an important part of many of the stories heard in NSW because it was one of the first times in which people's perceived rights to timber were removed. These rights can be interpreted as perceived or *de facto* rights because, while State and Commonwealth law had never provided for indefinite access to timber resources, many sawmills had developed an assumption that timber licences would be renewed. For the most part there is an historical precedent for this assumption. Timber licences were first granted in NSW around 1800 and the *Forestry Act* of 1909 allowed for the transfer of licenses (Dargavel et al. 1986). Over time mills operating on crown land came to reasonably assume that their licences would be renewed and the sawmill's value came to include the value of the licence.

The assumption that licences, and thus rights to timber would be renewed automatically continued until 1980. In that year the Wollemi National Park in NSW was established and sawmillers' licences were not renewed. Sawmillers' claims for compensation were rejected by government and in the courts on the basis that they did not have a



**Figure 1:** Interpreting changes, impacts and responses.  
Adapted from Slootweg et al. 2001 and Vanclay 2002

legal entitlement to the timber (Dargavel et al. 1986). It was within this new understanding that the creation of national parks continued. The assumption that native forests should remain available for sustainable harvesting was strong amongst interview participants, and contributed to the continued feeling of loss as access to timber resources has been reduced further.

## **The Rainforest Decision**

Two years after the Wollemi National Park was established, the NSW Rainforest Decision was passed in 1982 while Neville Wran was Premier. The policy created more than 60,000ha of national park in the upper north-east region, including the Washpool National Park, and significantly reduced the native softwood timber industry. It was described as ‘the turning point’, representing the beginning of the political processes that have since restricted the timber industry. While some mills closed, others found new resources, invested in the new technology required to process the altered resource, and survived. The Rainforest Decision still forms the basis for many stories, even thirty years on, and when interviewed, many people began their story with their experience of the Rainforest Decision process.

While the final Decision was significant, the process leading up to it had its own implications. The adversarial process that preceded the final Decision influenced how people experienced the change and the impacts they felt both during and following the decision-making process, particularly relating to issues of fairness and security. At the same time, it also encouraged businesses to band together to present their collective interest. Nigel Turvey’s *Terania Creek: The Rainforest Wars* (2006) provides a more comprehensive exploration of the stories behind the Rainforest Decision.

The process of adapting to the changes also brought with it new challenges and opportunities for the businesses that continued. One of the major responses used by mills was to switch from using rainforest timbers, or brushwoods, to using non-rainforest timbers. The new resource required new equipment, but it also meant a new business model, customers, and markets because the old markets did not want the new hardwood timbers. These resource changes therefore required a new approach to the industry and the development of new skills and

knowledge. While there were businesses that were able to successfully adapt to the changes, many businesses closed as a direct result of the policy.

One quote helps to describe the difficulties faced by one mill in the region:

It kind of literally had no business overnight and almost went out of business but hung on, somehow, with the help from some creditors and things like that. And then basically scratched and found a couple of allocations of wood which they hadn't processed before, so no real understanding of the markets that they were going to be in but it was either that or we're out of business, so they got access.

Unfortunately for the mills that did not stay in the native timber industry, such as the Grevillia mill near Terania Creek, there were tough ramifications despite a \$1 million Rainforest Fund established to assist the industry. The experience at Grevillia has become part of the broader regional story. While the Grevillia mill owner was compensated, there were few provisions put in place for the 100 people who lost their jobs. Interview participants suggested that there was a considerable level of concern that the government did not provide a sufficient amount of support to the community or ex-employees.

## **Regional Forest Agreement**

The Keating government and State premiers signed the *National Forest Policy Statement* in 1992, a decade after the Rainforest Decision, setting in motion the Regional Forest Agreement process which brought about further changes, pressures and opportunities.

The Regional Forest Agreement involved a joint State-Commonwealth process across eleven regions in Australia that involved Comprehensive Regional Assessments to assess the biophysical and social values of forests; Deferred Forest Agreements to set aside potential conservation areas for reservation; and the final Regional Forest Agreements that were implemented through Forest Management Plans. In upper north-east NSW the Regional Forest Agreement resulted in a 190 per cent increase in the area of forest in reserve, from 243,700 ha prior to the RFA to 705,000 ha in 2001 (ABS 2003).

People were involved in the Regional Forest Agreement process in a number of different ways. Results suggest that the decision-making

process itself leads to its own impacts depending on factors such as the effort required to take part; the extent to which participants felt that their views were taken into account; their perception of who was involved, or not involved; and uncertainty. The uncertainty regarding the future policy, restrictions and opportunities made it difficult to make decisions, buy new equipment, or make long-term plans, which contributed to impacts such as stress. This uncertainty continued for a long time; 'the writing was on the wall for years'.

One of the most significant impacts for many who were involved in the process was the time, energy and sacrifice required to take part. Much of the decision making took place in Sydney and Canberra, a long way from the region, and it required people involved in the negotiations to spend extended periods of time away from home and their family. Those involved in the negotiation processes spent many weeks in negotiations, which were described as being 'adversarial' and 'constantly aggressive'. Participants also felt responsible for meeting the hopes of those whom they were representing. Timber workers and business owners were involved in other ways including through rallies and meetings.

There are people who feel that their efforts were pointless because decisions had already been made before the Comprehensive Regional Assessment was completed. Participating in these rallies, however, brought a sense of camaraderie that is felt within the stories. There was also a much greater sense of urgency than seen during the Rainforest Decision because the industry had learnt about the powerful influences of voter preferences and the media in shaping political decision-making processes. The use of the media and importance of educating the public about the rationale and management of forests continues to build steam.

The final Regional Forest Agreement included the loss of substantial areas of forest; changes in the type of timber available; increased haulage distances; and substantial costs as mills and contractors once again invested in new technologies to work with the altered resource. While some mills coped with these changes and focussed on value adding, others left the industry, and for those who remained, the response required to adapt also brought with it short term negative impacts such as financial strain. At the same time, there were more emotional impacts as people came to terms with the loss of access to the resource for what

they saw as largely political reasons. However, the changes were not all negative. The Regional Forest Agreement also brought with it twenty years of resource security for the remaining sawmills. While it came with a big trade-off as the resource changed, it provided encouragement for new investments. It has been interesting to speak to people with these twenty-year wood supply agreements because they are aware of the years passing by until they end and a new decision will have to be reached.

It was perhaps harvest and haulage contractors who felt the changes most significantly. Like sawmill owners, they had developed an assumption of indefinite work through the extensive use of handshake agreements with sawmillers, which had often continued for many years. These relationships changed through the advent of integrated logging and timber merchandising that required contractors to tender for work through NSW State Forests rather than dealing directly with a sawmill. This change was brought in at the same time at the Regional Forest Agreement process, increasing the level of control by NSW State Forests over the timber harvesting and hauling aspects of the industry. It required contractors to submit a tender for work with NSW State Forests. Contractors who failed to win a contract were effectively out of a job, and while many turned to private property, this loss was nonetheless strongly perceived as a dispossession of rights, suggesting an element of injustice, particularly when non-local contractors were given the job instead.

Ten years on, many can see benefits from the new system, particularly because it has brought new opportunities for mills to obtain a wider variety of species and quality types, and contractors have had the chance to work with more mills. It has also had ongoing negative impacts for people who have had difficulty finding secure employment. People who left the industry often have particular skill sets, or a significant amount of ageing but costly equipment, which can be difficult to transfer to other industries. The impact may have been greater if not for the Forest Industry Structural Adjustment Package implemented by the State and Commonwealth Governments.

## **Forest Industry Structural Adjustment Package**

A significant difference between the Rainforest Decision of 1982 and the Regional Forest Agreement of 2001 was the way in which the

sawmill owners, contractors, and workers at the centre of the change were acknowledged within the process. The Regional Forest Agreement recognised the potential negative social impacts to a far greater degree, as seen by the provision of the substantial Forest Industry Structural Adjustment Package. In NSW this provided for \$120 million in funding, with \$60 million each from the State and Commonwealth Governments.

The Forest Industry Structural Adjustment Package included Industry Development Assistance for mills to upgrade their technology with a focus on value adding; Business Exit Assistance to provide a pay-out to business owners who left the industry; and Haulage Assistance, to assist contractors who were required to travel significantly larger distances in cases where mills were no longer located near timber resources. While this paper has largely focussed on business owners and managers, many workers also experienced change as a result of the Regional Forest Agreement. Worker assistance was designed to support unemployed workers to gain training and new employment and was complemented by temporary jobs available to former timber workers in the National Parks and Wildlife Service. Interviews found that many workers who were made unemployed successfully gained new work, although concerns were raised for people living in smaller, more remote areas with fewer alternative opportunities.

Financial assistance was usually considered helpful, although the use of these funds required people to make a significant personal and financial investment. For example, the financial assistance for industry development required the business to pay at least half, and usually a much larger proportion, of the total costs. So, while it often 'tipped the project over the edge', making it worthwhile, it still left the owner with what one described as a 'millstone' around their neck. For those able to make changes to their businesses, it provided avenues for new opportunities and innovations which have allowed timber to be used in new ways. The process of applying for the funds was also considered long and time consuming, so that while there was support provided by the Forest Industry Structural Adjustment unit (often praised as being extremely helpful, despite participants' other concerns), the use of government support required a significant personal effort. This is probably not surprising or unacceptable, but it does point to the carry-on effects of change and responses.

## **Adaptive responses and resilience**

One element that exists across this history of frequent change is the resilience shown by members of the timber industry. The perception of the high frequency of change can be seen by the quote ‘Forestry could just see a wave after wave of policies and legal regulations and acts. Things are basically just, you get over one, and you get another one’. This involves personal responses, either coupled with or separate from the government’s official support mechanisms, and lead to a diversity of responses. Many businesses have grown through various means which have allowed them to continue the business and increase its stability, particularly by diversification into other products. While this response appears very successful, the process to get there was often not straightforward. At the beginning some people felt they would have to close their businesses and there were early redundancies. A few of the motivating factors that led people to actively respond included having one or two particularly determined people in the business who could see opportunities, the knowledge of having survived difficulties before and thus having the confidence they could do it again as well as not wanting past efforts to go to waste; and concerns for the businesses’ employees, whom they cared for and did not want to make redundant.

On the other hand, some of the people who consider themselves to have successfully responded to change have actually reduced the size of their businesses. While this may seem counter-intuitive, the decision correlated well with their changing goals such as reducing their work load and no longer having aspirations to own a large business as the business owners have grown older. This response had unexpected benefits by reducing the stress associated with employing casual staff. This suggests that change processes, such as reducing the size of a business, may have positive or negative impacts depending on the context, with an individual’s goals and past experiences forming an important element of their decision.

A key response used by sawmillers and contractors alike was the change from using timbers derived from state forests to private property. Businesses could simultaneously exit the native timber industry, receive business exit payments, and take on work on private property or with plantations. This response led to new relationships forming between mills and contractors. The increased reliance on

the private property resource leads us to the final policy change, the amendments in 2007 to the *Native Vegetation Act* of 2003.

Within this story is the rise of plantations. This is a separate issue to some extent because it requires new technology, markets and knowledge. Some mills have turned to the resource; many, however, have chosen not to.

## **Native Vegetation Act**

The most recent forest policy change came about through the amendment in 2007 of the NSW *Native Vegetation Act* of 2003. While this change affected harvesting on private property rather than crown land, and is thus not directly related to the conservation of state-owned resources, it represents another restriction for the contractors and sawmills who had recently turned to private property.

The amended Act stipulated that Property Vegetation Plans be completed prior to the clearing or harvesting of native vegetation on private property. The impacts, opportunities and responses to this change have not yet finished playing themselves out and it is likely that the newness of the amendments contributed to the participants' concerns. One issue at the moment is that contractors are worried that landholders will stop making their timber resources available for harvesting because they either do not understand the policy or are not motivated to fill out the new paperwork. There is a significant amount of confusion about the new regulations but an education program has since begun to provide information and to teach landholders and others how to write a Property Vegetation Plan.

## **Conclusion**

The northern NSW timber industry's colourful history provides an opportunity to explore how people are affected by, and respond to change within an historical context. Major policy changes provide events that open new chapters within people's long-term experience. These changes bring their own challenges and opportunities that build on people's earlier decisions, and the changes which have come before. The realisation of these opportunities and ability to deal with the challenges highlights the resilience of members of the timber industry.

While change has often been met with initial resentment, findings from research in northern NSW highlight the ability of people to respond actively, leading to divergent responses.

## **References**

- ABS (Australian Bureau of Statistics) 2003. Forest Conservation (feature article) in *Year Book Australia 2003*. Cat. no 1301.0. Accessed at: <http://www.abs.gov.au>, 14 June 2010.
- Dargavel, J., Goddard, J. and Caton, S. 1986. *Allocating forest resources in New South Wales: guide to legislation, regulation and administrative practice*. (Canberra: Centre for Resource and Environmental Studies, The Australian National University).
- Slootweg, R., Vanclay, F., and van Shooten, M. 2001. Function evaluation as a framework for the integration of social and environmental impact assessment. *Impact Assessment and Project Appraisal* 19: 19–28.
- Turvey, N. 2006. *Terania Creek: Rainforest Wars* (Brisbane: Glass House Books).
- Vanclay, F. 2002. Conceptualising social impacts. *Environmental Impact Assessment Review* 22: 183-211.