



Briefing Sheet September 2004

TASMANIA'S TIMBER INDUSTRY JOBS

This briefing sheet serves as an update from 'Tasmanian Timber Industry Jobs' a detailed analysis of employment and trends in the Tasmanian timber industry. The original report is available on the website: www.twff.com.au.

Current manufacturing of harvested logs into sawn timber, veneers, woodchips, paper products and panels employs 1,850 from the native forest sector and 1,380 from the plantation sector (Table 1). Currently there are an estimated 3,100 jobs across all forest types in growing, harvesting and management (Table 1).

Table 1: Employment in the Tasmanian timber industry

Category	Total
Growing, harvesting & management*	
Harvesting & plantation establishment contractors	2,583
Forest management**	517
<i>Total*</i>	<i>3,100</i>
Native forest processing	
Sawmilling, dressing and woodchipping***	1,120
Furniture & craftwood industries****	339
Pulp, paper & panel manufacturers	215
Secondary processors**	178
<i>Total</i>	<i>1,852</i>
Plantation processing	
Sawmilling, dressing and woodchipping***	630
Newsprint	350
Paper	290
Panels	110
<i>Total</i>	<i>1,380</i>

Table 1 notes:

*ABS catalogue number 8221.6, data May 2004

**Grist *et al.*, 2000 – ABARE report on Tasmanian timber industry jobs

***Total sawmilling jobs 1750 (ABS June 2000 & ABARE 2000) broken down into native forest and plantation jobs in proportion to the volume milled: see www.twff.com.au - Tasmania's sawmills

****www.twff.com.au – Tasmania's specialty timber industry report p15.

Data not referenced was obtained from company web sites and by direct enquiry.

How many jobs in old growth?

Breakdown of timber industry jobs according to forest type is given in Table 2.

Table 2: Breakdown of jobs related to the logging of native and plantation forests

	Area harvested annually (hectares)	% annual area harvested	Manufacturing jobs	Growing harvesting & management jobs (proportional)	Transport jobs (proportional)
Regrowth forest	32,000	71%	1,520	2,200	355
Old growth*	3,000	7%	330**	215	35
Total (native forest)	35,000	78%	1,850	2,415	390
Plantation	10,000	22%	1,380	685	110
Total (all forest)	45,000		3,230	3,100	500

*Total old growth forest currently in timber production areas is 194,000 hectares – 80% of which is on public land¹

**Old growth sawlog & veneer 110 + woodchipping 30 + craft & furniture 190

The component of timber industry jobs that is reliant on the logging of old growth forests is shown in Table 2. There are 330 jobs in manufacturing of sawn timber, veneer, craft and furniture, an estimated 215 in harvesting and management and 35 in transporting logs. In all, there are currently around 580 jobs related to the logging of old growth forests in Tasmania.

Other estimates of old growth jobs vary considerably. Gunns Ltd, is on record admitting that ending old growth logging would cost 480 jobs. A figure of 1,345 jobs was recently advanced in a report prepared for the Tasmanian forest and timber industries on ceasing clearfelling in old growth forests² which we believe is inflated because of flawed assumptions that no alternative resource would be processed nor alternative enterprises be established if a transition is made.

The Forest Industries Association of Tasmania (FIAT) has given mixed messages on the number of jobs in old growth forests ranging from 1,800³ to 4,000⁴.

¹ Keenan & Ryan (2004). Old growth forests in Australia. Australian Government Bureau of Rural Sciences.

² Symetrics (2004). Impact of the proposal to cease clearfelling in old growth forests in 2010.

³ Glenn Britton, spokesman for FIAT, multiple media outlets, 8/9/2004.

⁴ Terry Edwards, CEO of FIAT, The Mercury, 13/9/2004.

Job trends

Despite unprecedented levels of native forest logging, we are witnessing long-term lows in the number of timber manufacturing jobs in the State. In the 1980's there were up to 8,300 manufacturing jobs⁵. The number of manufacturing jobs has declined by nearly 4,000.

The signing and implementation of the Regional Forest Agreement (RFA) in 1997 has done nothing to arrest the decline in timber industry manufacturing jobs, despite promises to the contrary⁶, for example 280 jobs were lost on closure of the Burnie pulp mill in 1998 - this mill once employed about 2,000 people, there are now 232⁷.

What must be recognised is that the timber industry itself has been responsible for massive job shedding. Tasmania's largest timber companies operate on the basis of maximising economic efficiency - the need to produce the greatest volume, hence the greatest profit, in the shortest time. Jobs and labour costs are minimised through rapid harvest, bigger machinery that can log more in a day, increased loads on log trucks and automation of mills.

A few basic statistics make this situation clear:

- In the last 10 years the area of State Forest logged has increased four-fold whilst timber manufacturing jobs have decreased (**Table 3**).
- 10 years ago there were 1.3 timber industry jobs for every hectare logged – now there are just 0.35 jobs for every hectare logged (**Table 3**).
- 10 years ago each 1.25 hectares logged supported one timber industry job – over 5 hectares are now logged to support each job (**Table 3**).

Table 3: Tasmanian timber industry job trends

	Forestry & logging jobs	Wood and paper product manufacturing jobs	Total industry jobs	Area of State Forest logged (hectares)	Total jobs for each hectare logged	Timber manufacturing jobs for each hectare logged	Harvest area required to support one timber industry job (hectares)
1994/95	2825	4400	7225	5500	1.31	0.80	1.25
1995/96	2475	4025	6500	8000	0.81	0.50	1.99
1996/97	1775	4525	6300	10500	0.60	0.43	2.32
1997/98	2000	3600	5600	8500	0.66	0.42	2.36
1998/99	2600	4050	6650	10500	0.63	0.39	2.59
1999/2000	1975	3425	5400	11000	0.49	0.31	3.21
2000/01	2375	3400	5775	15000	0.39	0.23	4.41
2001/02	2400	3300	5700	15000	0.38	0.22	4.55
2002/03	2200	3875	6075	17000	0.36	0.23	4.39
2003/04	3375	4375	7750	22000	0.35	0.20	5.03

⁵ ABS Tasmanian timber industry statistics.

⁶ J. Howard (1997). Media release from the office of the Prime Minister on the Tasmanian RFA, 8/11/97.

⁷ Job numbers obtained by direct inquiry and from: www.reflex.com.au/about_make_wesburn.aspx

Table 3 notes

- All job statistics are from the ABS quarterly data for the Tasmanian timber industry.
- Area of forest cleared were obtained from Forestry Tasmania and Forest Practices Board Annual Reports.

The increase in export of raw materials together with centralisation and increased automation of the sawmilling industry has decimated both the number of sawmills and associated employment. The number of hardwood sawmills has declined from 205 in 1980⁸ to 44 now with a further two mills in the Hobart area closing recently.

The job losses in Tasmania's timber industry have met with no outcry from the government or unions, in fact they refuse to admit there has been a decline and continually prop up their justification of the industry by citing inflated numbers of dubious source. The job losses in Tasmania's timber industry are not the result of conservation, but are from industry rationalisation, automation and restructuring towards decreased downstream processing.

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⁸ Somerville, J. (1981). Tasmanian Timber Trees. Tasmanian Media Centre.