

## Socioeconomic impact study identifies key challenges for plantation forest sector

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In its study of the socio-economic impacts of plantation forestry, the Australian Government's Bureau of Rural Sciences has highlighted four key challenges for the sector.

The research -funded by the Forest and Wood Products Research and Development Corporation -examined the Great Southern region of Western Australia and the South-West Slopes region of New South Wales between 1991 and 2004.

The Bureau identifies these challenges for the plantation sector in its establishment, transition and mature phases:

- **Rural population**

Plantations, it says, are often established in rural areas experiencing population decline. "Developing strategies to encourage residents to live on plantation properties may provide opportunities for the maintenance or growth of rural population. This often requires ongoing negotiation with authorities over the regulations governing subdivisions of small blocks of rural land from larger properties."

- **Labour shortages**

Building and maintaining a skilled labour force is an ongoing need through all phases of development, the Bureau comments. "Shortages of skilled labour have the potential to slow expansion of the sector. Development of regional training resources for the sector such as accredited training through TAFE and other institutions will allow new and existing employees to rapidly gain skills in new technologies and processes as they are introduced."

- **Residential accommodation**

Planning for the housing needs of plantation employees, it goes on, is also an important challenge, particularly from the transition phase onwards. "Lack of suitable accommodation can reduce willingness to shift to a plantation region for work and can also affect other residents of towns where the sector is expanding."

- **Transportation infrastructure**

The Bureau says it is essential to plan for the sector's future transportation needs from the time of first establishment of plantations. "This will ensure that adequate infrastructure will be in place as plantation harvesting and processing expand.

Summing up the study, the Bureau says the results of its research demonstrate that plantation sector expansion can contribute to stable economic growth in regional areas of Australia.

"During the establishment phase," it comments, "expansion of plantations on agricultural land generally has the same effects on rural populations as ongoing farm amalgamation processes. However, where there is interest in rural residential 'lifestyle' blocks, subdivision of 'homestead blocks' on plantation properties may provide opportunities for rural population growth."

The Bureau adds that rapid establishment of large areas of plantation in a region can influence rural land prices by creating higher demand. "This impact is most pronounced when plantation expansion occurs through direct land purchase by plantation companies, although leasing of land for plantations may reduce the number of properties being sold and hence also lead to a more competitive land market and rising prices."

During the transition and mature phases of plantation development, employment in the sector increases rapidly, the Bureau also reports. "A large proportion of this employment is generated in the harvesting, transport and processing of wood products. The presence of processing facilities in regional areas can help to reduce or prevent population decline by providing an alternative source of employment."

It says that most of the economic benefits of the plantation sector occur in the regions in which employment is based. "In the plantation management and harvesting sector, employees are often located in the regional centres closest to the plantation resource, but tend not to be based in smaller rural towns. In the processing sector, most employment is located in the towns with processing facilities."

Commenting on the Bureau's findings as he launched the study at the Timber Towns Victoria meeting held during the National General Assembly of the Australian Local Government Association in Canberra during November, the Australian Fisheries, Forestry and Conservation Minister, Senator the Hon Ian Macdonald, noted that, if plantation expansion takes place at a steady rate over time, populations do not decline in rural areas.

"In fact," he says, "where plantation expansion occurs as part of a mix of land use changes, it can increase rural populations, especially where there are processing industries associated with the plantations."

Senator Macdonald also points out that, in New South Wales, where there is a large mature plantation estate, the research project found that plantation expansion has led to rural population growth, especially among working age people, and stable economic growth.

"The research project started because many local governments and their constituents were asking what effects plantations would have on their communities, Senator Macdonald adds "The Forest and Wood Products Research and Development Corporation and the Bureau of Rural Sciences are to be congratulated on undertaking the study and making the results available to regional planners."

**NOTE: The CRC for Forestry Communities program will be continuing this research in the Great Southern region of WA and undertaking similar research in Tasmania.**

**Find the full project and summary reports (downloadable) at:**

**<http://www.affashop.gov.au/prodsearchresults.asp?browse=true>**