

TITLE: Data crunch: how many (con) jobs are there in Tassie forestry?

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According to Rene Hidding, Tasmania's Liberal spokesman for forestry, it is "insulting" to Tasmanians to inform them about the tiny contribution the forestry and logging industries make to that state's employment. Presumably he thinks it would be better to deceive the people?

For all of the analysis about what the collapse of the state's forest talks means politically, there has been very little discussion about what its demise means for the Tasmanian economy. Maybe it's because the answer is so simple; the logging industry is virtually irrelevant to the state's economy.

According to the most recent census, less than 0.5% of the Tasmanian workforce is employed in forestry and logging (growing, maintaining and harvesting native and plantation forests). In the five years between the 2006 and 2011 census, while the Tasmanian economy created more than 12,500 new jobs, full and part-time employment in forestry and logging fell from 1447 to 975.

To put the forest industry in perspective, it is useful to compare it to the healthcare industry, which is Tasmania's largest employer with 24,000 employees. Healthcare created around a quarter of all the new jobs in Tasmania between the latest census and the previous one. Over the same period, employment and production in the forestry industry fell by around 30%. In short, it is small and getting smaller.

If these figures take you by surprise, you're not alone. According to a survey conducted by The Australia Institute earlier this year, on average, Tasmanians think that logging and forestry account for [around 20% of all employment](#). They also think the forest industry accounts for 36% of the state's exports — the reality is around 5%.

How could this be? How could the average Tasmanian confuse an industry that employs one in 200 Tasmanians with an industry that employs one in five? The most likely explanation is that after 20 years of intense conflict between the environment movement and loggers, the Tasmanian populace has confused the size of the political fight about these issues with the size of its economic significance. (The passion from both sides on conservation issues has been on display again in recent days over whether [more mining should be permitted in the Tarkine](#) region.)

The industry is always quick to point out that logging creates lots of jobs in transport and other sectors, but this is true for all industries. The tens of thousands of people employed in retail, construction, and manufacturing create far more jobs for truck drivers than the logging industry does.

And it is not only the general public that are confused about the forces at play. The federal and Tasmanian governments, and even the environment groups involved in the negotiations, have spoken about their desire to create a sustainable native forest industry, as if they are the ones that will determine its future. Undoubtedly, forest policy, particularly the subsidies the industry receives from government, does play an important part in shaping it. However, the collapse of the industry in recent years has highlighted the significance of other factors, most of which are beyond the control of government.

The mining boom has driven up the value of the Australian dollar, which has, in turn, cruelled the competitiveness of other Australian exporters, including the native forest industry. The woes of the native forest industry have been further magnified by a shift in consumer preferences away from native forest products, increasing competition from plantations, depressed wood prices, and a contraction in demand in the major woodchip market (Japan).

If the Tasmanian government is to lead a debate about the economic future of Tasmania, it must first inform the public about where Tasmania currently is and be honest about what it can and can't control. Major factors that are shaping the forestry industry are beyond its reach: the exchange rate, international forest product prices, the state of the Japanese economy, and domestic forest policies in wood exporting countries, to name a few.

But while the Tasmanian Government cannot control either Australia's exchange rate or world markets, it can exert influence over the kind of industries they try to attract and the kinds of investments they make in Tasmania's workforce and its communities. Put simply, every hundred million dollars the Tasmanian government spends propping up the logging industry of the past is a hundred million they can't invest in the new industries of the future.

The lengthy negotiations between the loggers and environment movement, even if they had been successful, have no capacity to preserve the dwindling economic significance of the native forest industry. If the state government is serious about protecting the jobs of Tasmanians today and creating jobs for Tasmanians tomorrow it should invest its time, and the public's money, in proportion to the job-creation potential of each industry. By that measure, it should spend less than 1% of its time thinking and talking about logging.

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