

Changing Places?: Commonwealth and State Government Performance and Regional Forest Agreements

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Refereed paper presented to the Australasian Political Studies

Association Conference

University of Adelaide

29 September – 1 October 2004

* I would like to thank an anonymous reviewer and colleagues in the Dept of Politics and Public Policy for their helpful responses to earlier drafts of this paper.

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Introduction

While federalism is one of the most characteristic features of Australian political system, State governments rarely attract the academic attention devoted to the federal government. Compared to the wealth of literature devoted to national politics and policy making, the volume of State based analysis is modest. This tendency is reinforced by an almost inexorable drift of power to centre in the hundred years or so since federation. The transfer of power and responsibility has occurred through landmark shifts (such as the assumption of income tax and responsibility for indigenous affairs) and also through incremental encroachments which emerge out of the detail of specific policies in areas such as health, housing and education. Although conservatives formally align themselves with a decentralist ethos and states' rights, Commonwealth governments from both sides of politics have overseen this enlargement, winding back the power of both Labor and non-Labor State governments. This shift can partly be explained by a need to adopt a national approach to common problems. However, it is also informed by a tacit assumption that many policy areas are better managed from the centre because of the limitations of the State political arena where policy making is hampered by both size and scale. State politics is more personal and parochial. State bureaucracies have difficulties attracting the highest quality staff and are more open to capture by sectional or regional interests. Hence, they tend to be conservative in their approach to many policy areas. In 1983, Nelson (1983, 184) observed that any reform impetus is fragmented and dispersed at State level and suggested that the states had largely acted as a

conservative break on policy innovation. Moreover, this tendency can be linked to the structural characteristics of the State arenas which underlay partisan political struggles.

The inclination to rate the Commonwealth's capacity for reform and innovation more highly is implicit in both activist and academic assessments of Australian governments' environmental policy and performance. In 1994, the Australian Conservation Foundation's (ACF) Philip Toyne (1994) labelled Australia a 'reluctant nation' because of the Commonwealth's unwillingness to embrace its environmental responsibilities. Six years later, the organisation's then president Peter Garrett articulated the concerns more clearly when he accused the Commonwealth of handing 'hard won powers back to the states' resulting in a series of regressive outcomes, all under the stewardship of Australia's State and Territory governments. These concerns are echoed in academic assessments (see for example Economou 1999; 2004). While State governments have shown themselves to have poor environmental credentials when compared to the Commonwealth, this paper suggests that the pattern might be shifting. This claim is based on an examination of recent developments in the Regional Forest Agreement (RFA) process. The examination shows the states to be more environmentally 'friendly' and, contrary to expectations, the Commonwealth, not only to be less committed to sound environmental outcomes, but also prepared to pressure the states. After briefly summarising the performance of federal and State governments, the paper outlines the RFA process and early outcomes. It then goes on to examine the process in two of the most recent RFA processes – Western

Australia and Queensland – focussing on the positions taken by the Commonwealth and State governments.

Commonwealth and State Governments and Environmental Policy

It is hardly surprising that environmental activists and academics have focused their attentions on the Commonwealth level of government. Many contemporary environmental challenges are transboundary in nature, and therefore demand a national response. Issues such as global warming are more effectively addressed at a national, rather than State, level. Others, such as water catchment management or habitat conservation, while more localised, nevertheless, cross State borders. Moreover, the Commonwealth, although lacking in direct constitutional power to act in many environmental areas, has the authority, and even the obligation to act by virtue of international commitments.

In addition, the Commonwealth, over the years, has developed the institutional capacity to engage in environmental policy areas in a range of ways. Some, such as the Great Barrier Marine Park Authority established under the 1975 Great Barrier Marine Park Act, have specific management mandates. Others, such as the Australian Heritage Commission (now the Australian Heritage Council) and the defunct Resource Assessment Commission (RAC), provided the Commonwealth with considerable expertise in specific areas. They also afforded ways to engage the community through extensive consultations. The RAC, for example, consulted widely in the

preparation of its reports to government. In the nineties, the Commonwealth has established new mechanisms of engagement, such as the National Heritage Trust. The Commonwealth uses the Trust to channel large sums of money into local environmental projects.

The Commonwealth's reputation as the more environmentally progressive tier of government is not without foundation. It was built largely on its interventions in nature conservation issues. For example, in 1983, it appeared that the fate of the Franklin River in Tasmania was sealed; it was to disappear behind a massive hydroelectric dam wall, as Lake Pedder had before it. The State government was adamant that the project was essential to the State's economic future and steadfastly refused to reconsider the development in the face of considerable and determined pressure from environmentalists. The situation was only reversed by the Commonwealth which effectively halted construction plans using its external affairs head of power. The strategy was used again in 1988, when the Commonwealth nominated the Daintree tropical rainforest in North Queensland in the face of fierce State government opposition. In this case, the Queensland government had been pursuing an ambitious development agenda for years, riding roughshod over environmental opposition (Fitzgerald 1984: 222-3; WTMA 2003). Nor were Commonwealth interventions always carried out by federal Labor governments. In the late 1970s, the coalition government led by Malcolm Fraser was instrumental in halting sand mining on Fraser island, extending protection of the Great Barrier Reef, establishing stage one of Kakadu National Park and so on (Christoff 1994).

By contrast, the states' reputation as environmental laggards has not been undeserved. They, traditionally, have been less responsive to the demands of the environmental movement. Over the past thirties years or so, they have reluctantly enacted environmental protection legislation, and although they have gradually added to the stock of national parks, they have been slow in championing nature conservation priorities.

There were several inter related explanations for this. Early economic expansion was based on the exploitation of natural resources. The growth of State economies depended on the development of agriculture, timber getting, mining and the like. This activity was complemented by a nineteenth century development ethos, which invested the project with an almost missionary zeal. State actors conceived of their future as resting on their capacity to open up country to various forms of primary production. State governments, from both sides of the political spectrum, carried the primary responsibility for facilitating this economic development, often through infrastructure development facilitated by specific purpose Commonwealth grants (Walker 1999, 31). Their constitutional responsibilities were reflected in their bureaucratic structures and resource departments such as Lands and Mines dominated State governments. These departments worked closely with the relevant industry and risked capture. (See Briody & Prenzler 1998 for a recent Queensland example.) Moreover, State governments benefited financially from resource exploitation through rents, royalties and the like (Walker 1999, 31). Over time this developmental bias shifted somewhat in States that acquired significant manufacturing and service capacity, such as NSW and

Victoria, but remained characteristic of others such as Queensland and Tasmania (Carden 1999, 82). Nevertheless, and despite their differences, State governments typically under performed in the environmental policy area compared with their Commonwealth counterpart. According to Walker and Crowley (1999, 7), 'State governments remain bent on exploitation at any cost, promoting "fast track" development schemes in which proper social and environmental assessment has been eliminated'.

This traditional characterisation of the relative merits of the different levels of government informs the somewhat gloomy assessment of the devolution of environmental management over the last decade or so. For example, environmentalists greeted the 1999 Environmental Protection, Biodiversity and Conservation Act (EPBC) with some dismay because they believed it facilitated the Commonwealth's withdrawal from matters deemed to be of purely State or local significance. Essentially, the Act removed a range of 'triggers', such as the requirement for an export licence or impact statement, which had worked to engage the Commonwealth in the issue. (See for example Kerr 2001, 20; McGuiness 1998; Garrett 2000; Curran 1998, 322). Furthermore, Economou (1999, 67) associates this 'roll back' of Commonwealth intervention with the environmental movement's declining political impact.

RFAs were read as constituting another example of Commonwealth withdrawal to the long term detriment of Australia's forests. For example, Dargravel (1998, 25) sees RFAs as representing 'remarkable transfer of Commonwealth environmental interest to the states and the apparent

disabling of its environmental legislation for the forest sector in the regions concerned'.

Regional Forest Agreements

The RFAs were a product of the approach championed by the RAC. Underpinning this approach was a conviction that policy should and could be derived from a rational assessment of the objective facts. This assessment would then provide the basis for resolving the conflict between competing interests. The approach informed the 1992 National Forest Policy Statement (NFPS). This NFPS, endorsed by the federal government and six of the seven State governments (Tasmania joined in 1995), sought to reconcile multiple conflicting goals for Australia's forests. The goals included nature conservation, economic viability and sustainability. The NFPS emerged at a time of heightened political interest around environmental issues. In the early nineties, the 'green vote' played a significant role in the government's re election, and the environment scored highly as a key political issue in various surveys (see for example Papadakis 1997). The management of natural resources was largely a State government responsibility and the federal government did not have the necessary constitutional authority to intervene directly in forest issues. However, it nevertheless was an area in which the Commonwealth had become embroiled through its role in granting export licenses for forest products, primarily wood chips. Moreover, environmental protests were given prominent media coverage. Forests, and especially, clear

felling in old growth forests for wood chips, presented a particularly thorny political and economic issue, which generated strong emotional responses. On one hand, harvesting attracted foreign investment, generated export earnings and provided jobs in regional centres where traditions were strong and alternative opportunities were scarce. On the other hand, these economic ambitions could only be realized through the destruction of complex ecosystems which were both unique and irreplaceable.

While progress on implementing forest policy stalled after the 1992 NFPS, political pressure on the Commonwealth continued. The forests of Tasmania provided one locus of conflict because of the clear felling of forests to feed a voracious demand for wood chips. This conflict spilled over into the Ministry itself with tensions developing between the environment and resources ministers. In the mid 1990s matters came to a head when a convoy of timber rigs staged a protest on the steps of Parliament House in Canberra (Bartlett 1999, 331-2; Mobbs 2003, 93-4). The ongoing controversy generated the political commitment necessary to kick start the process. In mid 1995, the government established the JANIS committee, an Australasian body charged with the development of guidelines for the creation of forest reserves. Later that year, Prime Minister Paul Keating revisited the NFPS with a major statement on forest futures. Following day, NSW, Victorian, Western Australian and Tasmanian governments signed agreements with the Commonwealth to begin the RFA process (Tribe 1998, 138).

The process, articulated in the NFPS, mandated the creation of a forest reserve system which was 'Comprehensive, Adequate and Representative' according

to specific criteria which related to biodiversity, old growth and wilderness (the so-called JANIS criteria). This meant that the reserves had to cover the full range of forest community types remaining in Australia; be sizeable enough to allow for species survival; and reflect the diversity of the individual communities. These reserves were protected from logging. The remainder of the forest area was to be made available to the timber industry for harvesting albeit in a sustainable way and the RFAs required that the states develop an appropriate forest management framework to ensure ecological sustainability. To ensure resource security, the RFAs were long term agreements with provision for compensation to industry if the agreement was varied in any way detrimental to it. Importantly, the Commonwealth promised export licences would be phased out for areas subject to an RFA. The RFAs were to be complemented by a substantial industry restructuring support. Under the Forest Industry Structural Adjustment Package, the Commonwealth undertook to provide up to \$101 million to promote investment and support change in the timber industry (AFFA 2003).

The final RFA was to be the product of a staged process. The initial stage was the scoping agreement between the Commonwealth and the relevant State government. It established the ground rules for developing the RFA. It covered the geographical parameters, time frame, cost, data requirements and methodologies, and nominated a lead agency. The middle stage involved the preparation of Comprehensive Regional Assessments. These formed the core of the RFA process. They brought together the economic, social, heritage and environmental information and this information provided the basis for the

development and selection of options. The final stage saw the finalisation of the RFA between the Commonwealth and State governments.

The RFA process appeared to offer a way of reconciling a multiple competing interests. By providing protection for old growth forests deemed to be of ecological significance, and resource security for the timber industry, the RFA process addressed the conflict between environmentalists, economic interests and local communities. It also seemed to provide a way of dealing with the jurisdictional tensions and overlaps which pervaded the management of Australia's forests.

Considerable debate has surrounded the RFA processes and outcomes. This debate revolves around two key elements. The first focuses on the nature of the process and in particular, its emphasis on rational, data driven decision making. It questioned the capacity of such a framework to reconcile the various competing interests in a way, which was ecologically, economically and politically sustainable. The second is concerned with the intergovernmental nature of the RFAs and the apparent transfer of power from the Commonwealth to the State authorities.

Critics point to number of important flaws in the nature and process of RFAs. One problem lies in the conceptualisation of the regions. While it may have been politically astute, it was environmentally flawed because it was determined by State boundaries rather than ecological criteria. Hence, contiguous areas on the NSW – Victorian and on NSW – Queensland borders

were categorised as separate regions covered by different agreements despite clear ecological connections (Dargavel 1998, 27).

The Regional Assessment process, especially the data gathering phase, also attracted considerable criticism. Several commentators focus on the socio-economic elements. Dargavel (1998, 28) for example, notes that in the early conceptualisation of the process, community consultation and participation was largely confined to information and education. However, bureaucratic actors soon realised that the success of the process depended on more extensive community engagement and ultimately gave higher priority to working with stakeholders through the various stages from the development of initial Scoping Agreement, through the Assessment process, to the discussion of options. Later RFA process documents stressed the importance of providing information in formats which were both publicly accessible and sensitive to the concerns of indigenous communities and commercial interests (AFFA 2002 2004). However, this emphasis created other criticisms.

Kirkpatrick (1998), for example argues that the process increasingly prioritised economic considerations at the expense of other components.

There were also problems with the scientific and heritage assessments. The RFA process emphasised the capacity of science, and scientific research methods, to provide a rational and defensible basis for decisions. Research data was an important element in identifying areas worthy of preservation and herein lay one of the central flaws in the process. In many respects, the science was uncertain and the information incomplete. This was certainly the case with the historical and archaeological data needed to identify indigenous

cultural values (Dargavel 1998, 27; Lennon 1998). Moreover, conservationists questioned efforts to operationalise the JANIS criteria, which formed the basis of the environmental assessment. Mackey (1999), for example, points to problems with the narrow conceptualisation of wilderness, the simplified systems used to classify forest types for comprehensiveness and the difficulties in determining adequacy. In any case, Kirkpatrick (1998, 34) argued that the conservation targets were secondary to the economic demands of industry.

The perception that the RFAs represented an abdication of responsibility by the Commonwealth was another area of concern. The line of reasoning suggested that the RFAs provided a way for the Commonwealth to extract itself from a difficult policy area. This is because they removed a powerful mechanism for Commonwealth intervention - the export licence. In addition, areas managed under an RFA were exempt from the provisions of the EPBC on the basis that appropriate environmental standards were already in place. This distancing by the Commonwealth meant that if the balancing of interests proved impossible over the long term and disputes over forest use recurred, they would be a State problem and not embroil the Commonwealth.

The idea that the Commonwealth was washing its hands of responsibility for Australia's forests was given credence by the way in which the RFA was to be reached. First, the process was to be formally initiated by the State government. Second, the Commonwealth recognised that the State governments were the principal repository for forest related data. According to conservation critics, this State control of the information was a critical flaw

in the process because they were hardly neutral arbiters in the process. Close relationships existed between the agencies responsible for forest management and their forest industry client groups. Forestry related activities also provided a steady revenue stream through royalties and the like.

Furthermore, governments had enduring political commitments to local communities and, in the case of Labor, longstanding trade union connections.

Third, State governments were responsible over the long term for both the maintenance and protection of forest reserves and the design and enforcement of sustainable forest management practices. These elements were the lynchpins of the RFA design and failure here had the potential to seriously damage the fabric of the forests over the long term.

Many of the environmentalists concerns were based on their assessments of the development and implementation of the first RFAs. Two of these were in Victoria (East Gippsland and Central Highlands) and the third covered the whole of Tasmania. They were all completed by the middle of 1998 and largely based on information provided by the State governments. While the governments pointed to the increase in reserve areas, these RFAs also provided for increased yield for the logging companies. According to the ACF, only an additional 0.0023% was made secure in East Gippsland and limited protection provided for an additional 116,000 hectares in the Central Highlands (Wilderness Society 2000). Critics also pointed to inadequacies in State oversight of the private timber companies logging the forests, a key element of sustainability. In the Victorian case, Forsyth (1998) found the management regime lacked accountability and enforceability. By contrast, the

Tasmanian regime was articulated in a single framework which applied to logging activities on both public and private land. The Tasmanians adopted a partnership model where by code of practice was enforced, in the first instance, by the industry, and overseen by a specialist board – the Forest Practices Board. This self regulatory regime has been the subject of ongoing criticism on two grounds. First, critics charge that the standards established by the code are inadequate and second that enforcement of even these standards is poor. (See for example Davis 2003; Fullerton 2004; Wilderness Society 2000.)

For environmentalists, the lessons of these RFAs were clear. The RFA process had allowed the Commonwealth to abdicate from its responsibilities to the national estate. State governments had demonstrated yet again that they were unable to manage the environment in a sustainable way and instead were overseeing intensified exploitation of the forests. Their agencies continued to operate within a developmentalist framework and remained politically and economically aligned with the timber industry and the forest communities they supported. Implicit in this analysis was the belief that the Commonwealth was likely to take a more environmentally responsible approach to Australia's old growth forests. However, the experience in WA and Qld challenges these easy assumptions. These cases will be examined in the next section.

The Western Australian Regional Forest Agreement

RFA process formally began in Western Australia in 1996 with the signing of the scoping agreement between the Commonwealth and State government. The Regional Assessment Report was released in February 1998 and the Directions report later that year. In May 1999, after almost three years, the WA RFA was signed between Liberal Premier Richard Court and Liberal Prime Minister John Howard. The RFA provided for a reduction in the cut of Karri timber, an increase in formal and informal reserves and a substantial industry adjustment package. However, within weeks, the Premier released a revised plan which provided for a phase out of logging in old growth karri and tingle forests by 2003, and scaled down plans for old growth jarrah forests. In the subsequent State election, the incoming Labor Premier Geoff Galop promised to an immediate end to old growth logging.

This unfolding of events occurred in a highly charged political atmosphere marked by conflict between the timber companies, their employees and the timber communities of the south west and an alliance of long time conservation activists, well known Western Australians and newer political organisations such as Liberals for Forests. Both sides utilised a range of strategies including paid mainstream advertising, mass demonstrations and media stunts. For example, the anti- logging coalition ran an extensive media campaign featuring high profile figures such as football coach Mick Malthouse (Worth 2003, 90) and disrupted the signing of the RFA (Burns & Armstrong 1999, 1). On the other side of the debate, timber workers staged a noisy demonstration outside Parliament House, visited designer Liz Davenport's

upmarket fashion house and heckled Richard Court when he visited the south west. (Armstrong 1999, 31; Rose 1999a, 10)

The conservationist's case was strengthened by the performance of the State's Department of Conservation and Land Management (CALM). CALM was responsible for overseeing the RFA process and many ways was obvious choice for the lead agency. It had developed the 1993 forest policy and was charged with managing the State's forests. However, conservationists were uneasy from the outset, detecting a possible conflict of interests especially given CALM received about 70% of its income from forestry operations (Black & Philips 1999, 280). The ACF accused CALM of manipulating the regional assessment process through careful selection of experts and so on (Schultz 1999, 41). CALM's credibility in the leadership role was seriously challenged at the end of 1998 when the State's Environment Protection Agency (EPA) found that CALM had failed to comply with its own 1992 regulations and was overcutting timber in the State's forests. CALM rejected the claims and the government's independent review of the dispute was inconclusive. CALM's reputation was again challenged when the maps of proposed forest reserves were released. The agency was accused with using inaccurate maps which presented rubbish dumps, abandoned mines and the like as new reserve areas. The Premier's revision of the RFA closely followed this revelation.

In many ways, the experience of the RFA in Western Australia is not surprising. Kellow and Niemeyer (1999) maintain that Western Australia developed a tradition of combining developmentalism with a strong commitment to environmental management. They argue that, although key

agencies such as the Environment Protection Agency and CALM had their limitations, they nevertheless provided a framework for co ordination and environmental regulation which was lacking in other peripheral states, particularly Queensland. This, they attribute, in part to the concentration of population in the south west. The proximity to and visibility of forestry and other environmentally sensitive activities served to heighten public concern (see also Worth 2003, 95). This concern, in turn, could translate into political pressure because of the comparatively open nature of the WA political system. In 1996, for example, three WA Greens and two Australian Democrats were elected to the State's Upper House.

What is perhaps more surprising, is the Commonwealth's role in the political drama under the leadership of the Minister for Forestry and Conservation Wilson Tuckey, and with the support of Prime Minister John Howard. Tuckey assumed the ministry after the coalition's second electoral victory in 1998 and immediately signalled his approach to his new portfolio reportedly declaring, 'I'm the minister for forests and [conservationists have] got to accept that I'm going to be somewhat pro-forests' (Lunn 1998, 28). Days after his appointment, he urged a rethinking of conservation attitudes to old growth forests claiming that Australia 'needed to address the fact that it consumed more wood products than it produced' (Rose 1998,10). He also brought into question the core of the RFA strategy of excluding logging altogether from some areas of forest saying that 'Locking up non-pristine forest for conservation would see those areas run down and die' (Rechichi 1998, 11).

Tuckey's approach to the RFA outcomes was made clear in his stance on the NSW government's proposals for the Eden region in early 1999 when he showed that he was prepared to use the Commonwealth's financial resources to engineer his preferred outcome. Tuckey declared that the Commonwealth would refuse to sign that RFA for a number of reasons which were reiterated in later cases. According to Tuckey, the NSW draft plan favoured conservation over industry; it was not based on good 'scientific' research; and it deviated from the principles set down in the NFPS by rendering the logging industry 'unsustainable'. Unless significant modifications were made, he would not release the Commonwealth monies earmarked for the region under the forest industry restructuring package nor would he issue the necessary export licences. (Tuckey 1999a, b, c). These themes recurred in the WA case. Even before the signing of the WA RFA, Tuckey was publicly engaging in the debate. In 1998, he defended CALM against EPA's criticisms of its cut estimates, arguing that the EPA was ill equipped to scrutinise CALM because of its 'mistaken assumption that the process was *only* concerned about the conservation of forests' (emphasis added). The WA EPA also lacked the appropriate scientific expertise (Rose & Irwing 1998,9). He reassured timber workers that their jobs would be safe promising that he would not sign an RFA that did not guarantee regional employment (Le Grand 1999, 2; Butler 1999a, 4).

In the weeks after the RFA was signed in May 1999, Tuckey was quick to scotch any suggestion that the Court government might move to alter the RFA in any substantive way. When National Party leader, Hendy Cowan,

suggested that the reserved area may be amended to include 'icon forests', Tuckey retorted that any variation without Commonwealth approval would constitute a breach of the agreement. He signalled that the Commonwealth would be unwilling to countenance changes because, 'The whole purpose of the RFA is to draw a line in the sand on the reserve areas' (Burns & Pryer 1999, 3). Tuckey showed he was prepared to use the mechanisms at his disposal to reinforce his stance. In June, before the revision, he wrote to State coalition members of parliament urging them to stand firm and in August he travelled to the south west to promise timber workers he would protect their jobs. When violent clashes between workers and conservationists, the media accused Tuckey of inflaming the situation (Pryer 1999b, 4; Malam 1999, 16)

Tuckey also threatened to refuse to issue wood chip export licences (Pryer 1999a, 6). More significantly, he warned that the Western Australian government was jeopardising the \$20 million Commonwealth contribution to industry restructuring declaring that he had frozen the \$44 million NSW package and 'would not hesitate to do the same to WA'. The money was not to compensate workers for lost jobs but rather to restructure the industry, a task which was only possible if there was an adequate supply of timber. Hence, any reduction in the timber cut would render the State ineligible (Butler 1999b, 33). Tuckey held to his threat as the dispute over funding dragged on. Ultimately, the Commonwealth bypassed the WA State government and some structural adjustment funds were delivered directly by the Commonwealth through its Industry Development Program. However,

Western Australian businesses were not eligible for either the business exit or rescheduling assistance available under other RFAs (AFFA 2003).

Economou (2004, 368) characterises the WA experience as a clear example of a State government bowing to sustained political pressure on the eve of an election. While this may be the case, it also shows that the Commonwealth was prepared to push for its preferred outcome. In the short term at least, it did not use the RFA mechanism to walk away from its responsibilities for Australia's forests. Instead, it attempted to use its financial resources to defeat the attempts of the State government to increase the protection for its forests. Some media analyses attributed much of the Commonwealth response to the personal preferences and style of the responsible minister. Indeed, Tuckey's approach came as no surprise (Lunn 1998, 25). However, Prime Minister Howard would have been well aware of Tuckey's proclivities when he selected him to drive through the stalled RFA process. Moreover, both Howard and the cabinet minister overseeing the process, Warren Truss, stood by Tuckey's stance, even as they distanced themselves from his style. Howard, for example, commended Tuckey for "sticking up for the rights of timber workers in regional Australia" (Rose 1999b, 13; see also Rose & Burns 1999, 9; Rose 1999a, 10; Burns 1999, 6).

The South East Queensland Forest Agreement (SEQ FA)

The argument that the Commonwealth resisted State government environmental initiatives is reinforced by the following examination of the regional forest agreement process in Queensland. According to Dargavel

(1998, 27), SE Queensland was nominated as an appropriate region because of plans to develop an export woodchip industry. (These plans were never realised.) The State and Commonwealth governments signed a scoping agreement in early 1998 and work began on the Regional Assessment process. The parties signed an Interim Agreement to allow current activities to continue within 'Go Zones' in June 1998. The Comprehensive Regional Assessment released March 1999 and the Directions Report inviting public comment followed in May (Jarred 2000).

In September 1999, the State Labor government announced that it had brokered an agreement with industry and conservation stakeholders. The most important aspect of the Agreement was the commitment to end logging in native forests on Crown land and replace it with plantation timber within 25 years. The agreement also provided for an increase in both the reserve area and the area placed in the 'last resort for logging' category. Logging outside reserves was to occur once only, and was to occur under strict guidelines to protect streams, habitat trees and so on. The government undertook to ban on the export of woodchips from native forests and to encourage the adoption of sustainable harvesting practices on private land (which represented a significant proportion of SE Queensland's remaining forests). In addition, the government agreed to assist the three timber mills adversely affected by the changes and begin a large scale plantation program (Beattie 1999).

The Queensland Labor Party had been under pressure to broker an Agreement. The Directions Paper, released in May, was not warmly received. The timber industry predicted massive job losses and conservationists were

also unhappy (Greber 1999a, 9). Some of this disquiet came through at the party's June State conference. The Australian Workers Union, a key factional player in Queensland Labor, pushed the industry's concerns from the floor while an estimated 2000-3000 rallied across the road to call for increased protection (Ryan & Greber 1999, 4; Greber 1999c, 15). Negotiations between the State and the Commonwealth were not going smoothly either. The Queensland government was disappointed with the Commonwealth's funding contribution with Beattie dismissing the \$10 million on offer as 'chicken feed' (Greber 1999b, 17).

Announcing the agreement, Beattie described it as 'a win-win for timber workers, the timber towns and the environment' (Beattie 1999). Key stakeholders appeared to agree, publicly declaring their support for the agreement. For example, the Queensland Timber Board, which represented industry interests in the negotiations, said the agreement, with its emphasis on government funding to replace native forests with plantation timber, offered the industry access to a superior resource and predicted a 'secure future' (QTB nd). The Australian Rainforest Conservation Society, a longstanding and vocal advocate of forest protection, declared 'The Queensland government deserves the highest commendation for their achievement'. The society called on supporters to 'send ... congratulations to the Premier, Peter Beattie' (ARCS nd).

The Queensland government had rarely received such plaudits from conservationists. The State had a long tradition of developmentalism under both Labor and Conservative governments, which was articulated through

commitments to decentralisation, agrarianism and northern development (Carden 1999, 83). Fitzgerald (1984) documents the State sponsored destruction of mangroves and brigalow, chaotic coastal development, ambitious water projects and aggressive sponsoring of mining. Natural resources existed to be exploited for economic growth. In the changing political climate of the 1970s and 1980s, the Queensland government, under long serving National Party Premier Joh Bjelke Petersen, continued old practices and attitudes. The conservation movement was weaker than elsewhere in Australia and victories against Bjelke Petersen government were few and hard fought (Hundloe 1985). The Nationals were swept from office in 1989 but the incoming Goss Labor government disappointed conservation groups. While it established several new national parks, its initiatives in areas of environmental protection were disappointing and it did not move towards establishing an independent, effective Environmental Protection Agency. (O'Faircheallaigh 1993; Eddy 1998)

While the Queensland government's preferred RFA outcome might be seen as out of character, the Commonwealth's response did little to confirm its reputation as a more environmentally friendly tier of government. Before Beattie's announcement, Tuckey warned that any Queensland RFA 'must provide for a continued, viable native timber industry' and signalled that the Queensland proposal did not fit strictly within the RFA guidelines because it promised to phase out logging in native forests altogether. Hence, it did not provide for 'sustainable' harvesting of native timber as demanded under the NFPS. Moreover, the Commonwealth was bound, constitutionally, to treat all

the states in the same manner and therefore was unable to make any exceptions in the Queensland case. As in Western Australia, Tuckey stressed his commitment to jobs and pointed out that the industry in Queensland risked reverting to a cottage industry because of the withdrawal of Boral. (Boral, one of the three affected mills, was bought out by the Queensland government.) The fact that Boral reportedly was selling its timber operations in Tasmania and southern NSW was not acknowledged (Macleay 1999, 24). Tuckey's coalition colleagues supported his stance. Six Queensland federal members representing electorates in the south east came out against the Queensland government's agreement, implicitly questioning the Queensland Timber Board's credentials. The agreement was, according to Blair's Cameron Thompson 'a deal with a bunch of greenies and the top end of town' (Maynard 2000, 2).

Brown (2001) argues that the Commonwealth's case against the Queensland forest agreement was built on spurious grounds. Nevertheless, the Commonwealth carried out its threat to withhold the funds from the Queensland government. As in Western Australia, applicants for industry development assistance had to go directly through the Commonwealth and Queenslanders were ineligible for support under other programs. In the Queensland case this included assistance for retraining, relocation and redundancy (AFFA, 2003).

Conclusion

In 1992, the NFPS (1995 3) presented a 'vision' for Australia's forests which recognised and preserved their unique environmental characteristics while at the same time supporting viable forest industries. This vision was articulated through the 1995 RFA process, which promised that the most valuable tracts of forest would be preserved, and the remainder made available for logging, albeit in a sustainable manner. Some of the critics of the RFA agenda emphasised the difficulties of reconciling the divergent goals and interests that characterised the forests debates. Others saw RFAs as a mechanism which would allow the Commonwealth to extricate itself from a politically intractable and administratively difficult policy arena. In the intervening years, the RFAs faltered on both grounds. In relation to the first concern, environmentalists point to the failure of the RFAs in Tasmania and Victoria at least to protect old growth forests. Industry has also been disappointed with the outcome, particularly in Western Australia. The Queensland agreement satisfied key stakeholders but displeased the Commonwealth. In relation to the second concern, the Commonwealth pull out has been selective at best. Moreover, in the case of the Western Australian and Queensland agreements at least, the Commonwealth did not act to check the states' developmentalist excesses as might have been expected. Instead, the responsible minister, Wilson Tuckey, sought to water down the State governments' commitments to imposing some restraints on the logging of old growth forests, using the Commonwealth's financial contribution as a bargaining chip.

The discussion of the RFA process and its implementation in the Western Australian and Queensland in this paper suggests that it might be worth

rethinking some of our more commonplace assessments of the comparative environmental performance of Commonwealth and State governments. Past experience showed us that Australian State governments of either political complexion were captives of their developmentalist past and parochial politics. In contrast, at the Commonwealth level, both Labor and Coalition governments typically appeared more susceptible to concerted political pressure and better equipped to take a broader, longer term view of environmental issues. However, these generalisations did not hold true in the Western Australian and Queensland cases. In Western Australia, the Coalition State government bowed to political pressure and revised its RFA to provide more forest protection. It was the Commonwealth, with the support of the timber industry, that tried to roll back the changes and reopen forest areas to woodchipping. In Queensland, the Commonwealth refused to sanction an agreement between the key stakeholders *because* it promised to phase out logging in old growth forests. While it would be presumptuous to claim that these cases signal any sort of sustained change, they do suggest that we should bear recent developments in mind when considering the environmental credentials of State governments vis-à-vis the Commonwealth.

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