
US multinationals buy up Australian plantations at the expense of native forests

Since the signing of the first of Australia's so-called "Regional Forest Agreements" (RFAs), the Australian forest industry has been deregulated and is open for sale to the highest bidder. The RFAs, having failed to provide a decent reserve system to protect forests have opened up Australia to unlimited export woodchipping and plantation establishment.

Large foreign insurance companies looking for a guaranteed twenty year return on investments (the lifetime of the RFAs) are now buying into Australia's plantations. These companies are largely US-based, and include Weyerhaeuser (who recently bought 30% of softwood giant CSR) and two Boston-based companies John Hancock -Life Insurance- and Grantham Mayo and van Otterloo -Renewable Resources- (GMO's parent company is based in the UK). Hancock has bought the recently privatised state plantations of the Victoria, and propose to clear remnant native bush (and rare koala habitat). GMO is looking to enter into a joint venture with Forestry Tasmania to establish 33,000 hectares of plantations on public native forest land (in addition to an extra 15,000 hectares already cleared and planted with pines) and on private land (about 8,000 hectares).

This development echoes the rumblings being heard around the World Trade Organization, which is currently trying very hard to develop a "global free trade logging agreement". Australia is quite clearly positioning itself as a place ripe for corporate takeover, particularly as the RFAs have essentially tried to exempt forestry operations from national and local environment laws.

In a recent letter addressed to GMO, the Native Forest Network (Southern Hemisphere) has outlined a number of socially and environmentally problematic issues associated with such takeovers of public land by foreign investment. The Network stresses that Australia's RFA process is currently in crisis. In New South Wales, the State Government is proceeding with an RFA that has not been endorsed by the Commonwealth, and is therefore open to problems in the future. In Western Australia the RFA has been abandoned in favour of a more preservation-oriented outcome in order to appease community interests. The ruling Liberal Party has lost a significant number of supporters (both in the Parliament and publicly) on account of the current shape of the RFA, and the failure to meaningfully incorporate conservation stakeholder views. Prime Minister John Howard and Forests and Conservation Minister Wilson Tuckey have both expressed concerns that both these States are threatening the viability of the RFA nationally.

Apart from not complying with a number of national and international commitment, the RFA has failed to protect 60% of old growth, 90% of wilderness forests and to adequately reserve 30 of Tasmania's identified 50 forest communities. Public opposition to the RFA and its failure to protect high conservation value native forests is strong and came to head during the "Mother Cummings" protest of Feb-April 1998 (for detailed information on this issue, see: <http://www.nfn.org.au/up-a-tree/campaign.htm>). That protest was a good indication of public outrage over government and industry collusion. Despite being reserved from logging during the Interim Forest Agreement the area was given to the industry for logging and the population reacted strongly against such decision. Local people are increasingly opposing plantations (see article below) and foreign investment in the forestry

sector appears to be becoming a very risky operation indeed.

Source: Tim Cadman, Native Forest Network Southern Hemisphere.