

Forestry, jobs and spending

Forest industry employment and expenditure in Tasmania, 2005-06

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Introduction

- 'Communities' project
 - Examines social dimensions of forestry
 - Social impacts, perceptions, community engagement
- Tas Forest Industry Survey – 2006, 2008, 2010
 - Survey of forest industry
 - Comprehensive data on employment & spending
 - Results of 2006 survey now available

Why do we need better information?

- Public debate over forestry
 - Impacts of changes to native forest harvesting?
 - Impact of expansion of plantations?
 - How dependent are different regions on forestry?
 - How are they affected by changes to forestry?
- Answering questions requires information on jobs and spending

But isn't it easy to figure out the number of jobs?

- Differing estimates – why?
 - Different definitions of forest industry
 - Different methods used to estimate total employment, spending
- Incomplete information
 - plantations, native forests, not separated
 - information not available at local scale
- As a result available data adds to debate instead of informing it

What makes the 'Forest Industry Survey' different

- Robust, replicable methods
- Clear definition of forest industry
- Conservative approach to estimating total employment & spending
- Will be followed up in 2008, 2010

Methods

- Mail survey of 506 Tasmanian forestry businesses
- Questions asked:
 - Nature of business (plantation, native forest, types of work)
 - Number of people employed over 2005-06 – min, max; full-time, part-time, casual
 - Demographic characteristics of employees – gender, age
 - Where business located; where employees live & work
 - Expenditure – total and by location

Defining the 'forest industry'

- **Who was included?**

- 7 industrial forest growers (100% response)
- 48 wood & paper processors (90%)
- 437 contractors, consultants, nurseries (42%)
- 18 others (39%)

- **Who wasn't included?**

- Small private forest growers (1,600+)
- Firewood industry
- Craft industry
- Retail sellers of wood products

How was total employment & spending estimated?

- High response rate – but not 100%
- Classified all 506 businesses as small, medium, large with help of industry experts
- Identified % response rate from s,m,l businesses
- Biased towards large businesses – so can't just use direct multiplication or will over-estimate
- Estimated total employment by assuming each non-responding business employed average no. of people for its business size
- If business operated across multiple industries, only included forest industry employment

Estimated total employment

- Total employment:
 - 6,300 people (5,870 full-time equivalent)
 - Estimated:
 - 68.3% native forestry
 - 24.0% softwood plantation
 - 7.7% hardwood plantation
- 3.08% Tasmania's labour force
- Direct employment generates indirect employment
 - How much? Depends which economist you ask...
 - Approx. 1.5x to 2.0x direct employment

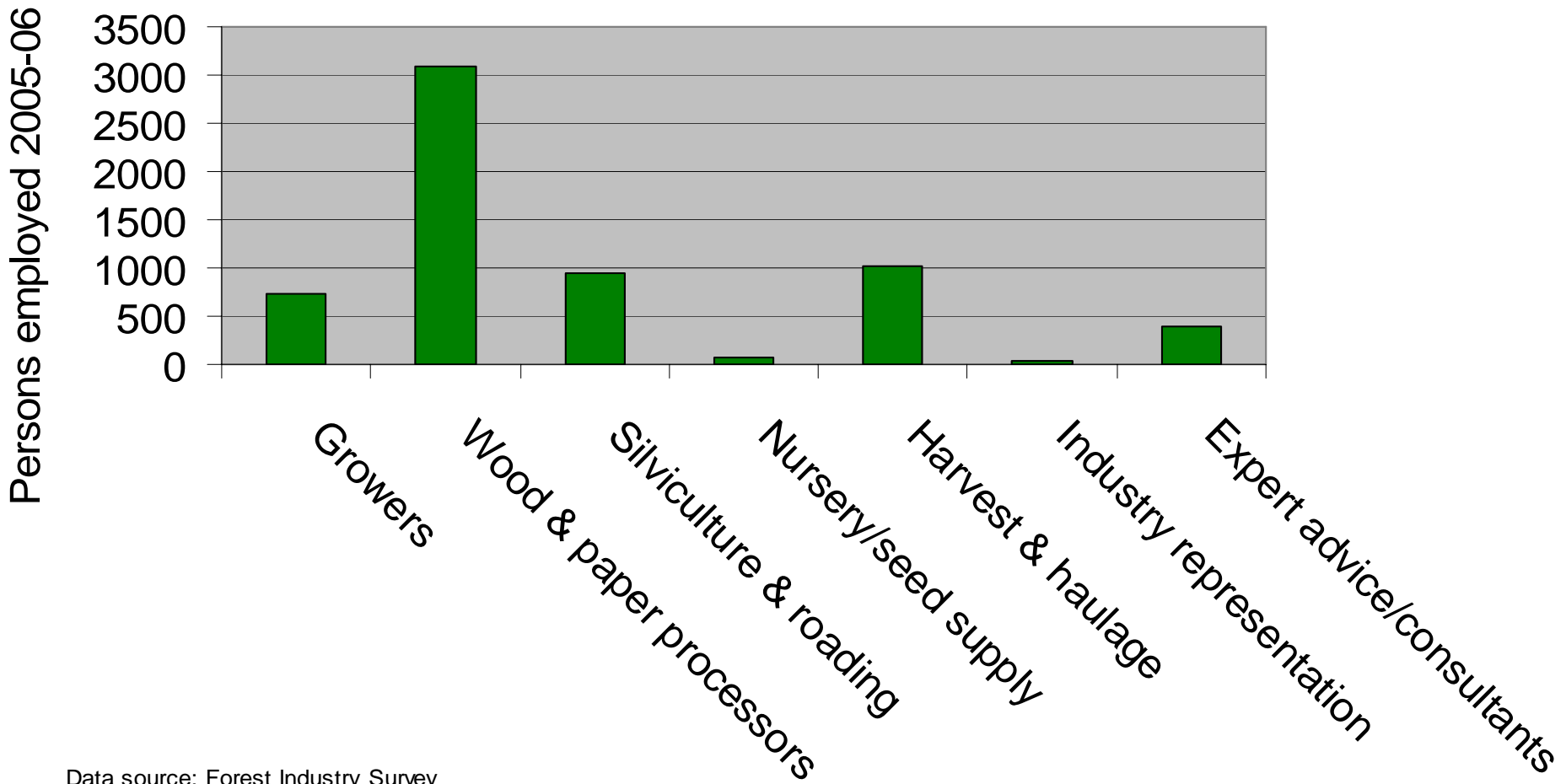
Estimated total spending

Forest industry sector	Est. total expenditure 2005-06 (\$million)
Growers and processors ¹	\$940-1020 million ²
Contractors and consultants	\$480-580 million
Total	\$1420-1600 million

¹Excludes payments to contractors, and transfers between growing and processing sector.

²Figures are given as a range rather than an average to reflect uncertainty in the estimate, due to the relatively low number of businesses providing expenditure data.

Which sectors employ the most people?



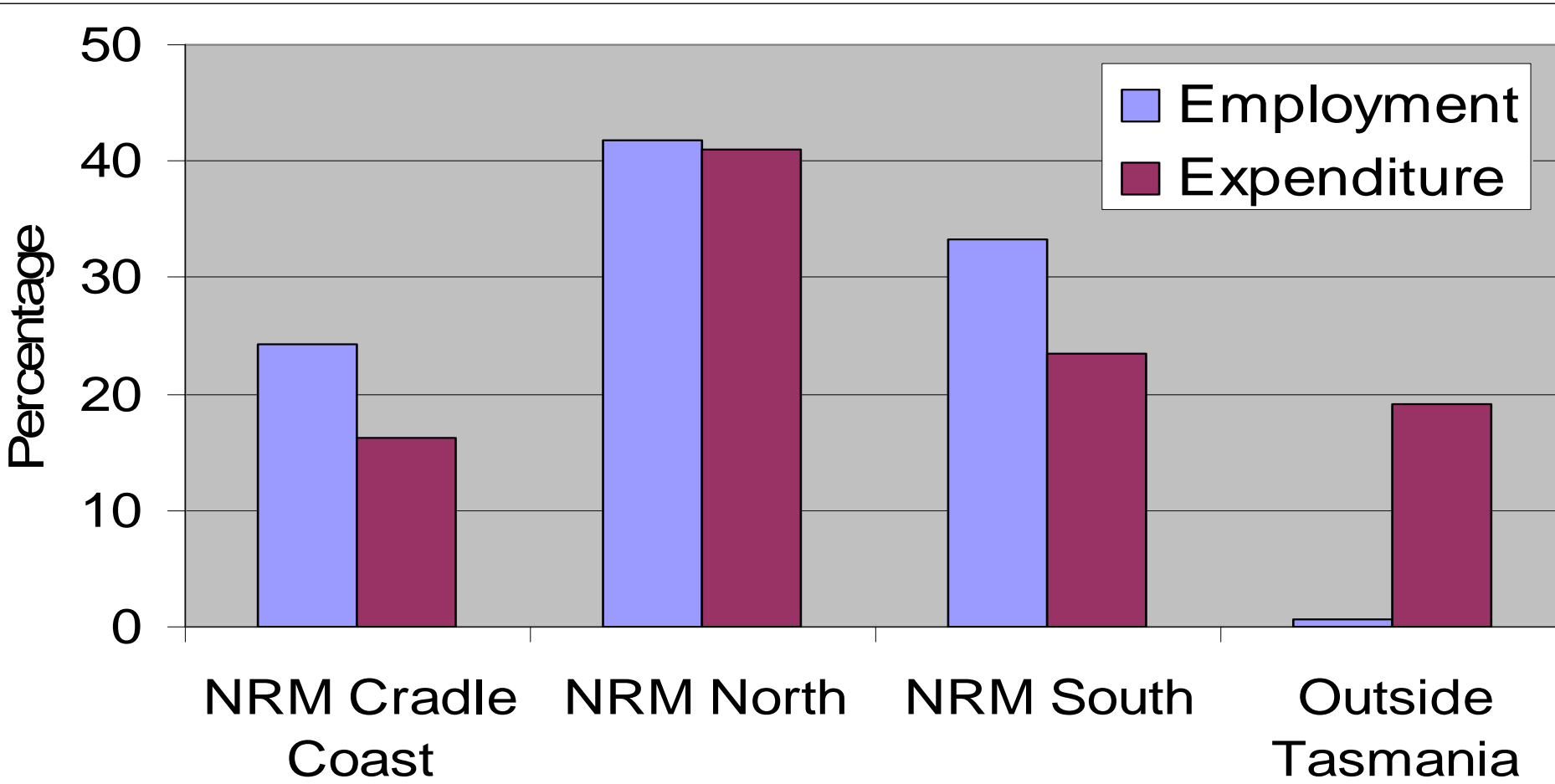
Data source: Forest Industry Survey

Employment & spending by NRM region

Researching sustainable forest landscapes

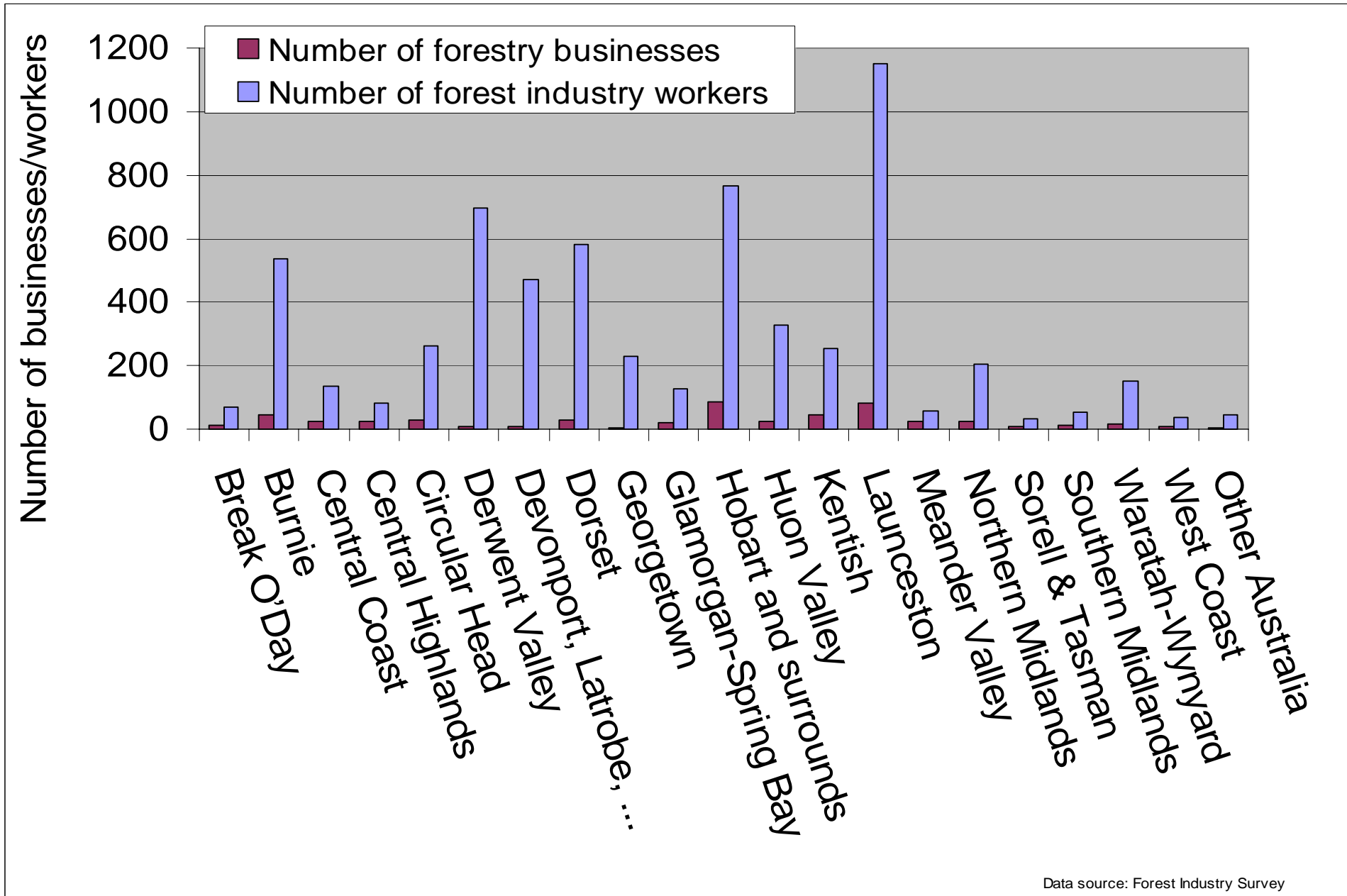
NRM Region	Employment in forest industry	% native forest	% plantation	Estimated expenditure
NRM Cradle Coast	1520 people	78.5%	21.5%	\$210-260 million
NRM North	2620 people	59.6%	40.4%	\$540-660 million
NRM South	2085 people	68.6%	31.4%	\$310-380 million
Outside Tasmania	45 people			\$250-310 million

Employment & spending by NRM region (cont.)



Data source: Forest Industry Survey

Where are forestry businesses and workers located?



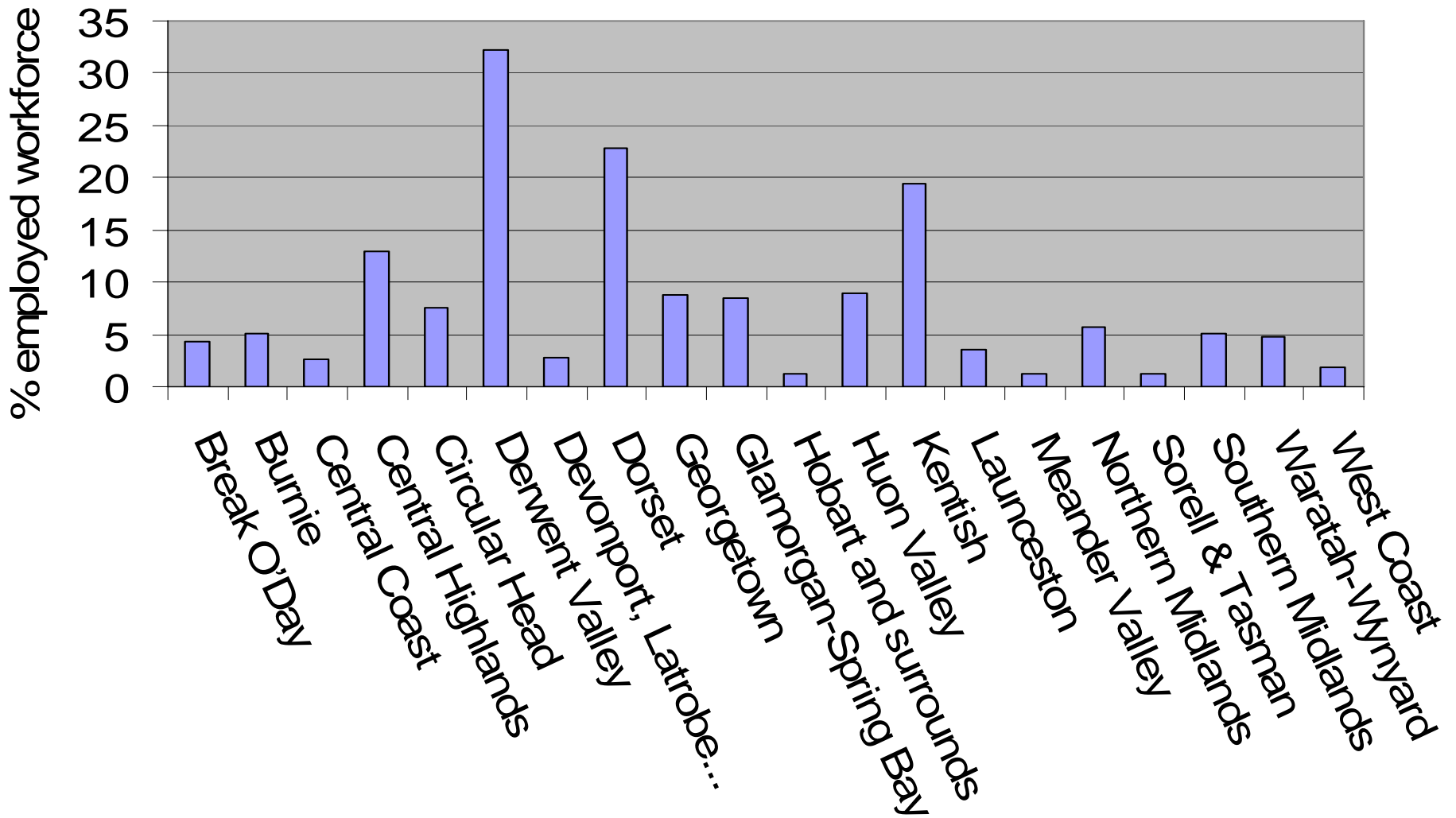
Where are forestry businesses and workers located (cont.)?

The LGAs with the most forest industry workers (by place of work):

- Launceston (1150 workers)
- Hobart and surrounds (770 workers)
- Derwent Valley (700 workers)
- Dorset (580 workers)
- Burnie (540 workers)

Most employees live close to place of work – but not necessarily in same LGA

Which local government areas are most dependent on forestry?



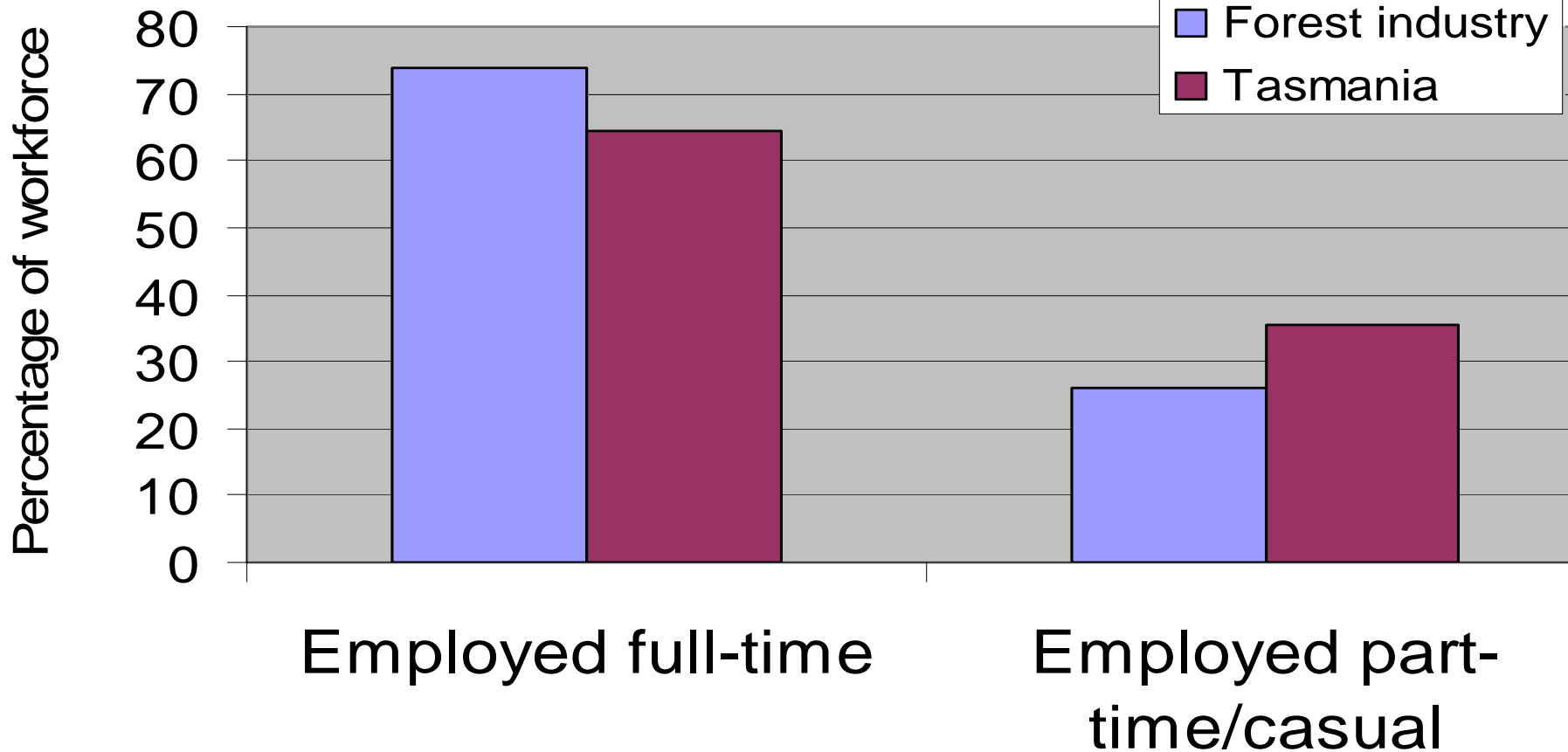
Which local government areas are most dependent on forestry (cont.)?

LGAs most dependent on the forest industry:

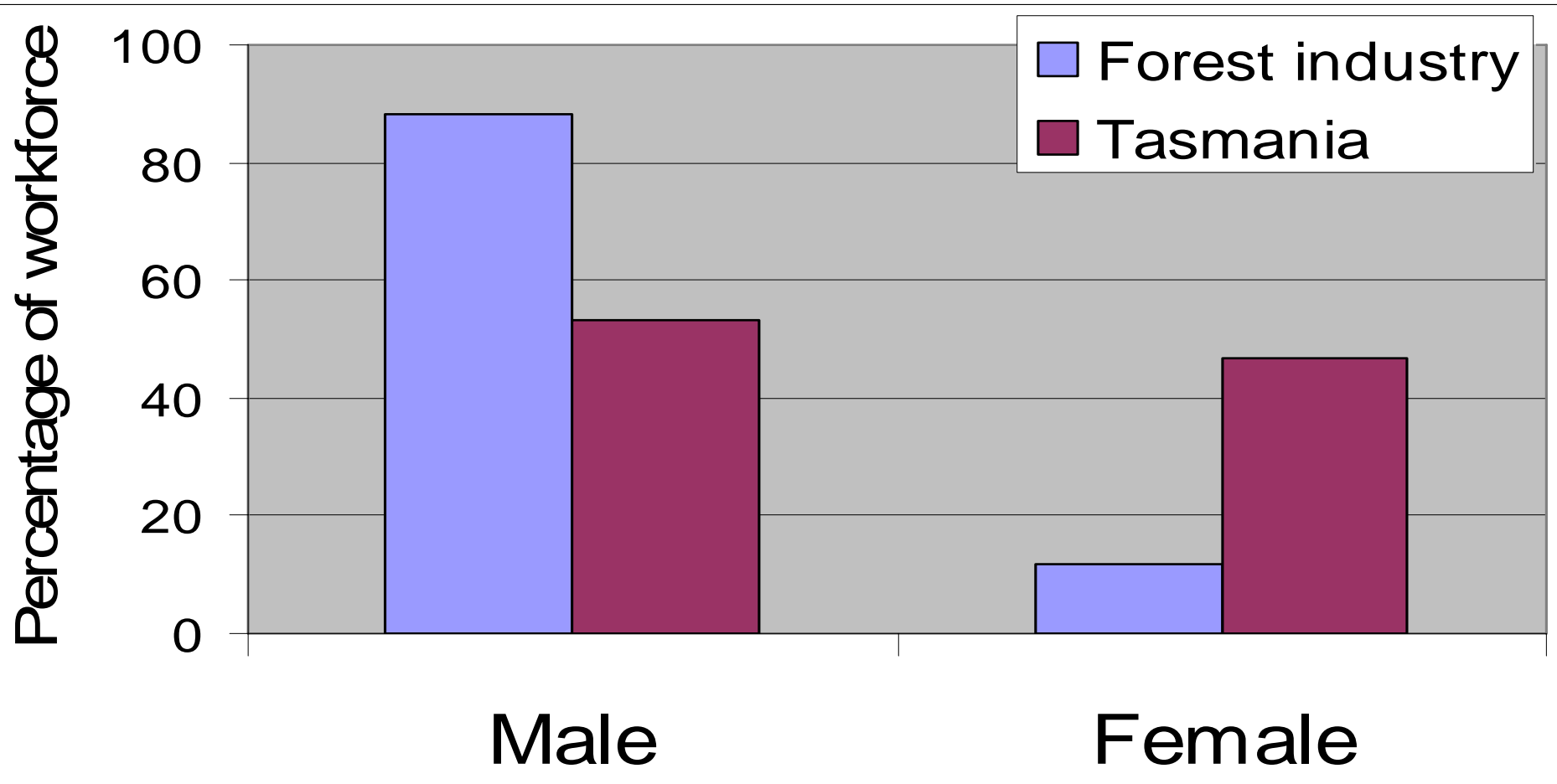
- Derwent Valley (32%)
- Dorset (23%)
- Kentish (19%)
- Central Highlands (13%)
- Huon Valley (9%)
- Georgetown (9%)
- Glamorgan-Spring Bay (8.5%)
- Circular Head (7.5%)

In other LGAs <6% of employment in forest industry

Full-time and part-time workers

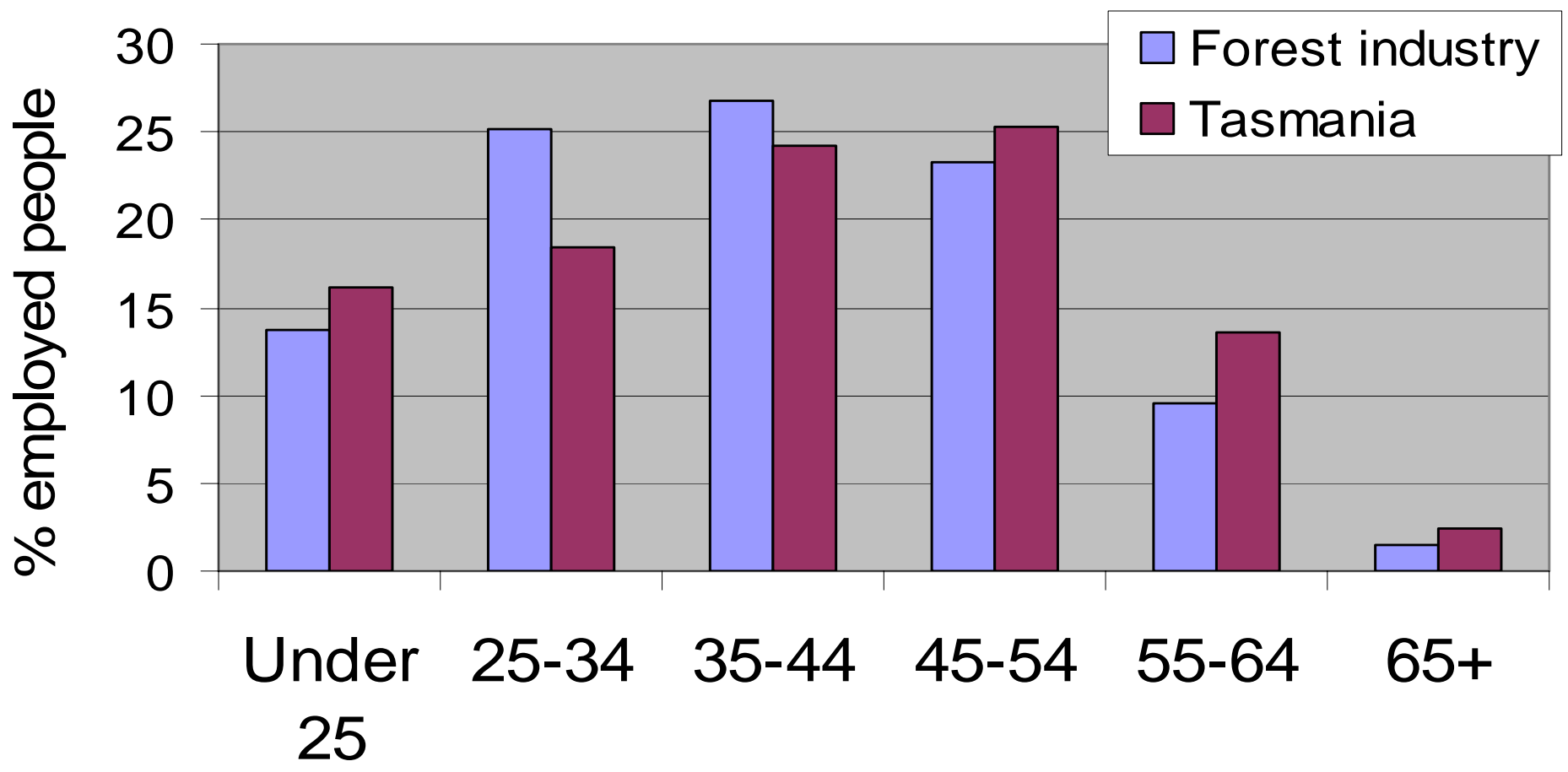


Gender



Data sources: Forest Industry Survey; ABS Census of Population and Housing 2006

Age



How has employment changed over time?

- ABS data indicate Tas forest employment
 - fell 4.5% over 1996-2001 (in Aus, grew 4.7%)
 - fell 2.5% over 2001-2006 (in Aus, fell 1.7%)
- However:
 - ABS data exclude some contractors
 - Increasing use of contractors in forest industry
 - Therefore unsure if figures reflect real change – or shift in who undertakes work
- Forest Industry Survey repeated 2008, 2010
 - Improved estimates of change over time

How do these estimates compare to others?

Three recent estimates:

1. Forest Industry Survey, 2006: 6,300 people
2. Australian Bureau of Statistics, 2006: 5,458 people
 - Excludes many contractors
3. FAFPESC, 2002-03*: 10,760 people
 - Very broad definition of forest industry (2055 in retailing)
 - Total employment estimated using direct multiplication from sample
 - Some non-forestry workers likely included in estimate

*Forest and Forest Products Employment and Skills Company

Conclusions

- Definitions matter
 - important to clearly identify who is included in the forest industry
- Forestry is an important contributor
 - significant proportion of Tas jobs, spending
 - particularly high in some rural areas
- Follow up work needed
 - identify how jobs & spending are changing
- Please use the data
 - it is intended to help inform discussions about the industry

Other research in the 'Communities' project

Socioeconomic costs and benefits of plantation forestry

Dr. Jacki Schirmer, Australian National University

Better understanding of community attitudes to plantation forestry

Dr. Kath Williams, University of Melbourne

Community engagement and the forest industry

Prof. Frank Vanclay, University of Tasmania

Participatory modelling of forested landscapes

Prof. Jerry Vanclay, Southern Cross University

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