Tasmania’s Green Disease

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Going Green is a great way to end up in the red. A look at the decay of the island State.

A S M A N I A is chronically ill from the Green virus, and wasting away. According to the Australian Statistician, Tasmania is the only State or Territory whose population will decline—regardless of which of the ABS’s three sets of assumptions are used about immigration, fertility and interstate population flows. By the year 2051, Tasmania’s population will be down from its present level of 473,000 to either (depending on which set you adopt) 462,100, 445,700 or 418,500 people.

Perhaps Tasmanians are fortunate that their fertile and pleasant island has become an economic backwater, and a place for mainlanders to escape the hustle and bustle which goes along with economic activity, the roar of urban traffic which is the consequence of two cars in every garage.

If that is so, Tasmanians, providing they can find jobs, should be grateful, because Tasmania’s fate is mostly, if not completely, all their own work. Tasmanians vote consistently for the Green and A L P politicians who have made their State so quaint.

They have just done it again, tipping out a State Liberal government and dismissing the last two Liberals among their five members of the House of Representatives.

The consequence, as Peter Nixon reported early last year in his joint Commonwealth-State Inquiry into the Tasmanian economy, is that Tasmania has an unfriendly business environment.

Nixon told the Prime Minister, John Howard, who commissioned the report in October 1996, and the State Premier, Tony Rundle, who lost office in September 1998, that this unfriendly business environment made it difficult to develop manufacturing industries which would be viable and competitive on world markets.

‘This factor has been associated with the high levels of sovereign risk associated with the Tasmanian forestry industry,’ said Nixon in his report.

‘Sovereign risk’, in the context of Tasmania’s forests, is comprised of Senator Bob Brown and of Christine Milne—who used the Wesley Vale project to launch herself as a national figure, and to win a seat in the Tasmanian Legislative Assembly.

It is also Bob Hawke, who was Prime Minister when the Wesley Vale project was proposed, and Graham Richardson, Hawke’s environment minister. You should also include Tasmanian Senator Shayne Murphy, although he made his contribution as an official of the Construction, Forestry and Mining Union (CFMMEU).

Tasmania’s unemployment rate is 10.6 per cent, against a national average of 7.5 per cent; despite a decline in population as a result of interstate immigration during the year to March of 4,650, or one per cent.

There hasn’t been a worthwhile development project in Tasmania for decades. Incat, one of the world’s leading boatbuilders, is Tasmanian, but that just happened as the result of the enterprise of one man, Robert Clifford, whose success surprised everybody.

The rot began 25 years ago, with the flooding of Lake Pedder, in the central Tasmanian highlands, to generate electricity. The A L P Premier, Eric Reece—aka ‘Electric Eric’—who was strongly committed to development driven by hydro-electric power, was cheered in the Tasmanian Assembly when he announced that, Green opposition notwithstanding, the Pedder project would go ahead.

Less than a decade later, a proposal by the then Hydro-Electric Commission to dam the Franklin River, in south-west Tasmania, as the last major project of the State’s hydro-electric development programme, was defeated by Green agitation.

The issue became symbolic. Greens around Australia took up the cudgels on behalf of a river they had never seen. The Coalition government of Prime Minister Malcolm Fraser, sensing the electoral tide and the strength of conservationist sentiment, offered Tasmania’s Liberal Premier Robin Gray a thermal power station and a lump of money to abandon the Franklin project.

Gray saw himself as another Charles Court, the Western Australian Premier who incited tiffs with Fraser, and proflited from ‘standing up to Canberra’. Court picked his issues so that they were storms in teacups, not fundamental conflicts which would inflict real harm on a fraternal government.

Gray’s other role model was the Queensland Premier, Sir Johannes Bjelke-Petersen, whose antipathy to Canberra was deep seated. The Franklin was no storm in a teacup.

Gray had been elected on a development programme after the A L P Premier Doug Lowe had vacillated for a year.

The Whitlam Government had accepted the right of the Reece A L P Government to proceed with the Pedder scheme in the 1970s, but the price had been high—Lake Pedder contributed to Whitlam’s landslide loss in 1975.

The Hawke-led A L P was not about to put economic development ahead of political considerations. It had, as a basic strategy, a determination to exploit the concern about the environment which had developed—concern helped along by the highest rate of population growth in the developed world, which, ironically, was a basic strategy of the Hawke Government.

The Franklin became an issue in the 1983 election campaign which tipped out the Fraser Government—a case can be...
made that it was the decisive issue: greensies in platypus suits haunted Liberal and National Party candidates across Australia.

Newly installed as Prime Minister, Bob Hawke forced the cancellation of the Franklin project by having it listed as a World Heritage area at the United Nations and legislating to enforce the cancellation; legislation ruled (by 4 to 3) constitutionally valid by the High Court.

Tasmania got no thermal power station. It got top-up money to build the King and Anthony dams on the West Coast, which made up 112 megawatts of the 180 megawatts which the Franklin would have supplied at less cost, and an undertaking that the other 68 megawatts would be financed if there was ever a demand for it.

It can be argued that, from that moment, Tasmania’s downhill course was set. The ALP was ever mindful that saving a Tasmanian tree at the cost of a Tasmanian job was worth votes on mainland Australia. A pattern emerged of knuckling under to Green pressures, mobilizing nationally, to rescue this river or that forest from capitalism.

Brown made his name campaigning against the Franklin. He got 10 years in the Tasmanian Assembly as a member for Denison from 1983 to 1993, and has been elected for six more as a Senator. He was elected as a conservationist, but pursues a Left agenda.

It may be difficult for the rest of us to perceive how voting against economic reform saves rivers, trees and little furry creatures, but not for Bob Brown, who is just as adamant about the GST as he was about the Franklin. Perhaps he has arrived at an ultimate truth—economic stagnation is good.

Australians have seen pulp and paper mills which were jointly owned by the Herald and Weekly Times group and Fairfax, and which is now owned by Fletcher Challenge of New Zealand—has a pulp and paper mill on the Derwent at Boyer producing newsprint without the benefit of tariff protection.

Associated Pulp and Paper Mills (APPM) operated on Tasmania’s north-west coast, producing pulp at Burnie and paper at Wesley Vale, near Devonport. It is a remarkable part of Australia, possessed of rich, red, well-watered basalt soil. Nowhere else in Australia is so suitable for horticulture.

Burnie had a pulp mill, a paper mill and a hardwood mill marketed as Burnieboard. At Wesley Vale, another APPM mill produced white paper. The plant was antiquated, and the operation survived behind a 25 per cent tariff which was already moving down.

In these circumstances, APPM decided on a new mill at Wesley Vale to produce pulp by the kraft process, which uses caustic soda to dissolve lignin.

The new Wesley Vale mill was to be a massive project, involving capital investment of $1 billion. APPM brought in a partner, the Canadian firm Noranda. Wesley Vale was to produce 440,000 tonnes of pulp a year on an internationally competitive basis. There would be 20,000 tonnes for the Tasmanian mills, with 420,000 tonnes being exported.

APPM, wholly own by the listed North Limited, wanted the Wesley Vale pulp mill as a replacement for its Burnie pulp mill, which was 50 years old and at the end of its working life, although they never did say so. They sited it next to their paper mill at Wesley Vale, 40 kilometres from Burnie, and made plans to build a further paper mill, at the same site.

It was always obvious to the Hawke Government, that Wesley Vale was to replace the mill which had been the basis for a rise in Burnie’s population from 4,000 in 1938 to 10,000 at the end of the Second World War, and to 18,000 today.

Furthermore, being within bare commuting distance, it was the last chance for Burnie. It was also, you might say, just what Tasmania needed, even if it were plunged in the middle of the nation’s best horticultural land, where Christine Milne had a farm.

As with Pedder and the Franklin, Wesley Vale became a politico-emotional battleground, launching Milne on a political career which took her to the Tasmanian Assembly, where she was to remain until unseated in September 1998.

For the ALP government in Canberra, Wesley Vale was another political godsend. Hawke appointed Richardson to be environment minister in 1988, not because Richardson was a famous greenie, but because, as former NSW ALP machine man, he was a famous political operator.

Hawke and Richardson could not deny that they knew there were playing fast and loose with the livelihoods of the Burnie workforce, as they shifted the environmental requirements on Wesley Vale around, in order to win every last drop of political capital out of the project.

It was just as obvious to then ACTU President Simon Crean, who said at the time that the company was prepared to comply with standards more stringent than any in the world, and no government could ask for more.

There were other factors at work, as there always are. Robin Gray’s environment minister, Peter Hodgman, became nervous about the strength of the Green push, so that the State government appeared ambiguous and uncertain in its support for APPM.

The last straw was when rich commissioned the CSIRO to draw up a further report and guidelines for such projects. North and Noranda pulled out. As it happened, the Wesley Vale project was within those CSIRO guidelines when they eventually appeared, but the issue in 1989 was not the environment. It was sovereign risk, that is to say government risk: a concern more common in Third World countries than developed nations like Australia.

Simultaneously with these events, a retired judge of the NSW Supreme Court, Michael Helsham, was conducting an inquiry at the request of former environment minister Barry Cohen into the Lemonthyme and South Forests, to consider whether 283,000 hectares of forest should be up for World Heritage listing.

Helsham found only eight per cent of the area he was investigating warranted nomination for the World Heritage list. Richo was appalled. It was a blow at the election strategy which he had developed. The Helsham report became unavailable. There was no media distribution.

Richo took a submission to overturn the suddenly secret Helsham recommen-
A mcor must have asked themselves the same question, for the company shut the Burnie pulp mill down in October 1998.

The pulp and paper industry on Tasmania's north coast was now doomed, just to make sure, the CFMUE in 1992 pulled on a work practices strike in Burnie. They won.

In 1993, North sold A PPM to A mcor—which was once known as A PM, and which already had a sizeable operation at Maryvale in Gippsland, producing pulp and paper using the kraft process.

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