



ENVIRONMENT
TASMANIA INC



FORESTRY SUBSIDIES COMPARISONS

A recently released economic report, “*Support for Tasmanian Forestry 1997-98 to 2007-08*” prepared by Economist Dr Graeme Wells for Wells Economic Analysis, found that over the 11 years from 1997-98 to 2007-08, an estimated total of \$632.8 million had been provided in public financial assistance to the forest industry, in 2007-08 prices.¹

For comparative reference, this subsidy has been compared to a range of government services and employees, to give an indicative estimate of what this amount of money could have delivered, or could potentially deliver to Tasmania if it was allocated to other areas*. Each of the following comparisons is based on what could be delivered if the entire subsidy was directed to that area. On that basis, if the \$632.8 million in subsidy were directed to a particular area, it could deliver one of the following:

- **funding for the Tasmanian Ambulance Service at current levels for more than 14 years; or**
- **funding for the Tasmanian Parks & Wildlife service at current levels for more than 13 years; or**
- **more than 40 years of current budget expenditure by the Tasmanian Government on Tourism Marketing; or**
- **paying for the wages of 1364 Parks Rangers at current levels for the next 11 years; or**
- **paying for the wages of 386 top level specialist Doctors at current levels for 11 years; or**
- **paying for the wages of 856 clinical nurses at current levels for 11 years; or**
- **paying for the wages of 808 teachers at current levels for more than 11 years; or**
- **paying for more than 40% of the entire capital cost of a brand new Royal Hobart Hospital (42.2%).**

* NB: These figures are not indexed to inflation, see further notes below.

¹ Wells, G. “*Support for Tasmanian Forestry 1997-98 to 2007-08*” Wells Economic Analysis. May 2009.

Notes

The above comparisons are based on the results of a recently released Economic report, “*Support for Tasmanian Forestry 1997-98 to 2007-08*” by Dr Graeme Wells for Wells Economic Analysis, which found that over the 11 years from 1997-98 to 2007-08, an estimated total of \$632.8 million had been provided in public financial assistance to the forest industry, in 2007-08 prices.²

The simple comparisons listed above are based on a comparison of the total forestry industry subsidy over the 11 year period in 2007-08 prices with the **current** estimated costs for a range of wages and budget expenditure, as at June 2009, and are not retrospectively or prospectively indexed to CPI / inflation. The comparisons have been made based on the output allocations for the Tasmanian Government’s 2008-09 budget (the current budget year), and on current wage costs listed on www.jobs.tas.gov.au. The figures used for comparisons and associated sources are listed below;

- Capital cost for a new Royal Hobart Hospital at the Railyards site \$1.5 billion.³
- Clinical Nurse (Registered Nurse) – DHHS - \$67,183 p.a.⁴
- Specialist Medical Practitioner Level IV (top level) - \$148,926 p.a.⁵
- Parks Ranger - \$42,169 p.a.⁶
- Teacher - \$71,133p.a.⁷
- Tasmanian Budget allocation for Tourism Marketing 2008-09 \$15,219,000⁸
- Tasmanian Budget Parks & Wildlife Management allocation 2008-09 - \$46,084,000⁹
- Tasmanian Budget Ambulance Services Allocation 2008-09 - \$44,406,000¹⁰

² Wells, G. “*Support for Tasmanian Forestry 1997-98 to 2007-08*” Wells Economic Analysis. May 2009.

³ Department of Health and Human Services website. *The New Royal*.
www.dhhs.tas.gov.au/future_health/new_royal_project June 3rd 2009.

⁴ Jobs with the Tasmanian Government. *Department of Health and Human Services*. Current Job Vacancies, as at June 3rd 2009.

⁵ Department of Health and Human Services. *Salaried Medical Practitioners – Industrial Agreement 2006*. (Industrial Relations Act 1984, Section 55) 2006.

⁶ Jobs with the Tasmanian Government. *Fixed-Term Employment Register (Various)*. Environment, Parks, Heritage & the Arts. www.jobs.tas.gov.au/notices/index.php?id=23898 . June 3rd 2009.

⁷ Jobs with the Tasmanian Government. *Fixed Term & Relief Teacher Register. (Various)*. Education.
www.jobs.tas.gov.au/notices/index.php?type=vacancy&id=10721 June 3rd 2009.

⁸ Tasmanian Government. *Tasmanian Budget 2008-09*. (Budget Paper No 2, Volume 1).

⁹ Tasmanian Government. *Tasmanian Budget 2008-09*. (Budget Paper No 2, Volume 1).

¹⁰ Tasmanian Government. *Tasmanian Budget 2008-09*. (Budget Paper No 2, Volume 1).