



Forest Industries 2018 State Election Asks

\$77 MILLION PLAN

The Building Blocks for Growth



SA Forest Industries at a glance

Forest Industries are a large contributor to the SA economy and to regional communities, we:

- Contribute \$2.8 billion to the SA economy each year.
- Employ more than 13,000 South Australians directly and indirectly.
- SA Forest Industries are concentrated in the electorates of Mount Gambier, Mackillop and Mawson.



AFPA SA is the peak industry body representing the full value chain of Forest Industries to State Government.

AFPA SA represents members involved with: silviculture (the planting and caring for trees), sustainable harvest of forests, haulage of timber, timber manufacture and the manufacture of pulp, paper and bioproducts.

Members

Altus Renewables
Carter Holt Harvey Woodproducts
Fennell Forestry
Green Triangle Forest Products
Kangaroo Island Plantation Timbers
Kimberly Clark
N.F. McDonnell and Sons
OneFortyOne Plantations
OneFortyOne Wood Products

PF Olsen Australia
Porthaul
Roundwood Solutions
South East Pines Sales
Tabeel Trading
Timberlink Australia
Van Schaik's BioGro
Whiteheads Timber Sales

South Australia's Forest Industries: A big industry with a big future

South Australia's forest industries are an engine room of economic activity, skilled jobs, and the manufacturing of essential timber products such as construction materials for new homes and businesses. We are a vital part of our great state.

Much of this activity is concentrated in regional parts of the state, which has taken on even greater significance following the demise of the auto industry.

What's more, our Forest Industries have the potential to grow significantly over the next decade if we can get the right policies in place to support our vision.

This SA election is a once-in-a-generation opportunity for the next State Government to stand up for regional jobs and domestic manufacturing by supporting SA's sustainable, renewable forest industries.

We are clear and united on what our sector needs to drive growth and innovation to create more jobs, open up new markets in emerging industries such as bioenergy and biomaterials, and make a major contribution to the state's and the nation's efforts to tackle climate change and increase our renewable, dispatchable energy mix.

It's time to seize the opportunities and address the challenges facing our Forest Industries. For example, despite being home to an internationally renowned softwood industry, inaction at a state and national level to implement policies to ensure pine tree (softwood) plantings kept pace with our population growth means Australia is experiencing a shortage of softwood, which is the foundation for thousands of jobs in sawmills and frame and truss-making plants across SA.

This shortage means we are importing more and more timber for housing construction nationally – enough to build the equivalent of 65,000 houses - which in turn is driving up the cost of building a new home. It also means we are missing out on significant job and economic opportunities across domestic timber manufacturing, transportation and forest management.

The good news is it's not too late to reverse this trend, and we know what needs to be done. But we need action now.

This election, our industry – and the tens of thousands of workers and their families who depend on it - will support the candidates and Parties that offer the best vision for our future.

AFPA SA has developed this document articulating the Forest Industries' key policy priorities for the SA election on 17 March 2018.

I would welcome the opportunity to discuss this document with you, and urge you to share our vision for a stronger forest industries sector for South Australia.



Ross Hampton
AFPA Chief Executive Officer



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Advisory Committee

Industry needs closer collaboration with the State Government to overcome growth impediments.

- Establish a permanent Minister's Forest Industries Advisory Council. Minister to report to Parliament annually on progress of Council.
- Work with industry through the Minister's Forest Industries Advisory Council to achieve Government policy initiatives and targets.

Skilled Workers

Technology and innovation in Forest Industries are driving the need for new skills. Planning for current and future needs is essential to ensure that there is a highly skilled workforce available.

- Work with industry to develop a 10-year Forest Industries Skills Plan.
- Commit \$2 million to support the implementation of the Plan.

Energy

In recent years, Forest Industries members have reported up to 200% energy cost increases, which is limiting industry profitability, productivity, future investment and jobs. Bioenergy remains an untapped renewable baseload power source in SA.

- Commit to an energy plan which provides reliable, low-cost energy for the manufacturing sector and all South Australians.
- Establish a Renewable Energy Fund to assist forest industries companies to reduce their reliance on high emission energy sources. Commit \$10 million in grants and \$10 million in loans over 4 years to the fund.
- Provide more attractive feed-in tariffs and incentives for forestry biomass.
- Include Forest Industries in any Ministerial Advisory Committees dealing with energy.

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Promotion

A Wood Encouragement Policy recognises the carbon benefits of building in timber, and ensures sustainably sourced wood is fully considered in State Government procurement, particularly for new buildings and refurbishment projects.

- Develop a SA Wood Encouragement Policy, similar to the one the Tasmanian Government introduced in 2017.
- In conjunction with the SA Industry Advocate, develop a procurement weighting for renewable and low carbon emission timber products.

R&D

Industry will actively engage with the new National Institute for Forest Products Innovation to identify R&D to support long-term industry growth. The Institute is funded over 4 years by the SA Government and Federal Government.

- Commit a second round of \$2 million over four years to support the growth of the Mount Gambier National Institute for Forest Products Innovation hub.

Bushfire Mitigation

Bushfire is a risk to homes, communities, agriculture and forest assets.

- Commit to improve cross border fire prevention and mitigation by supporting private and volunteer fire fighting brigades.
- Commit to research innovative methods of fire detection and suppression.
- Commit to develop an arson prevention strategy.

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Developing Plantations

The right trees, planted in the right place and at the right scale, are needed to drive jobs and investment in Forest Industries.

- Provide incentives for new tree plantings for timber and other environmental benefits such as carbon sequestration.
- Commit \$2 million to a Softwood Timber Plantation development project between Government, industry and landowners to help identify and assess future investment opportunities in softwood timber plantations, and the removal of impediments to optimising the existing plantation resource.

Grow Domestic Timber Manufacturing

Forest Industries provide highly paid, advanced manufacturing jobs in regional SA. Support is needed to grow the sector.

- Commit to a SA target of doubling the economic value of the domestic timber manufacturing sector by 2050 with a focus on regional SA.
- Commit to working with industry to develop a timber **domestic manufacturing first policy** with the aim of contributing to the SA target.
- Commit \$500,000 to investigate impediments to the growth of domestic timber manufacturing by:
 - Conducting a 5 year review of the SA Forest Industry Strategy Vision 2050,
 - Conducting a 5 year review of the Blueprint for the Future South Australian Forest and Wood Products Industry (2014-2040), and
 - Review the implementation of initiatives identified in the Cellulose Fibre Chain initiative study undertaken by VTT Technical Resource Centre.

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Infrastructure

The Victorian Government has committed \$40 million to improving road infrastructure for timber industries on the Victorian side of the border. Infrastructure upgrades are needed on the SA side to enhance safety and increase productivity.

- Work with industry to prioritise infrastructure investments (e.g. roads, bridges, communications).
- Commit \$40 million (over 4 years) to improving regional infrastructure in Forest Industries areas (seeking matching Commonwealth funding).
- Work with the Victorian Government to develop collaborative infrastructure standards and projects.
- Provide a \$10 million fund for 'last mile' productivity enhancing infrastructure for Forest Industries (eg. power upgrades or heavy vehicle turning lanes).
- Commit to reducing red tape in relation to heavy vehicle movements, in line with other state jurisdictions.

Natural Resource Management & Water

Proposed changes in water allowances in the Limestone Coast area will cause a decrease in plantation area and therefore a reduction in the timber available for local sawmills.

- Work with all industries to ensure that any future changes to water usage in the South East is based on sound scientific evidence and is independently verified.
- Prior to implementation of the Lower Limestone Coast Water Allocation Plan Review, work with all industries to assess the economic impact of the review outcomes.

Enquiries

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