

Mr Ross Hampton
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Dear Mr Hampton

I refer to the Australian Forest Products Association's 2018 Election Policy Candidate Survey. We thank the AFPA for outlining its key priorities ahead of the State election and for seeking Labor's policy position.

The State Labor Government acknowledges AFPA's role in representing the majority of forest industry businesses and the tens of thousands of workers and families who depend on its prosperity.

The State Labor Government sees an exciting future for the state's timber industry. This is notwithstanding some short term and long-term challenges as were discussed a recent meeting convened by the Minister for Forests, Hon Leon Bignell MP. Your attendance at the meeting along with key representatives of both growers and processors was appreciated, as was your offer to provide a point of coordination for future engagements between industry and government.

Labor congratulates the industry for its positive outlook and for achieving and maintaining high environmental standards.

Labor believes there is investment confidence in the Green Triangle as demonstrated by the recent purchases by OFO purchase of Carter Holt Harvey's Jubilee Mill and Borg purchase of Carter Holt Harvey Pinepanels. Smaller processors have also invested or indicated their desire to invest through equipment upgrades and expansion.

Labor has a bold and confident plan for the future, one that puts our state, our people, first. Building on our proud record of innovation and progressive reform, we will create new jobs and industries, and make this an even better place to live, work, visit, do business and raise a family. You can read our policies at [Standing Up For South Australia](#) and download our full [2018 Policy Document here](#).

We hope that you will continue to work with us to build upon everything we have achieved, making South Australia more prosperous and harmonious for all.

Please see **attached** the South Australian Labor Government's response to your organisation's priority policy issues.

Kind regards
Stakeholder Response Team

12/03/18

Advisory committee

South Australia is a national leader in plantation forestry management, building on more than 100 years of expertise in plantation forestry. Forest products provide a renewable, carbon-storing source of building materials, bio-energy and bio-chemicals, and the Forest and Wood Products Industry contributes significantly to the economic diversity and development of regional economies through investment, manufacturing, and employment.

At present, the South Australian Labor government does not have a specific policy in relation to a permanent Minister's Forest Industries Advisory Council. However, we support a whole-of-government approach to working with industry on forest industry challenges and promoting viable outcomes.

Skilled workers

Labor acknowledges some of the challenges ahead for the industry and commits to working collaboratively with all stakeholders to find solutions. This includes the shortage of unskilled and professional workers across all sectors of the industry from haulage to manufacturing. Also, we acknowledge an ageing workforce is likely to have impacts over the next five years.

A re-elected Labor Government will work with AFPA, relevant government agencies and the vocational training sector with a focus on developing better forest industry skills training. Labor will also lobby the Federal Government to explore ways to access more workers, through agriculture visas.

We have also announced that TAFE SA will receive a multi-million dollar funding boost to train our young people for the jobs of the future and ensure our state's public training provider remains in public hands.

A re-elected Labor Government will increase funding for skills and training by \$100 million to prepare and train South Australians for jobs in our key growth industries, including \$90 million towards accredited training places to support apprentices, trainees and job-related training in key growth industries.

A review into industry skills advisory arrangements will also be undertaken by the Chair of the Training and Skills Commission, with support from employers and unions, in order to ensure that training aligns with industry needs.

Energy

In March 2017, the South Australian Labor government launched a comprehensive \$550 million Energy Plan – to take charge of our state's energy future and deliver reliable, affordable and clean energy for all South Australians.

Our energy plan has:

- Secured a 150MW solar thermal plant for Port Augusta – which will boost market competition and drive down prices.
- Delivered the world’s largest lithium ion battery at Jamestown, which is providing Frequency Control Ancillary Services that are reducing electricity costs by millions of dollars.
- Delivered a \$150 million Renewable Technology Fund, which is supporting investment in the next generation of large scale renewable energy projects.
- Delivered a state-owned power plant, meaning that South Australians now have stand-by power available in emergencies
- Awarded \$48 million in incentives to source more gas for use in South Australia;
- Established strong powers to bring control of the market back into South Australia’s hands.

We already have evidence that our plan is improving reliability and affordability. A recent report by the Australian Energy Market Operator (AEMO) stated that our plan is helping to alleviate risks to the energy system, and to provide reserve supply.

The South Australian Labor government strongly believes that more renewable energy leads to cheaper electricity. This is supported by the Australian Energy Market Commission, which recently forecast that household prices are expected to fall by an estimated 7.3 per cent each year over the next two financial years, thanks to investment in new renewable energy projects.

Our \$170 million Renewable Technology Fund is designed to accelerate the transformation to the next generation of renewable energy technologies. Our call for proposals, released last year, included a specific call for biomass projects. The Fund is supporting plans to develop Australia’s first straw-fuelled power plant near Ardrossan on South Australia’s Yorke Peninsula. We encourage the AFPA to put forward relevant proposals to this fund.

A re-elected Labor government will continue to foster a positive policy environment that encourages investment in renewable energy in South Australia, increasing reliability and leading to cheaper power prices. We will increase our Renewable Energy Target to 75 per cent of energy generation in South Australia from renewable sources by 2025. We will also introduce Australia’s Renewable Storage Target, to ensure have 25 per cent of our state’s average peak demand (~750MW) available in stored renewable energy by 2025.

Our storage target will be supported by a fund, providing \$20 million over four years to incentivise the uptake of new storage technologies.

Promoting the use of timber

The South East Forestry Partnerships Program (SEFPP), an initiative of the State Labor Government, is supporting the development of innovative products and technologies to increase sales volume and log throughput, to benefit the entire regional forestry supply chain. Primary Industries and Regions South Australia is overseeing 13 projects funded from the program, which will generate more than \$63 million of total investments in the region’s forestry industry. The Government also allocated \$2.95 million from the Program to upgrade the Mount Gambier Airport to create and maintain jobs and boost economic activity in the South East.

Minister for Manufacturing and Innovation, Kyam Maher, is also working with the forest products industry to see how South Australia can best capitalise on the twin goals of reducing emissions and creating manufacturing jobs – particularly in the built environment.

R&D

Labor recognises innovation and modernising the industry are keys to its long-term future and has invested \$2 million to establish a forestry innovation hub in Mt Gambier to bolster the industry. Labor will continue to provide grants and low interest loans through the Regional Development Fund Grant program and the Department of State Development. It will also work with industry to investigate education and awareness programs in other jurisdictions to improve public perception of forestry and promote of the great credentials of our forestry industry.

Bushfire mitigation

When Labor came to Government in 2002, there was no preventative fire program for our parks and reserve system. And since establishing a prescribed burns program, the Labor Government has worked to make it one that is leading the nation. The environmental fire management budget for 2017-18 was \$13.7 million, compared to approximately \$3.15 million in 2003-04.

The number of brigade members in the environment department brigade has increased year by year, every year, from 300 in 2003-04 to 530 in 2017. In 2016 the State Labor Government committed \$16.2 million over four years to increase the State's capacity to prepare for bushfires and implement bushfire fuel management strategies on both public and private lands.

This Labor Government has continued to invest more into our emergency services, with the CFS receiving \$87.5 million funding from the Emergency Services Levy (ESL) in 2017-18.

A re-elected Labor Government will continue to provide the CFS with the funding they require and the degree of autonomy appropriate to determine where that funding is best directed to serve the community. The Labor Government has also committed to building a new state-of-the-art headquarters for the CFS, SES and South Australia Fire and Emergency Services Commission, including new control centres.

Supporting plantations

A re-elected Labor will work with industry to maximise the value of every cubic meter harvested from plantations. Jobs are our number one priority and we want to see more jobs created in the forestry industry, more investment, better returns for business and security for industry workers and their families.

Grow domestic timber manufacturing

The South Australian Labor Government provides in-principle support for the forest industries' goal to double the economic value of the domestic timber manufacturing sector by 2050.

Labor will work with the Federal Government and with industry to ensure the industry is internationally competitive, sustainable and is able to withstand any sudden adjustments or shifts in overseas markets, for example China. It will also contribute to the development of the National Forest Industries Plan. The *Blueprint for the Future South Australian Industry (2014-2040)* is the culmination of significant industry consultation across South Australia and will provide a valuable background document for the National Plan.

Infrastructure

Transport is another challenge for the industry and the State Labor Government has already responded by agreeing to work with AFPA on an industry survey to build a picture of specific transport issues, including routes, permits, truck size etc.

The South Australian Labor wants to ensure South Australia has a world-class transport infrastructure system, which facilitates the safe and efficient movement of freight – which is why a re-elected Labor Government has committed to a \$2 billion road, rail and port plan.

Our plan includes an injection of \$150 million of equity into a new South Australian Ports Authority to oversee the development of ports, including a new multi-user, deep water port in the Spencer Gulf.

Labor has also overseen a vast improvement of our state's road and transport networks. For example, we have completed the Northern Expressway, South Australia's largest road project for more than 40 years, opening up Adelaide's north spanning 23 kilometres from Gawler to Port Wakefield Rd, and improving the freight transport route from regions north of Adelaide.

This is in addition to the \$842 million South Road Superway, a non-stop corridor approximately 4.8 kilometres in length, including an impressive 2.8 kilometre elevated roadway, from the Port River Expressway to Regency Road.

We are also committed to improving regional road transport, and reducing red tape in relation to heavy vehicle movements. Primary producers and road transport operators have received estimated industry benefits of at least \$80 million from the 90 Day Project - Improving Road Transport for the Agriculture Industry.

Following on from the success and momentum of the first project, a second survey was undertaken last year to identify any remaining issues. The survey provided an opportunity for those that were not engaged in the first project, including the forestry, dairy, fresh produce, fisheries and aquaculture sectors, to have their say. Almost 500 people responded to the survey, identifying 90 issues related to road transport issues.

We are also investing more than half a billion dollars in maintaining and upgrading our road network, with \$341 million being spent in regional areas. This financial year even more roads will be upgraded with approximately 596 kilometres of rural roads resurfaced, and a further 170 kilometres of shoulder re-sheeting and 190 kilometres of shoulder resealing.

Natural resource management and water

Water allocation issues potentially impacting current and increased forest production levels and the areas available for plantation expansion have also been raised by industry. A re-elected Labor Government will immediately undertake a review of the *'Guidelines for Plantation Forestry in South Australia'*. These guidelines, released in 2009, focus on how forestry is managed in the physical environment including consideration of water and soil resources, as well as planning and consultation with neighbours and stakeholders in relation to the scheduling of forest operations.