

LEADER OF THE OPPOSITION



LEGISLATIVE COUNCIL

PARLIAMENT HOUSE

ADELAIDE, S.A. 5000

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21 February 2018

Mr Ross Hampton  
Chief Executive Officer  
Australian Forest Products Association SA  
PO Box 179  
Kilkenny SA 5009

Dear Ross,

Thank you for the opportunity to respond to the Australian Forest Products Association (AFPA) SA's *Building Blocks for Growth* document.

As articulated, forest industries are crucial to the South Australian economy. From growth, harvest and haulage, through to processing and the multitude of products delivered, the resulting jobs are diverse, as are the many challenges faced by these industries.

The State's South East arguably underpins South Australia's forestry industries and its economic future will greatly influence outcomes throughout the value chain. Over the past 16 years of the State Labor Government, we have seen a general disregard for regional development which, in the South East, culminated in the privatisation of its most productive asset.

We agree with your view that this election is a once-in-a-generation opportunity for the next State Government to stand up for regional jobs and domestic manufacturing. The State Liberals want to move forward with a positive and pro-active economic plan whereby forestry can thrive yet again in the South-East, alongside new and emerging industries.

### **Advisory Committee**

A Marshall Liberal Government will work with industry to arrive at an appropriate structure and representation for the South Australian Forestry Council. The remit of the Council will be to consult with stakeholders and offer recommendations to government regarding measures to facilitate the expansion of the plantation estate and the growth of domestic timber manufacturing in South Australia. The Council will issue a report on an annual basis.

Through the Forestry Council, we will maintain a strong working relationship with the Australian Forest Products Association, SA Timber Processors Association and other stakeholders. There will be no surprises and no broken promises.

### **Skilled Workers**

A Marshall Liberal Government will invest \$100 million to create more than 20,000 new places in the Vocational Education and Training (VET) system to provide young South Australians with more opportunities to secure an apprenticeship or traineeship.

## **Energy**

A Marshall Liberal Government will implement a comprehensive solution to fix the electricity crisis that Labor has created, ensuring our system is reliable while driving prices down. This will include smarter storage and stronger networks, plus successfully transitioning South Australia into a new era of energy technology. The details of our policy can be found at <https://strongplan.com.au/policy/liberal-energy-solution/>.

We recognise the potential role of forest biomass as a source of renewable energy to the South-East region and will commit to exploring opportunities in this field.

We will also further consider options such as amendments to the renewable energy regulations which would allow appropriately scaled renewable energy initiatives using wood biomass, to benefit from energy initiatives available to other renewable energy sources.

In recognition of the significant energy requirements of our timber manufacturing industries we will, where appropriate, seek their input in the formulation of energy policy in South Australia.

## **Promotion**

The State Liberals recognise the enormous environmental and commercial benefits of using timber in construction and the contribution that sustainable, renewable timber use can make to a lower carbon future. Should we form Government, we will work with the Industry Advocate towards increasing the use of sustainably sourced forest and wood products within Government procurement activities.

## **R & D**

A Marshall Liberal Government will continue to support any funding in the current forward estimates, for the Mount Gambier hub of the National Institute of Forest Products Innovation. The hub is currently funded by the State and Commonwealth for a four-year period. We will consider requests for further funding to extend the programme.

## **Bushfire Mitigation**

The State Liberals recognise the pivotal role of our outstanding volunteer fire fighting brigades as they put their lives on the line to protect South Australians. Bushfires ignore state boundaries, so improved cross border cooperation is essential. We will work with emergency services agencies and the Victorian Government to improve cross-border firefighting capabilities.

A Marshall Liberal Government will leverage research initiatives arising from the Turnbull Government's National Bushfire Mitigation Programme including long term bushfire mitigation strategies and better fuel reduction programmes.

We will work to reduce red tape for police so that they can streamline operations and get more police out protecting our community.



## **Developing Plantations**

A Marshall Liberal Government recognises that the forest products industry can contribute to 'avoided' greenhouse gas emissions. Our Regional Growth Fund commitment, aimed at creating jobs and unlocking economic activity, provides a mechanism for developing forestry plantations. The economic case for that investment will be considered alongside that of other industries.

A Marshall Liberal Government will, through the Regional Growth Fund, consider opportunities to expand the plantation estate, with a particular focus on farm forestry.

## **Grow Domestic Timber Manufacturing**

A Marshall Liberal Government will work to deliver the target of doubling the economic value of the domestic timber manufacturing sector by 2050 by creating the right environment for businesses to thrive and support job creation.

We will create jobs and unlock new economic activity in our regions by injecting \$150 million over the next ten years to support employment growth in the regions through our Regional Growth Fund. This fund will support projects that unlock new economic activity in our regions, creating jobs, growing export opportunities and strengthening regional communities.

The State Liberals supported legislation to make the Industry Advocate a statutory authority and a Marshall Liberal Government would work with that Authority to improve the ability of South Australian businesses to compete for and win government contracts, enabling these businesses to grow and create jobs, while delivering the same or better outcomes for taxpayers.

We believe that the need exists for a long term economic strategy for the Mount Gambier region, of which the forest industries will comprise a major component. The review of the listed policy documents would form a keystone component of that economic strategy.

## **Infrastructure**

A Marshall Liberal Government will take a strategic, not political, approach to building our infrastructure. We will establish Infrastructure South Australia, an independent body that will combine the expertise of the public and private sectors to develop a 20-year state infrastructure strategy and 5-year infrastructure plans; including infrastructure requirements for the timber industry.

Under our *Royalties for Regions* policy, we will ensure better, safer infrastructure with a dedicated regional roads and infrastructure fund. Each year, 30% of the State Government's revenue from mineral and petroleum royalties will be paid into this fund, estimated to be \$750 million over ten years. This dedicated funding stream will ensure the delivery of key infrastructure improvements in addition to other productivity and safety-enhancing projects.

Through its Economic Advice and Support for Regions policy, a Marshall Liberal Government will ensure that the Limestone Coast Regional Development Australia Board works with its Victorian counterparts to undertake work on a wider range of cross-regional issues and economic development projects.

A Marshall Liberal Government will establish the South Australian Productivity Commission to provide advice on cutting red tape, improving government services, and delivering economic reform.

We will support business through better government. This will enhance the productivity of both our public and private sectors by removing regulation and enabling more informed decision making.

### **Natural Resources Management & Water**

A Marshall Liberal Government will put on hold all further cuts to water allocations in the South East NRM region until a review of the science upon which the proposed cuts takes place.

Under a Marshall Liberal Government, an economic assessment will be a key aspect of the water allocation plan, alongside environmental sustainability, with a view to maximising economic development of both primary production and downstream manufacturing industries

Thank you again for the opportunity to respond to AFPA's policy agenda – you have considered several critical issues where the State Liberals have presented clear policy directions. We will continue to release policies over the coming weeks, some of which will interest AFPA and its members.

I hope that from March 2018, we will have the opportunity to work with AFPA as a Marshall Liberal Government, in implementing these and other initiatives of benefit to South Australia.

Yours sincerely



**HON DAVID RIDGWAY MLC**

*Leader of the Opposition, Legislative Council  
Shadow Minister for Primary Industries,  
Regional Development and Tourism*