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200,000 housing starts- an opportunity lost

In light of the news that, despite record housing starts, much of the softwood for framing is being sourced from imports, Australian Forest Products Association (AFPA) Chairman Mr Greg McCormack is urging the Australian Government to support the forest industry and move quickly to reveal a National Forestry and Fibre Plan.

Mr McCormack said, “2014 saw a record number of more than 200,000 building approvals across the nation*. However, the recently released ABARES data reveals that much of that growth is being delivered by imported product. In the last reporting period a record 786,000 cubic metres of softwood for framing and other uses entered Australia. While we all accept that in a globally exposed economy such as ours there will be a role for imports, but this is the equivalent of importing coal to Newcastle. We are the seventh most forested country in the world, with 149 million hectares[^]. We have 78% of the forested area of our region. We have an obligation to use this resource. Clearly we can, and must, do better if we are to maintain jobs- especially in regional communities.”

“Forestry and forest product industries in Australia provide 120,000 direct jobs and support a further 180,000 indirect jobs. The industry is sustainable and managed to world-class standards. But the process to growing sustainable fibre creates investment challenges. It takes eucalypt plantations 10 years to become a functional resource, softwood takes at least 30 years, and native forests have a 60-80 year turnaround period for the fibre to be useful. What is missing is a comprehensive suite of sophisticated policy settings to secure this fibre. For example, new plantation development has effectively stalled post the global financial crisis. Without more fibre our operations around regional Australia cannot grow to their full potential, and that will cut jobs.”

“We cannot continue to miss these opportunities. Demand in the Asia Pacific region continues to expand, creating huge potential for forest industries. Australia is well placed to meet this demand for fibre if we can get our house in order.”

“I commend the Parliamentary Secretary with responsibility for forest industries, Senator Richard Colbeck, for commencing a process to create a National Forestry and Fibre plan. The release of the Forest Industries Advisory Council ‘Discussion Paper’ is a step in the right direction. I urge Senator Colbeck’s Parliamentary colleagues to support his vision for a sustainable, growing industry in Australia,” said Mr McCormack.

Mr McCormack was speaking at the whole-of-industry Gala Dinner in the Great Hall of Parliament House. The Prime Minister Tony Abbott and the Parliamentary Secretary for Agriculture Senator Richard Colbeck spoke at the event. More than 40 Members of Parliament also attended.

* According to the Property Council of Australia, quoting ABS Building Approvals.

[^]According to the FAO Global Forest Resources Assessment 2010 Report

AFPA represents forest growers, harvesters, and manufacturers of timber and paper products.

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