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Comment on the Forest Industry Advisory Council Issues Paper

Vision and objectives of the forest products sector

The vision of our industry could be two fold one for Native Forests and one for Plantations.

Native Forests:

The Australian Native Forest Industry should be the best example in the world of a well managed environmental and sustainable forest industry producing some of the best hardwood products in the world, a world leader in sustainability, carbon storage, and innovation, competitive and economically viable. A Native Forest industry managed for the benefit of future generations of Australians.

Plantation Forests:

The Australian Forest Plantation Industry should be a world leader in plantation forestry producing wood and paper products on a sustainable basis, competitive, innovative and economically viable. Protecting the environment and having a low carbon footprint, it should produce products that are first choice to customers worldwide.

The objectives of the vision;

- Plantation expansion target (20/20 vision and after?)
- Carbon storage targets
- Investment opportunities
- Invest in Australian industries – pulp mills instead of exporting wood fibre to other countries
- Green building – more timber to be used in buildings, timber stores carbon
- Education – educate the population regarding sustainability, carbon storage, timber benefits, change the mindset of lock up and leave.
- Educate the population on environmental and sustainable native forest management practices.

Issue 1: Market Trends and pressures

Invest in pulp mills, why do we need to export wood fibre and then import paper products. Australia exports millions of tonnes of wood fibre then imports paper products back. Why do we not build environmentally friendly pulp mills and use our wood fibre locally. Provide work for Australians and build a world class pulp manufacturing plant. The North coast of NSW is a typical example of an area where wood fibre is not utilised to its full potential.

Not only pulp mills but biomass plants, let's utilise the wood waste in the forest providing jobs to low socioeconomic rural areas and produce a product of world class standards.

Reinstating native forest wood waste under the RET and amending the RET to allow for renewable energy certification.

Issue 2: Emerging uses and markets

Wood waste and wood fibre have a great potential for markets in Australia. Pulp mills!!! Why do we not invest in pulp mills? Let's be the leader in paper manufacturing, why export fibre to other countries? Let's create jobs for the Australian people by utilising our forests better to create these industries (pulp mills, biomass plants, composite wood products). We are not utilising the wood waste and wood fibre to its potential. We take the easy road as the miners do and export our wood fibre to others. We need to be innovative and productive to utilise our forests to its potential and create jobs, be world leaders not followers.

The advantage we have in emerging markets is that we have the forests (native and plantation) but our plantation forests still need an urgent boost in plantable area, we have the land and skills but lack the vision/drive. We need to increase our plantation area to at least 3 million ha by 2030. We have a unique native forest industry in Australia with sought after timber, but what have we done? We have created National Parks in our most productive forests and locked them up to burn down with devastating results to the environment. Just imagine the destruction of wild life during one of these destructive fires and still we do nothing to stop this practice (lock up and leave). We need to have a Beyond Tenure approach to native forests. The native forests need to be managed to their potential, using sustainable forest management practices with positive environmental outcomes. What we have today is a serious imbalance as one tenure type has been given priority over the other. In the last 20 years half of the State Forests have been converted to National Parks. Half of what remains in Native Forests is now excluded from harvesting due to over regulating. The forest industry is left with an unsustainable area to meet market demands. Why - productive forests now National Parks. Beyond Tenure will sort out these deficiencies.

In coming decades there will be demand on timber as never before and we need to be ready for the resulting challenges. We need to manage our forests sustainably to produce the products and also develop our industries to be able to cope with those challenges. We need to improve the way we do things minimising waste and maximising recovery, using every bit we can including the wood waste and fibre.

Issue 3: Forest resources

Resource security

The most important factor for the native forest industry would be resource security. Need to renew the RFA's and give the industry assurance of longer term resource security. The Beyond Tenure model would provide sustainable, active and adaptive management across all tenures. There is a need for balancing values – social, environmental and economic – to come up with a sustainable and balanced native forest management system. The current tenure system has led to vast inefficiencies and cost differentials. Vast tracks of land that have been locked up could be sustainably managed to the best advantage of all the people of Australia.

The plantation industry needs a vision and plan to increase the planted area to at least 3 million ha by 2030. This should be hardwood and softwood combined. We have the area and expertise available in this country but we also need:

- Longer-term loans with payback at harvesting or during thinning regimes.
- Carbon-related financing programs
- Joint venture projects between larger companies and smaller land owners
- Government support and policies that are pro-forestry
- Farm forestry
- Bio-security

- Precision forestry
- Education and training
- The environmental and social impacts of plantations on the wider community – only a positive story
- Regulatory impediments to be looked at in more detail

Issue 4: Innovation, research and development

We have been cutting funding to the once flourishing R&D initiative. Without research and development all these visions will end up in the bin - they are the backbone of progress. Let's get them going again and invest in our future.

We need to be seen as world leaders in this field with support from government and larger companies. Need capital investment in this field. Maybe it's time everyone in the industry contribute towards R&D on pro-rata basis depending upon what they do - sawmilling, harvesting, haulage, silviculture, processing. Work out a rebate to be paid annually based on certain criteria like volumes produced, areas planted, volumes harvested and other. This rebate will help fund R&D as long as everyone contributing benefits from the R&D program.

Issue 5: Consumer and community engagement

Consumers and community should be better informed about the environmental, socioeconomic and sustainability factors of this industry. This industry is highly regulated but the community is not informed instead they are fed misinformation daily about how bad the industry is. This industry is the main employer of people in the lower socioeconomic rural areas providing jobs to be proud of and keeping small communities flourishing. Without the forest industry these areas will be wiped out.

Better public awareness programs needed to promote the benefits of sustainable forest industries to communities and consumers.

Issue 6: Strengthened regional approaches

Forestry hubs need to be close to the resource and require infrastructure and investment for road, rail, processing plants, and ports for export. Strategic studies are needed to show the best areas to grow plantations, establish industries and develop infrastructure. Interaction with state and federal governments is needed. Growth opportunities are needed in the rural areas to encourage the movement of people out of overcrowded cities. We need less red tape to get projects moving through approvals, capital injections and assistance from government. Today the biggest problem is getting approvals from local government with red tape and other barriers proving too difficult for many.

Issue 7: Infrastructure and investment

Forestry investment is linked to a well developed infrastructure, rail, road and ports. They need to be maintained and improved to keep up with development. We need access to ports to export our products. We need to develop industries to take us into the next century as leaders in forest products for instance a pulp mill on the north coast of NSW. Residue from plantations and native forests are left in the forest due to no facility to supply to. When we did supply export pulpwood to Newcastle it became too costly due to inefficiencies in the process, double handling, chipping took place 100km from the loading facility. These are the issues we are facing. We need to be productive, innovative and have the infrastructure. There should be either a woodchip plant on the port of Newcastle or a pulp mill on the north coast between Newcastle and Coffs Harbour. Currently the residue potential on the north coast is not being utilised but left in the forest. There is the potential for a chip mill, pulp mill or a bio-plant with intake of >400,000 tonne per annum. What are we

doing with this potential, leaving it in the forest too hard basket? We do not even need additional infrastructure to get this project running as it is in place. What we need is a government supporting the forest industry and gutsy investors/business people and people with innovative ideas. The key is government assistance to get past all the red tape and green negativity and misinformation.

There should be strategic studies done to identify these opportunities and get them going. Tasmania had a pulp mill planned and what happened, it was stopped by a few loud environmentalists and an unsupportive government. We need to build our regional areas to vibrant forest industries we have the forests and can develop more plantations so what's the problem?

Issue 8: Industry skills and training

Forestry is a science it is not lock up and leave nor is it rape and pillage. We have the best working native forests in the world that should be managed sustainably and scientifically. By doing this we can create a forest industry (native and plantations) that will produce products well in to the future without any problem but we need skilled people to manage these forests. We need the forest scientist, the skilled foresters, the saw miller, the investor, the business men, the accountants, and the truck drivers, the harvesters, the saw doctors, the mill machine operators, the plant operators, the workers - they are all important and part of this dynamic team and they all need skills and training. We have the best universities to train them; we have the TAFE institutions, Forestry school, Frostworks' and many other training providers. Let's invest in our people and get them trained to meet this modern forestry approach with high technology skills and innovative ideas.

We need the promotion of the industry to the younger generation as they are the ones that will take this industry into the next century. Let's start with the schools and teach them what forestry is really about.

Australia is blessed with millions of ha of native forests and vast tracks of land for expanding the plantation industry, all we need is a fair go and a supporting government and this industry will provide this country opportunities and growth as not seen before. Training and education is essential.

At this stage we lack the motivation due to the green negativity towards this industry, the lock up and leave approach of previous governments, and younger people leaving the industry because they see it as a dying industry with no growth. Education is the key, people need to know and understand the science of working forests, the sustainability, the environmental aspects and benefits, the carbon positive story and the socioeconomic benefits.

Newell's Creek Sawmilling Co
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