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Introduction

Timber Communities WA (TCWA) is a grass roots organisation that represents forest communities in Western Australia. TCWA is the voice of communities that interact with the WA forestry industry, this is inclusive of all facets of forestry, plantation, native hardwood – from growing to harvest and processing, through export, local manufacturing and retailing.

TCWA appreciate the opportunity to comment on the Forest Industries Advisory Councils Strategic Direction Paper *'Meeting Future Market Demand: Australia's Forest Products and Forest Industry'*.

1. Resource Security

TCWA a representative of our forestry communities we must stress the importance of maintaining an adequate estate with secure ongoing supply arrangements. Companies need to have long term security to ensure a viable future and ongoing investment. The right to plant and the right to harvest are fundamental concerns to ensure this security.

Plantation Forests

Plantation establishment – both softwood and hardwood - and indeed retention of area under production management, has stagnated over recent years especially so in the southwest and great southern of WA. This is of concern for future investment and confidence within our forest based communities. Whilst hardwood plantations expanded under the MIS this we have seen the reduction of investment and replanting since the GFC

Native Forests

TCWA as a community organisation is concerned at potential for further erosion of resource security in the native timber sector in Western Australia. With minimal productive private native forestry in WA, the principle estate is held by the state.

With progressive government decisions, we have in WA seen a substantial amount of Hardwood forest taken out of production forestry, i.e. forest available for sustainable forest management, with 62% of the gross forest area (southwest) now in conservation reserves.

Mechanisms to secure the existing timber estate:

a) WA Regional Forest Agreement

TCWA (TCA) have been heavily involved with the social aspect so the RFA, following the Protecting our old growth forests policy this severely impacted forestry communities with thousands of job losses and communities still impacted today.

RFA's should be a critical instrument for forest resource security, both for the plantation and native forest estates.

Timber estates should be treated similarly to any other agricultural crop, in that they are grown for the primary purpose of harvest. Native forests can be and are managed concurrently for production and some biodiversity management.

Again the RFA should be strengthened to ensure the right to harvest is implicit for actively managed forest.

Mechanisms to protect the existing timber estate and the right to both plant and harvest this timber is the first step in providing a greater level of resource security for the future of the industry.

Securing the future of the industry will in turn open up more job opportunity for the people and local communities.

TCWA wants to see the RFA strengthened to provide resource security to industry and in turn to our forest based communities. Additionally to ensure we have the right to regenerate manager forests and to harvest them at maturity.

b) Forest Management Plan (FMP)

TCWA is concerned that these plans do not align The WA Forest Management Plan (FMP) is a 10 year plan for the management of state owned forests. The RFA overlaps a significant proportion of the FMP, although not entirely. The RFA is largely enacted through the WA FMP, yet the two plans are not well aligned. The FMP is currently a fixed 10 year plan, the RFA a 20 year plan. The interim 5 yearly assessments do not align nor is there a consistent renewal mechanism. Ideally the two plans should run parallel to each other, over a longer time frame of 20 – 30 years, with a rolling renewal mechanism and corresponding interim assessments. TC WA would like to have the WA RFA and WA FMP s aligned.

Mechanisms to expand the timber estate: new investment

Expanding timber estate is essential to meet future demand and boost the competitiveness of the industry.

a) MIS

TCWA suggest that under the reformed structure, a modified incentive scheme similar to MIS should be supported by government and encouraged by industry to attract new plantation investment.

b) Off-Setting the fibre footprint

Consideration should be given to how to attract investment in plantation expansion in Australia by undertaking a review of successful models internationally.

c) Offsetting costs.

Compliance costs are a major inhibiting factor against local manufacturing in Australia. Opportunities for offsetting these costs could improve competitiveness for the industry. Biomass is recognised as a renewable fuel source all over the world, but not yet in Australia, WA Biomass is intending to place a Biomass Plant in Manjimup and have been working to gain approval for establishing a biomass facility for many years; this had been stalled time and time again due to economic and other government policy stands. It is finally pleasing to see moves in the right direction in regard to renewable energy and RET's.

Lack of incentives to make use of forest residues and wood waste for energy generation is missed opportunity. We applaud the indications that the commonwealth government is more open to native wood biomass for inclusion in the revised RET. TCWA also wants to see innovation in a variety of ways to offset the high costs associated with manufacturing in Australia.

d) Carbon Policy

Land based carbon abatement schemes are also potential mechanisms to drive investment in the industry. With net carbon sequestration in forests and long term carbon storage in harvested wood products the industry is well placed to contribute to the carbon abatement effort. The timber industry in many ways should be at the forefront of carbon policy considerations.

However, the current policy framework fails to recognise the carbon sequestration of managed forests over successive rotations, nor the carbon stored in timber products. If carbon credits could be obtained for commercially managed forests this would undoubtedly attract investment in the industry. Government policy should support and encourage the development of methodologies to credit carbon sequestration in commercially managed forests, and recognise the carbon stored in timber products.

Fire

Bush fires in the southwest of Western Australia put in danger the community of Northcliffe, Manjimup and Pemberton. Recently in Western Australia there has been significant loss of standing volume through bushfire. It was of extreme concern that the loss of such a massive volume of future resource has gone almost unnoticed with not account for the social impact for the affected regions.

With reduced active forest management in native forests, fuel loads have been allowed to build heavily to unprecedented levels, significantly contributing to the severity of bushfires. While prescribed burns offer a partial solution, timber harvesting also has a role to play in this regard.

Given a healthy residue market and the right government policy settings it is possible much of the fuel in the forest could be collected and converted to fuel for electricity, or liquid fuels. While making use of biomass is efficient, managing the fire risk is essential to protect the existing estate from bushfires. TCWA encourage active fuel reduction activities in the forest to protect the industry and regional communities from severe bushfires.

2. Strengthened regional approaches

The Paper raises the notion of forestry hubs- focusing development around the value chain of a region. We recognise the Bunbury region as one such potential forestry hub in WA, given the number of significant processors located within the region, an enhanced infrastructure network including port facilities and availability of support services. There are other regional areas with the potential to develop as forestry hubs with an effective national framework to promote infrastructure development, such as Albany.

The benefits associated with scale have been seriously depleted in WA due to the declining resource base. While attracting new investment is necessary, attracting new investment in the right location is essential. Past efforts to expand the plantation estate such as MIS and 'Infinintree' (the WA state strategic tree planting program – partly supported by the Commonwealth) resulted in part in successful new development in forestry; but also saw a dispersed array of plantings some of which ultimately proved to be uneconomic to harvest due to their size, slow growth or distance from processing facilities. One option to enhance the notion of forestry hubs may be to look at how to focus new investment within priority areas or within an economic transport distance to priority areas and productive site potential.

Similarly a national framework to focus infrastructure development such as transport networks (including critical road links between major routes) within forestry hubs and priority areas servicing the hubs could generate transport and haulage efficiencies. A national framework should give special consideration to the specific and unique requirements of heavy haulage vehicles to maximise transport efficiency, minimising interaction between freight and local traffic routes where possible.

We with government help need to find ways to prioritise new investment in plantations within a viable distance of existing processing facilities. And to seek a national framework to focus transport infrastructure around existing facilities giving special consideration to the needs of heavy haulage vehicles to maximise transport efficiency.

3. Research and Development

The Paper acknowledges the importance of R&D and states that *'Industries that do not innovate will inevitably lose market share to those that do'*. Yet there has been a major decline in R&D funding affecting forestry research at CSIRO, and the closure of Cooperative Research Centres (CRC's) and rural R&D corporations (RDC).

The foremost concern with this trend is the permanent loss of key personnel; scientists with specialist knowledge in forestry based research, which are not easily or quickly replaced.

In WA there has been interest in pursuing permanent CRC's to maintain a core group of specialist scientists with a structure to deliver flow through operational implementation.

Given the changing nature of the resource both in native and plantation forestry, research into improving the quality of resource is considered essential work. Principally the areas of research of most interest to the WA industry include; Genetics. Tree breeding to enhance pest and drought tolerance and tree breeding to enhance- specific characterises for pulp or sawn wood production, water modelling to inform state water reform processes and timber durability testing.

International consortiums for R&D may provide opportunities to build on the body of scientific knowledge already in existence and minimise duplication.

Review recent studies into R&D restructure, with a view to retain key scientific personnel and to enhance the body of knowledge in the Australian forest products sector. TCWA support the prioritising of research according to industry requirements. This in turn will open up opportunity to work with leading universities and researchers by providing research grants for them to carry out the R&D. This will allow new technologies to be applied to the forestry industry and at the same time allowing the growth of knowledge and opportunity of research through research grants.

5. Consumer and Community Engagement

Certification

The Paper states '*the forest products sector continues to be responsive to community views*'. The mass consumers at the end of the supply chain should also be educated about certification. This will allow the mass market to be more inclined towards choosing certified wood or paper products that follows the Australian Forestry Standard.

The same trend occurred in the second-wave and third-wave coffee industry. The mass consumers are more aware about purchasing coffee and coffee beans that are 'fair trade' as the certification implies coffee farmers are paid at the market price.

Moving the bias towards certified products in mass consumers is very challenging but it is certainly a game-changer for any industry. International Industry-government lead trade missions should actively promote the AFS brand.

Wood Encouragement policy

Following the successful introduction by La Trobe City Council in Victoria adopted a wood encouragement policy to ensure wood is given careful consideration by designers, architects and builders for council projects in the region. For La Trobe the policy almost certainly will drive the need for technically skilled people, training, research and development.

TCWA are working with several local councils encouraging the take up of this policy. This would result in increasing demand for local skills and training will in turn open up more job opportunities for the people and local communities.

It would be ideal for forestry hubs to adopt wood encouragement policies to promote the significance of the industry to the region whilst benefiting from local job creation, and associated demand for local skills and training.

National Curriculum

Attracting people to a career in forestry is essential for the future of the industry, however as acknowledged in the Paper there has been a significant decline in forest products sector enrolments, both in VET and university courses. It is a concern that declining enrolments are threatening the feasibility of training providers and educational institutions to deliver these courses.

Due to perceived security within forest based industries school leavers are not seeking out employment in the forest products sector due to a lack of knowledge or understanding of the

industry. TCWA believe that we need a more proactive approach to educating the delivering a coordinated forest products industry educational package to schools.

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