Wattle Range
COUNCIL

PO Box 27, Millicent SA 5280
www.wattlerange.sa.gov.au

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FIAC Secretariat
Forestry Branch
Department of Agriculture
GPO Box 858
CANBERRA ACT 2601

On behalf of:

The Wattle Range Council

Response to the Meeting Future Market demand discussion paper

Wattle Range Council is supportive of the Timber and Forestry industry in the Council and wider Limestone Coast region.

Council acknowledges that the industry is a significant employer in the region which has a lengthy history of economic sustainability and we believe it holds a positive future in value adding to existing processes and product.

In response to the Forest Industry Advisory Council discussion paper Council provides the following comments.

Discussion paper questions and responses:

1. What should the vision be for the forest products sector in the coming decades?

   - A strong and vibrant industry based on Innovation, value adding and employment with a focus on sustainability and care for the environment.

2. What specific objectives should underpin this vision?

The South Australian Forest Industry Strategy Vision 2050 lists key objectives that have been adopted in the Limestone Coast region and therefore Council supports these objectives for inclusion in the FIAC response to the Australian Government.

They include:

STRENGTH and VISION from COAST to BORDER

Strategic Direction 1 – Enabling an open and competitive policy and business environment

1.1 Articulate the State Government's forest industry policy position

1.2 Establish and participate in effective communication

1.3 Remove unnecessary administrative and regulatory burdens in the industry

1.4 Promote internationally competitive, consistent and efficient regulation of the industry in South Australia

Strategic Direction 2 – Increasing investment in the industry

2.1 Increase infrastructure investment in regional South Australia to support growth of the industry

2.2 Support forest industries entering emerging product markets

2.3 Expand plantation area and increase wood supplies to improve economies of scale

2.4 Attract and retain new investment in plantations and world class facilities

Strategic Direction 3 – Capturing new value-adding opportunities

3.1 Seek new value-adding opportunities

3.2 Encourage downstream processing activities

3.3 Influence regional and local planning to increase industrial-scale and farm forestry opportunities

Strategic Direction 4 – Encouraging industry innovation

4.1 Strengthen research, development and extension capacity, knowledge brokering and regional planning

4.2 Develop a national leadership focus and leverage South Australia's competitive advantages

4.3 Capitalise on innovation capacity to develop new products and continuously improve existing products, production efficiency and overall competitiveness

Strategic Direction 5 – Fostering industry collaboration

5.1 Harmonise the operating environment between South Australia and Victoria

5.2 Support market development for forest industries including environmental services

5.3 Establish an industry advisory committee to improve the effectiveness of industry representation

5.4 Facilitate forest industry conferences and forums

Strategic Direction 6 – Strengthening workforce development

6.1 Develop training and education opportunities to ensure a skilled and safe workforce across forest industries

6.2 Develop industry-government training partnerships

6.3 Support university-level training for existing and potential forest industry employees

Strategic Direction 7 – Promoting best practice forest management

7.1 Increase certification of the forest and forest products industry in South Australia

7.2 Integrate plantations into drier landscapes

7.3 Actively promote regional responses on issues like climate change, bushfire management, biosecurity, and transport planning and water policy

7.4 Be part of a consistent national, state and regional approach to water planning

Strategic Direction 8 – Bench-marking industry performance

8.1 Benchmark forest industry delivery against state and national policies and programs

8.2 Regularly report performance to South Australians

8.3 Actively represent South Australian interests at national and high level government forums

Strategic Direction 9 – Improving public perception and understanding of the industry

9.1 Strengthen community understanding of the benefits of plantation forests and forest industry

9.2 Share data, information and research results as well as industry experience

9.3 Better understand consumers and support market development for sustainable forest products and services

Issue 1: Market trends and pressures

3. What forest products does Australia have a local and/or international competitive advantage in producing?

    - New opportunities exist for investment in engineered wood products plywood, orientated strandboard and cross laminated panels highlighted in the recent ' Future options for the cellulosic fibre value chain in the Green Triangle', review undertaken by the South Australian Government. Further opportunities also exist in softwood and hardwood value added sawn timber products, expanded wood Chip production and wood fibre value adding.

4. What is the potential demand for forest products in the coming decades?

    - The Green Triangle region of South Australia and Western Victoria has an existing hardwood and softwood plantation area of approximately 355,000 ha. Demand for the resource from these plantations continues to increase with harvesting volumes expected to increase with the maturity of the regions Blue Gum plantations.
    - During a recent Trade Mission to China it became evident to Council that demand continues to be high for quality Australian timber products to be imported into that country.

5. How can Australia best position itself for this demand, both nationally and internationally?

    - Through Innovation and value adding of niche high value products including manufactured timber products, chemicals and by-products.
    - From an Economic perspective Australia cannot compete with other Countries on wages and Cost of production. Value adding high end and high value product will secure the industry moving forward.
    - Continued development of international trade relationships are required to ensure that Australian timber is the preferred selection for importation. This is not only relevant to China.

6. What are the other drivers or disruptions that will potentially affect supply and/or demand?

    - A lack of available harvesting and haulage staff. (suitably trained)
    - Water Allocation pricing and availability issues effecting the plantations and growers.
    - Transport infrastructure issues surrounding road upgrades, carrying capacity and aging infrastructure at shipping ports.

Issue 2: Emerging uses and markets

7. Which emerging forest products have the greatest potential for Australia?

    - Value added specialty oils and chemical production.
    - Strandboard and Cross laminated timber products
    - Biomass and cogeneration opportunities through the collection of waste and by-product.
    - Value added sawn timber products.

8. What are some of the barriers to the development and/or uptake of these emerging forest products in Australia?

- A lack of Innovation support and funding and funding for research.
- The ongoing removal of Research and Development agencies such as CSIRO from regional areas.
- Longer time frames to outcomes in R&D impede the opportunity to make financial returns on new product development.
- A lack of Government investment in value adding opportunities to stimulate industry growth and security.
- A lack of existing forest industry clusters in the Limestone Coast, enabling industry groups and Companies to work collaboratively on R&D matters.

9. What opportunities exist to better utilise wood resources?

   - Opportunities for increasing innovation, skill levels, research and development
   - Adopting regional approaches to sector development
   - Addressing infrastructure capacity and cost issues
   - Stronger community engagement and recognition of the value of forest products.

Council makes the following comments in response to FIAC also seeking the views of interested stakeholders in determining a vision and objectives for Australia's forest products sector for the coming decades.

Issue 3: Forest resources

10. What is required to ensure the plantation estate is able to meet future demand for forest products?

    - Funding for road infrastructure from areas of plantation to processing and export facilities.
    - Long term security surrounding water allocation plans and licencing costs.
    - A greater emphasis on the benefits of farm and private sector forestry plantations to encourage the uptake of new plantings.
    - The encouragement of Industry and private growers to the replanting of harvested plantations.

11. What is required to ensure the native forest estate is able to meet future demand for forest products?

    - Sustainable best practice models developed surrounding plantation growth and management, water allocation and management, asset management plans including fire prevention planning.

12. What opportunities are there to increase wood supply from farm forestry, private, native forestry and Indigenous owned and managed lands?

    - Identify and promote the benefits of income diversification that would protect the business from other farm commodity fluctuations.

- Promote the environmental benefits of on farm plantations including soil protection, shade and shelter for livestock and crops.
- Promote the benefits in the re-establishment of habitat through plantations.
- Investigate opportunities to collaborate with agriculture industries, and with resources and infrastructure developments to enhance the opportunities for long term development of wood resources, particularly as a secondary product associated with activities such as grazing, site rehabilitation and water quality management

Issue 4: Innovation, research and development

13. What are the future research and development needs for Australia's forest products sector, and which of these needs are specific to strengths and opportunities in the Australian context?

    - Funding to research immediate and future opportunities in value adding.
    - The return of R&D facilities and staff to regional areas where forestry occurs.
    - The consolidation of research occurring across the nation but seemingly unlinked.
    - Regional and climate relative research and development. What is suitable for one area of Australia may not be suitable for others.
    - Ongoing research into the genetics of forestry plantings for optimum returns.

14. What are the current inhibitors to private sector investment in research, development and extension and what role, if any, does the Australian Government potentially have in addressing these?

    - Continuation of the Australian Governments R&D Tax Incentives programs and the acceptance of 'Overseas R&D' into this program given that many of the processing and forestry ownerships are held by multinational companies.

Issue 5: Consumer and community engagement

16. How can domestic and international consumers be better engaged on the environmental, economic and social credentials of Australian forest products?

    - Continued marketing and promotion of best practice and environmental sustainability surrounding the Australian Industry.
    - The consideration of an Australian Forestry brand.
    - Promote the industry in alliance with other sectors that utilise Australia's clean and green image.
    - Ensure the values to the environment are articulated to the public including, the benefits relating soil protection, salinity removal, shade and shelter for livestock and crops.
    - Promote the benefits in the re-establishment of habitat through plantation timbers.

17. How important are consumer awareness programs to the future prosperity of the sector?

    - Highly important. Consumer purchases can be based on perception of the industry and environmental sustainability issues.

- Clearly identifiable branding including identification of growth and production regions.
- Continued marketing of the products and services delivered by the industry needs to be articulated to International Trade partners.

Issue 6: Strengthened regional approaches

19. How could forestry hubs better utilise resources and promote greater efficiencies and innovation?

    - Significant opportunities exist across the Limestone Coast region for Biomass aggregation and usage. This would be based around access to resource and a central aggregation point.
    - Opportunities then exist for value adding timber facilities to be linked to the biomass production hub for energy and heat offtake.
    - Shared infrastructure and HR opportunities exist in hub locations.
    - Increased and shared R&D would occur in Hub precincts.

20. What have been the barriers to the establishment and efficient operation of forestry hubs to date, and what might be the role of the Australian Government in addressing these?

    - Existing operations are highly scattered and the cost of relocation would be prohibitive for those operators.
    - A lack of existing infrastructure available to support large scale operations including, power, gas and road infrastructure.
    - Cross border operations are often impacted on by State legislation and varying red tape levels.

21 If additional forestry hubs are to be established, where would they best be located?

- A number of potential existing sites exist across the Limestone Coast including the site of the former Kimberly Clark Australia Pulp Mill site at Snuggery near Millicent. The site has been cleared and has access to gas, significant power, hard stand and shedding areas.

Issue 7: Infrastructure

22. What infrastructure will be required to respond to future demand for Australian forest products?

    - Upgraded road infrastructure including B double routes, and upgrades to existing networks including bridges.
    - The development of better transport and collection systems. This is especially critical when examining the collection of forest waste in an economical manner.
    - Suitable power availability is a key issue in several locations across the Limestone Coast.
    - Limited locations with close access to reticulated gas occur across the Limestone Coast.
    - High speed internet services require further development.

- Improved heavy vehicle regulation processes and timely feedback to the Industry in relation to transport impacts on road infrastructure and maintenance. This should be facilitated by the National Heavy vehicle Regulators office.

23. What can be done to ensure better recognition and understanding of the sector's infrastructure needs?

- The furtherance of regional planning that identifies future expansion and opportunities.
- Linkages of regional, state and cross border Freight action plans.
- Regional power network examination to determine any barriers to growth.

Issue 8: Industry skills and training

24. What are the skills and training needs of the sector over the coming decades, and where are the current gaps?

- The Limestone Coast region of South Australia has an immediate and urgent need to expand the harvesting and transport sectors drivers and operators to meet existing and projected significant growth in forest harvesting.
- A lack of suitable high level simulation equipment impedes the industry in regional locations.

Yours sincerely

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Peter Harriott
<u>**CHIEF EXECUTIVE OFFICER**</u>

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