

SUBMISSION No. 88
Inquiry into the Australian forestry industry



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The Secretary
House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

March 2011

Dear Committee Secretary,

**Inquiry into the current and future prospects of the
Australian forestry industry**

The Western Australian Branch of Timber Communities Australia (TCA Tasmania) wishes to lodge a submission for consideration by the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry into the current and future prospects of the Australian forestry industry

This submission complements the submission prepared by the National Office of TCA but deals in more detail with some of the issues that are specific to Western Australia.

A copy of TCA Western Australia's submission is attached.

Yours faithfully,

Letisha Rakich
Regional Manager Perth
Timber Communities Australia
Perth Branch

**House of Representatives Standing Committee on
Agriculture, Resources, Fisheries and Forestry**

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the Australian forestry industry**

*Submission by Timber Communities Australia – Western Australian Branch
March 2011*

About Timber Communities Australia

Timber Communities Australia was founded in 1987 and is the peak national grassroots community support group for people and communities who depend upon Australia's sustainable forest-based industries. TCA's members include forest growers (native and plantation), timber processors, forest harvesting and haulage contractors, forest nurseries and their staff and families. In addition, TCA's membership includes people from the broader community who support or indirectly benefit from a strong, sustainable and wealth-creating forest sector.

Specifically, TCA aims to:

- promote the sensible, balanced multiple use of our forests for the benefit of all Australians;
- improve the public's knowledge, awareness and understanding of forest issues;
- provide a national grassroots voice for people associated with or supportive of Australia's forest-based industries;
- help ensure government decision-making processes are aware of the facts and the benefits generated by forest industries, so that well-founded decisions can be made;
- ensure ecologically unique areas of Australian forests are properly managed;
- support the establishment of hardwood and softwood plantations to provide an additional, high quality wood resource for Australia.

Introduction

In the last few years, there have been some significant developments which have had an impact on Australia's forest industries. These developments include:

- the emergence of climate change and carbon emissions as a major international issue;
- changes in world markets for wood products, particularly woodchips;
- a greatly expanded plantation resource in Australia.

It is therefore an appropriate time to consider the challenges and opportunities facing the industry. TCA Western Australia welcomes this opportunity to participate in the Standing Committee's inquiry.

To avoid duplication, TCA Western Australia has not repeated all the issues raised in the submission by TCA's National Office and therefore TCA Western Australia requests the Standing Committee to consider this submission as a supplement to that submitted by the National Office.

Opportunities for and constraints upon production

(i) Introductory comment

Australia has a trade deficit of over \$2 billion per annum in forest products. The continued development of an environmentally-sound, sustainable and value-adding forest products industry in Australia is vital if we are to reduce this deficit. A strong Australian forest industry will also assist in protecting the world's forests by reducing pressure on overseas forests which are almost certainly not as well managed as Australia's forests.

(ii) The native forest sector

This submission by TCA Western Australia will not repeat the arguments put forward in the submission by TCA's National Office in support of a review of the 1992 National Forest Policy Statement and the subsequent Regional Forest Agreements (RFAs). But TCA Western Australia strongly endorses the National Office's arguments supporting the renewal of the RFAs to ensure that the native forest sector has continued resource security and in addition to that would like to make the following comments specific to WA.

WA Regional Forest Agreement

The Western Australian industry and dependent communities were dealt a particularly hard blow by lack of commitment to the forest industry by two previous state governments.

Firstly by the Court Liberal Government in 2000 with the RFA 'back flip', which meant the security the industry and associated communities thought they were granted by the signing of the RFA, had now been revoked.

This 'back flip' then opened the door for an irrational environmental outcry during the 2001 election campaign which gave way to creating an overstated political benefit to whichever leader was prepared to sell out the industry the most.

Thus came the Gallop governments 'protecting our old-growth policy' (POOGF) which saw the demise of the forest industry by some 60% in one foul swoop.

The industry and communities in WA were then forced to spend the next 3 years negotiating, pleading and selling their commitment and beliefs about the multiple uses of public forests to secure any native forest industry at all.

The development of the New Forest Management plan, was based on the commitment by the Gallop government to the greens about their wish list of 'high conservation value Forests' etc using no specific HCF formula other than a 'green' one.

The net result of treating the industry as nothing more than a green vote winning system has meant that since the implantation of the New Forest Management plan in 2003, which was developed and based on the above system, the industry and thus the community have suffered greatly with significant displacement of jobs and families from the rural communities that have in the past been heavily financially & socially complimented by the participation of the timber industry within them.

TCA WA supports the proposal that 20 year evergreen RFA's should be the basis of Commonwealth-State relations on forest policy in Australia generally, but this will not work for WA due to the disparity between the terms of the RFA and the WA Forest Management Plan. However,

we realise and support the need for a method by which the government recognises that the WA FMP meets all the environmental requirements and maintains the protections from the Commonwealth export licence controls and the Commonwealth EPBC Act.

Expansion of the Pine Plantation Estate

With the huge reduction of native timber available for harvesting in WA over the last decade and the restriction put on the industry to 'value-add' what little native timber is available, the opportunity to produce particularly structural timber from our native resource was greatly reduced during the implantation of the FMP when the commitment to 'value-add' was absolutely necessary to those saw mills participating in the 'request for proposals' (RFP) back in 2002 to secure any sort of native timber contract, thus creating a situation where native structural timber, particularly for housing and building is now not used due to its unavailability.

With the huge population growth that WA is experiencing the need for new housing is ever increasing and thus the need for structural timber for roof and wall framing in particular is increasing therefore putting pressure on the pine timber industry to supply.

There has been no increase in the pine plantation estate in WA since the 1970's and with a lead time of 30 years, this need to be dealt with immediately.

With a return on investment for pine plantations being some 30 years, the opportunity for private investment to any great extent seems unlikely without strong government incentives such as tax-breaks etc.

TCA would like to see the Commonwealth and State governments working together to insure the expansion of the Pine estate as a matter of necessity not politics.

In closing I would like to say that the timber industry must be respected by governments as a 'green' industry that not only provides economic and social stimulus to rural parts of Australia that in some cases have little else to support them, but it also needs to be respected for the benefits it brings to the 'climate change' arguments and must be used in a positive manner with clear and constant messages about the ability the timber industry has to assist in mitigating carbon emissions NOT causing them.

Kind regards

Letisha Rakich
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