

10 December 2021

The Hon. Peter Gutwein MP
Premier of Tasmania
Parliament of Tasmania
Hobart TAS 700

Email: communityconsultation@treasury.tas.gov.au

Dear Premier,

TFPA Submission: State 2022-23 Budget Community Consultation

Tasmanian forestry is renewable and is carbon friendly. Trees use the sun's energy to produce wood, rather than rely on fossil fuel inputs, and remove carbon emissions from the atmosphere in the same process.

We are a vital part of our great state.

Tasmanian Forest Product Association (TFPA) members contribute to the direct value of the Tasmanian forest industry that is worth over \$700 million at the point of sale, and over \$1.2 billion when considering the flow-on-effects generated in other industries as a result of spending by the forest industry.

Much of this activity is concentrated in regional parts of the State. Even more importantly, our forest products industries have the potential to grow significantly over the next decade if policies are in place to support this vision.

The TFPA is the peak body for forestry that undertakes policy development, lobbying and advocacy for members interests. TFPA represents all elements of the value chain from the sustainable harvesting of plantations and multiple use natural forest resource including forest establishment and management, harvesting and haulage, processing of timber resources and manufacture of pulp, paper and bioproducts.

1. Unleashing the Industry's Carbon and Environmental Benefits

The future of Tasmanian forestry is key to the Tasmanian Governments target of net zero by 2030. Incorporating sustainable forest management and its products at the centre of the Government's strategy will be critical to ensure that policies and plans are well designed and avoid any unintended consequences.

Our forests act as a carbon sink and produce wood-based products that help achieve climate neutrality by storing carbon, which offsets most of the State's greenhouse gas emissions. Projected climate changes mean it will be important to sustainably manage our current natural forests and plantations to offset atmospheric greenhouse gases.

Forestry is a renewable industry that is highly regulated through state and federal legislation, mandatory codes of practice and third-party independent certification schemes for environmental management. The industry provides a broad range of carbon reduction and other environmental benefits for Tasmania. Trees used for wood can regulate water and soil run-off and remove carbon emissions from the atmosphere. Wooden products are a natural store of carbon and can substitute for other high-emission materials in building, furniture and other markets, such as using timber residues for displacing fossil fuels with bioenergy.

Tasmania's forestry plays a significant role in mitigating climate change, growing regional communities and providing economic benefit to the state, but we can do a lot more with support from the community to continue to grow, diversify and deliver carbon storage solutions.

It is not just the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change, that understands that the forest industry is an essential part to assist in moving to a modern, climate neutral, resource-efficient and competitive economy. The European Union's Forestry 2030 Strategy includes measures for strengthening forest protection and restoration, enhancing sustainable forest management and improving the monitoring of forests. The EU strategy provides focus and assurance for the Tasmanian Government that multi-functional forests will continue to help in reducing greenhouse gas emissions.

TFPA calls on the Government to promote the benefits of our industry:

- i. **Develop a collaborative forest public marketing campaign to demonstrate to the Tasmanian public the industry's carbon and environmental benefits.**

2. Protecting our Sovereign Capability

If COVID has taught us anything it is that we need to have sovereign capability to feed and provide shelter for our people and right now we are failing to guarantee our ability to put roofs over the heads of our children and our children's children.

But all is not lost. In forestry there is a fundamental truism - the best time to plant a tree is 30 years ago and the second-best time to plant a tree is today.

The good news for the forestry, regional communities and the Tasmanian economy is that the demand for wood is rising and projected to steadily grow into the future. Key economic, social and environmental drivers generating greater demand and interest in timber and forest products include:

- rising domestic and global demand for building and construction materials to support a growing world population;
- the low embodied energy and carbon sequestration benefits of timber compared with other building materials, with greater recognition of these benefits in public and private policies as part of carbon emissions reduction strategies;
- potential for forest biomass to be utilised for biochemical and bioenergy markets, adding value to waste streams or as a primary product in large global markets;

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- advances in wood processing technologies with engineered wood products and new applications in commercial and multi-rise construction, and cost advantages in timber prefabrication systems; and
- increasing recognition of the biophilic (i.e. nature connected design) aspects of natural materials such as timber used in buildings for health and community wellbeing benefits (e.g. reduced stress, improved learning outcomes).

Long-term security of resource supply is essential to underpin investment in timber processing and value adding into the future.

The forest products industry remains critical to Tasmania's current and future economy. To ensure a strong and diverse forest products industry in the future we must work together towards a whole of industry transformation to provide resource assurance and develop the plantation estate.

To expand industry transformation, Tasmania needs investment in innovative bio-circular technologies, modern infrastructure, and a diverse and integrated productive forest landscape. This will include the realisation that timber, wood and fibre products have the potential to replace fossil fuels for a wide range of uses, including heat, energy and fuels, and provide alternatives to concrete, steel and plastics.

TFPA calls on the Government to protect our sovereign capability through:

- i. **Accelerating Government support for private forest management incentives to develop a more financially secure and long-term private timber resource.**
- ii. **Extending state-owned supply arrangements on a long-term basis in consultation with industry. This State supply is necessary to guarantee investment confidence financing security, associated value adding and job creation.**
- iii. **Providing funding towards a whole of forest industry transformation package to support the future of sustainable forestry and benefits forests provide to our communities, economy and environment.**

3. Tasmania's Ports - Our Gateway

The TFPA is supportive of the Government's investment of \$385 million towards the Port of Burnie and Devonport and look forward to the completion of the Macquarie Wharf redevelopment project to facilitate future growth and demand.

We are waiting to see the rapid adoption of TasPorts improvements to Burnie, Bell Bay and Hobart Ports, particularly those that improve forest product handling and loading that include a new woodchip shiploader at Bell Bay; the northern access road to Hobart port and improved truck unloading; and de-bottlenecking of Burnie truck tipping ramps and stacking conveyors.

An area where Government can assist industry is to facilitate TasPorts to undertake a transparent rate review process for future financial years. This will stop any unnecessary surprises to customers relating to port rate increases, as was the case last financial year.

Macquarie Wharf is a critical outlet for southern forest products including privately owned plantation (hardwood and softwood) logs and native forest products. It was pleasing to find out that the Government has placed several mechanisms to protect this working port. These include:

- Support from TasPorts Board for Macquarie Wharf to be a working port for not less than 15 years;

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- Macquarie Port Development to complement and not impede the working Port of Hobart;
- A commitment to progress a northern access road to Macquarie Wharf; and
- Log and container storage to continue, as part of the redevelopment of Macquarie Wharf.

Forestry in southern Tasmania needs further certainty that Macquarie Wharf will stay as a working port for much longer than 15 years. This timeframe, in a forestry sense, is comparable to a short-term rotation, whereas the industry needs at least 30 years.

TFPA calls on the Government to provide the following commitments for our ports:

- Facilitate TasPorts to develop a transparent rate review process for their customers.**
- Extend the working port commitment for Macquarie Wharf to 30 years.**

We welcome the opportunity to further discuss our submission.

Yours sincerely,



Nick Steel
Chief Executive Officer