



Tasmanian
Forest
Products
Association

2024-25 BUDGET SUBMISSION



OUR PRIORITIES

1. Protecting our People
2. Timber Trees and Productivity
3. Resource Security
4. Climate Change and Carbon



ABOUT TFPA

TFPA represents all elements of Tasmania's forest industries value chain to governments, Tasmanian Parliament, media and the general public. Our members include private plantation managers, fibre processors, paper producers, softwood sawmills who make structural timber for housing, hardwood sawmills which create appearance grade timber products, construction plywood plants and engineered timber manufacturers

Priority 1:



Protecting our people

INVESTMENT NEEDED: \$2M over four years.

Our people are the backbone of our industry. They live, work and spend in regional and rural communities across the state. We need the government to recognise the challenges of workforce in the forestry sector, as well as promote the opportunities for forestry in key government policy.

There are several impediments preventing the forestry industry from attracting more workers and ensuring they can access the training opportunities they need. These include a lack of robust information and data to make ongoing workforce decisions, being able to attract a diverse workforce into our industry, and opportunities to increase the right skills and capability of our current and future workforce. To assist forestry businesses to provide jobs in regional and rural Tasmania we need:

- \$2 million allocated towards funding the Forestry Workforce Development Plan to promote the industry as a viable and diverse career path.
- Engage TasTAFE (or another vocational education provider) to establish Certificate or Diploma of Forestry to upskill Tasmanians and have industry ready workers for our businesses.
- The Government will commission and regularly update a report on the socio-economic benefits of forestry, highlighting the value for local Tasmania communities, the economy, and the value that a strong industry supporting jobs.





Priority 2:



Timber trees and productivity

INVESTMENT NEEDED: *\$10M over four years*

Without more trees, we won't have a forestry industry. We need the government to develop a timber supply plan that focuses on planting more trees, doing more with our resource and providing future certainty for our plantation estates.

The industry believes sovereign risk will increase through the reduction of capacity and capability of forestry where we are reliant on imported timber and wood products.

There is uncertainty around the post-2027 STT contracts for hardwood sawmillers, and there is a real lost opportunity where logs are being exported to the mainland without downstream processing or value adding in Tasmania.

To improve and assist forestry businesses in the timber trees and productivity space we need:

- A full audit be undertaken to review the resource volume available (private/public & native/plantation) and future needs (housing, domestic & export markets) of Tasmania.
- Provide certainty by locking in current contract holders' future contracts post 2027, plus the immediate release of the statistics, and reasoning, around the post-2027 changes by STT.
- Commit \$5M for grants and investment to encourage local forestry business to value add and thus retaining more economic value within the State.
- Develop a "Our Home-Grown Timber Future" policy which recognises Tasmanian businesses who value add on-island. As part of the estate planning, local processing should form part of the value proposition.

Priority 3:



Resource security

INVESTMENT NEEDED: *\$25M over two years*

We recognise the world is changing. The products the forestry industry creates are in higher demand than ever before. We need government and its agencies to focus on providing certainty for the forestry industry.

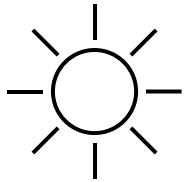
Some of the challenges facing the forest industry over the coming years in this space includes:

- We need to increase the amount of plantation timber processed or manufactured on-island
- There needs to be awareness of the legislative and administrative issues that adversely affect plantation investment and growth
- Forestry is not part of the Government's Housing Strategy

To help overcome these challenges, the Government can:

- Embrace our Home-Grown Timber Future Policy that encourages more on-island processing, growing the value of our timber and wood products, and increasing regional and rural jobs in our industry. Critical to achieving this objective is:
 - Establish a dedicated long rotation plantation forestry conversion fund of up to \$2.5M annually for ten years.
 - \$15M to re-tool and re-skill our processing business to make best use of the plantation resource.
 - \$5M towards developing innovative ways to process on-island lower category logs.
 - Commit to rollout the remaining funding under the On-Island Processing Grant Program for the whole industry.
- Commit to reducing red tape, specifically around:
 - Road infrastructure improvements – target primary transport corridors that need upgrading to meet vehicle size and safety standards.
 - Tas Freight Equalisation Scheme – improve the scheme by undertaking a review of the assistance payable per TEU and the intermodal cost.
 - Forest Practice Plans – improve FPPs by changing when levy costs are imposed.
 - Protection of Agricultural Land Policy – making plantations a legitimate form of ag cropping on all soil changes.
- Include the TFPA in a Housing Strategy Committee to advise the government of the opportunities and threats in building more Tasmanian homes, including formalising “Our Home-Grown Timber Future” policy.

Priority 4:



Climate change and Carbon

INVESTMENT NEEDED: *\$5M over four years*

The debate is over, climate change is happening and presents real challenges for communities and industries across the world. We need government to develop policy that will protect the industry from the effects of climate change, champion the industry as a leader in carbon sequestration and assist forestry in combating an ever-increasing fire threat.

It's key for the industry and government to work together to help the public to understand the carbon balance for Tasmanian forestry, and how responsible forestry links to the community's demand for timber and wood.

And with our private forest estate managers the caretakers of over 400,000 hectares of Tasmanian forests, we need to be included in all co-ordinated fire fighting programs.

To help the Tasmanian forestry industry respond to climate change and the fire threat we need:

- Charge the Climate Change Office to audit the state's forests to understand the benefits of estate and report of potential threats and opportunities to leverage responsible forestry to further harness forestry's carbon sequestration opportunities.
- Further commit to and fund the Tasmanian Timber Promotion Board to educate and raise awareness of forestry to the general public.
- Private estate owners to be included in the TasGRN network rollout (radios to be provided prior to fire season).
- The forestry industry to be included in the fire coordination network.



WE MAKE THE PRODUCTS YOU LOVE...

PLANTATION FOREST TIMBER MAKES:

The timber frames for our homes, engineered wood products used to build new multi-storey residential and commercial buildings, wood-based panels for our kitchens, and wood fibre used to manufacture paper, packaging and bioproducts, replacing single use plastics. In addition, residues go into making potting mix, mulches, composts and landscaped products for our gardens.

NATIVE FOREST TIMBER MAKES:

Floorboards, staircases and furniture, while the residues and secondary timbers are used to make pallets, paper and packaging, replacing single use plastics. In Tasmania, timber production for appearance grade hardwood timber products occurs in designated areas that have been previously harvested. After harvest, these areas are regenerated, with no net loss of forest over time.



FORESTRY FACTS



Tasmania has a total land mass of 6.81 million hectares, of which nearly half (3.35 million hectares or 49 per cent) is forested. Native forest makes up 91 per cent of this and plantations nine per cent.



Tasmania's plantations (302 000 hectares) are made up of 25 per cent softwoods and 75 per cent hardwoods.



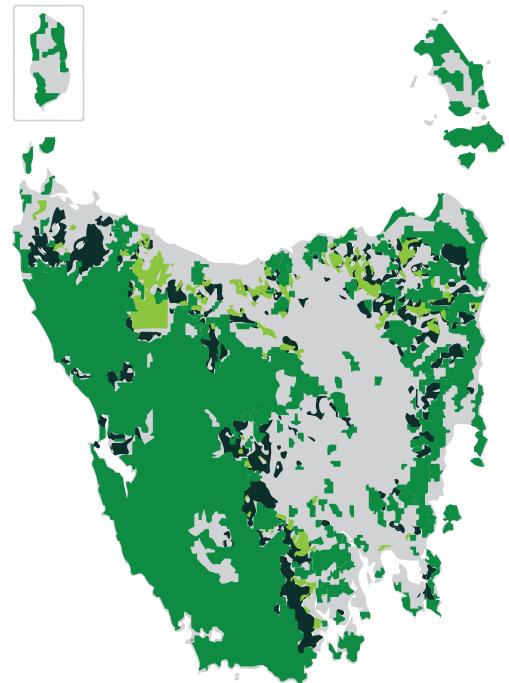
Forestry products are an important part of the environmental solution as they are renewable, biodegradable and importantly many of them store carbon.



Tasmania's native forestry operations are strictly regulated to the highest international environmental standards



Fifty-nine per cent of Tasmania's native forests - 1.79 million hectares - are protected in reserves.



- Conservation areas
- Public production forests
- Plantation forestry

PLANTATION FORESTRY

Tasmania accounts for about 18 per cent of Australia's plantation estate, around 302,000 hectares. Tasmania's plantation sector is made up of 25 per cent softwoods (radiata pine) and 75 per cent hardwoods (eucalyptus nitens and globulus).

NATIVE HARDWOOD FORESTRY

Tasmania has approximately 3.08 million hectares of native forest, with only 0.12 per cent sustainably harvested annually and then regenerated by law. Eighty-eight per cent of old growth forests are protected in Tasmania.