



OUR PLAN FOR AUSTRALIAN FORESTRY

Key points

Australia's forestry sector is playing an important role in our plan for agriculture to become a \$100 billion industry by 2030. Only the Coalition Government has a plan to help the industry get there.

Despite drought, fire and COVID-19, the forestry sector has grown 45 per cent since the Coalition came to government.

In the face of the devastating 2019-20 Black Summer bushfires, the Morrison Government delivered **\$80 million in programs to help forestry respond and recover.**

Our Government has delivered on its commitments, with **11 Regional Forestry Hubs established to help future-proof the forestry sector.** Increased investment in forestry research and development will deliver projects that increase the productivity, profitability and sustainability of our forest industries.

A re-elected Coalition Government will:

- guarantee not to support any shutdowns of native forestry, and work to create permanent timber production areas
- invest \$106.6 million to establish a National Institute for Forest Products Innovation, with a central hub in Launceston and up to five centres of excellence around Australia
- deliver \$112.9 million in grants to accelerate adoption of new wood processing technologies
- invest \$86.2 million in a new Plantation Establishment Program
- invest \$4.4 million to strengthen Australia's fight against illegal logging and stop illegal timber imports from undercutting Australian producers

Labor cannot be trusted: they have a history of shutting down our sustainable, world-leading forest industries – they did it in Tasmania, and they're doing it in Victoria and Western Australia.

Only the Coalition Government understands our traditional industries and their importance to regional Australia and the national economy. Growing these sectors means more jobs in regional areas – sustainable jobs for sustainable industries.

Our Plan

1. Continued support and investment

The last few years have seen unprecedented demand for timber products, especially for housing and construction. Demand is set to quadruple by 2050, providing significant opportunities for Australian foresters.

Realising this opportunity requires planning.

The Morrison Government's National Forest Industries Plan has already committed \$465 million to support the forestry sector. If fully leveraged (by state and territory governments and industry), an additional \$1 billion will be invested.

A re-elected Coalition Government will:

- continue to make strategic investments to ensure foresters have the support they need, and the confidence to invest, grow and continue to employ thousands of Australians.

2. Research and development to unlock growth and jobs

A re-elected Coalition Government will back Australia's forestry sector by turbocharging investment in research and development. This will boost our capability to meet timber supply needs and create new and exciting avenues to grow and increase jobs in our forestry industries.

Timber is a critical resource for Australia's economy, particularly in the building and construction sectors. Current shortages in timber products are damaging the profitability and supply chain efficiency of downstream industries. Part of the long-term solution is making better use of existing timber resources. We believe a big part of the answer is boosting investment in research and development.

The Morrison Government has already invested heavily in the model for a National Institute for Forest Products Innovation (NIFPI). Three pilot regional NIFPI centres are operating, and have attracted significant industry funding. The Morrison Government's initial \$6 million and an additional \$6 million contribution from state governments have so far unlocked over \$15.5 million in private sector investment.

A re-elected Coalition Government will invest \$100 million over five years to deliver an Australia-wide NIFPI, re-establishing Australia as a leader in research and development and boosting our sovereign capability in timber production. This investment will require matching funding from state governments, industry and research organisations.

There will be a central host hub at the University of Tasmania in Launceston, in recognition of the strength of the Tasmanian forestry industry. The Central Hub will ensure national coordination and delivery of research and development.

We will also establish up to five regionally-located Centres of Excellence across Australia that have specific research capability and expertise in their area. One of these Centres of Excellence will be located in Launceston, and the remaining Centres will be chosen through a competitive process.

The Centres of Excellence will invest in research projects focused on helping the industry do more with less, boosting profitability and productivity, and help develop new and innovative forest and wood products. This will ensure that the industry continues to grow, and remains a key source of economic activity and jobs in regional communities.

Having up to five Centres of Excellence located around the country will ensure that research and development is focused on solving real challenges and delivering new products and solutions that are practical and meet the needs of the Australian community, the forestry industry, and key supply chain partners such as builders. They will also secure jobs and capacity in rural areas, not just in the forestry industry, but across research and technical roles that will be directly and indirectly supported by the research undertaken.

The NIFPI and Centres of Excellence will turbocharge research and development, while our 11 existing regional forestry hubs will expand this research into key regional forestry areas. An extra \$6.6 million will extend funding for the hubs for two years, providing industry certainty and help with the adoption and uptake of new technologies.

A re-elected Coalition Government will:

- **invest \$106.6 million to establish an Australia-wide National Institute for Forest Products Innovation**, with a central hub in Launceston and up to five Centres of Excellence across the nation.

3. Product innovation to grow the industry

While growing our plantation estate is a significant part of our plan, we must also improve our sovereign timber manufacturing capability. If we don't, we risk losing export opportunities and, even more importantly, failing to deliver the timber resources that our domestic economy needs, especially in the construction and building industry.

The \$40 million National Forestry Recovery Development Fund provided grants to 13 wood processing facilities impacted by the 2019-20 bushfires, catalysing an investment of over \$95 million in the processing sector that will support over 2,000 jobs in the forestry industry, predominantly in the regions. As a result, new technologies are being adopted. For example, a new manufacturing line for pine columns and beams, and a linear finger jointer to produce a new range of jointed flooring, decking and structural products.

The Coalition Government will invest \$112.9 million in a Wood Processing Innovation Program to help our forest industries increase productivity, process more of our domestically grown timber onshore, and drive investment to create jobs.

The Coalition Government will provide grants up to \$5 million (up to 40 per cent of the total project costs) to privately-owned wood processing facilities to develop new timber processing lines, enabling smaller logs (younger age trees) to be processed and/or making more valuable products from a log than existing facilities allow. This investment will enable industry to make greater economical use of harvest volumes from Australia's sustainably-managed forests.

A re-elected Coalition Government will:

- **invest \$112.9 million to accelerate adoption of wood processing innovation.**

4. Securing future supply

Planned expansion to the plantation estate was significantly slowed by the 2019-20 Black Summer bushfires, which directly impacted about 80,000 hectares of plantation forests. The forestry sector has been further challenged by the pandemic, trade tensions and the recent floods.

Establishing new plantations now will help to secure Australia's future wood supply needs, especially in regions where wood supply is currently tight or insufficient to meet growing demand.

The new \$86.2 million Plantation Establishment Program will be delivered in partnership with states and territories, and industry. Grants will be available in participating jurisdictions to establish commercial plantation species that have a known commercial pathway to processing facilities within the Regional Forestry Hub regions. These are Australia's key forestry regions, with the greatest potential for plantation expansion and processing capacity.

We are building on the achievements to date from the National Forest Industries Plan. While these efforts have laid a strong foundation, the softwood plantation estate remains static. This new investment, combined with other measures such as opening up regions for carbon credits, will help us meet the goal of establishing one billion new plantation trees by 2030.

To meet plantation establishment costs, the Coalition Government will partner with participating jurisdictions to deliver a grants program that provides matched funding with industry.

A re-elected Coalition Government will:

- **invest \$86.2 million to deliver a new Plantation Establishment Program.**

5. Tackling illegal logging

Based on previous studies, it is estimated that more than 10 per cent of timber products entering the Australian market from overseas were illegally logged. These products undercut the profitability of legal, sustainably harvested timber products, and suppress prices by 7 to 16 per cent.

Illegal logging also causes broader social, environmental and economic harm, and is often linked to organised crime, corruption, species extinction and environmental destruction.

The Morrison Government is investing \$4.4 million to strengthen Australia's fight against illegal logging and stop illegal timber imports from undercutting Australian producers. We will better target and prevent illegal timber from entering the Australian market, by investing in new technologies to track and trace illegal product, and build the capacity of our private laboratories to undertake timber ID analysis.

We will also toughen our illegal logging laws to give the Australian Government stronger powers to identify breaches and take action.

A re-elected Coalition Government will:

- **invest \$4.4 million to strengthen Australia's fight against illegal logging** and stop illegal imports from undercutting Australian timber producers.

6. Permanent timber to future proof the industry

A re-elected Coalition Government will work with state and territory governments to establish permanent timber production areas that will be preserved to meet Australia's timber needs now and into the future. This will help to protect native timber production from reckless and politically motivated shut downs that are not based on science or evidence.

We have one of the best, most sustainable and highly-regulated forest industries, employing over 73,000 Australians – many from regional communities. However, the industry has been under decades-long pressure from anti-forestry groups with political campaigns based on emotion, not science. The result has been reckless lock-ups and an industry forced into decline.

In recent years, Labor state governments in Western Australia and Victoria have capitulated to green groups. WA is set to shut down the native forestry industry by 2024. Victoria will do the same by 2030. These decisions are based on politics, not science, and are bad for the environment and economy.

The shutdowns will affect thousands of workers, and deepen our timber supply issues. Instead of supplying the domestic market with sustainably-produced, high-quality native timbers from Australian forests, we will have to rely on imports from countries with poor environmental and other standards. This is bad news for Australian businesses, jobs, consumers and our environment.

If re-elected, the Coalition Government will work with state and territory governments through the Regional Forest Agreements to establish the permanent production areas that will secure future supplies of sustainable, high-quality Australian native timber.

A re-elected Coalition Government will:

- **not support any further shutdowns of the native forestry sector.**
- work with states and territories to **create permanent timber production areas.**

Our Record

Australia is leading the world in the sustainable management of our forests, supporting growth and creating jobs in regional communities. Under the Coalition Government, the forestry sector has grown by 45 per cent.

Our record is clear – we will not support any shutdowns of native forestry.

Timber is the ultimate renewable product and provides many benefits to our economy, as well as carbon abatement and absorption – an important factor in offsetting emissions. Australia's forests store around 80 billion tonnes of carbon dioxide. Every hectare of plantation forest is capable of storing 350-460 tonnes of carbon dioxide at maturity.

The Morrison Government has worked in lockstep with industry to support and grow Australia's forest industry. We provided crucial support following the 2019-20 Black Summer bushfires, and activated a range of measures under the National Forest Industries Plan. The Government has already committed over \$465 million to that plan and will continue this investment to future-proof the industry. If fully leveraged with state and territory and industry support, we expect this to lead to a more than \$1 billion investment in the forestry sector.

The 2019-20 Black Summer bushfires devastated key parts of Australia's forests. The Morrison Government delivered \$80 million of support including:

- Help to transport 944,000 tonnes of salvaged timber to processing mills with spare processing capacity.
- A \$40 million grant program for bushfire-affected processing mills to invest in upgrades and to develop new processing facilities. Across 13 projects, this has catalysed over \$95 million of investment into the processing sector. 178 jobs are expected to be created in construction phases, with another 155 new jobs following construction. The program supports the retention of over 1,770 jobs in bushfire-affected regions.
- Funding to store 700,000 tonnes of timber, providing certainty for mills and time to plan their long-term recovery.

Our Government established 11 Regional Forestry Hubs to help future proof the forestry sector. With an investment of almost \$20 million, the hubs are facilitating collaboration between federal, state and local governments and industry in regional planning for our forest industries. The aim is to grow more trees.

Our Government delivered on its commitment to open up key forestry regions by allowing access to carbon credits. By amending the water rule, foresters now have access to additional revenue streams and improved rate of return for their investment in plantation forests. In Victoria and Tasmania alone, the Australian Forest Products Association estimates this could lead to the planting of an additional 100 million trees. The Morrison Government also introduced an updated plantation forestry method to broaden the avenues for foresters to attain carbon credits, including avoiding conversion back to a non-forested use.

The Morrison Government also increased investment in forestry research and development – including a \$2.3 million yearly contribution to the Forest and Wood Production Association, which will be matched by forest growers. \$6 million was also invested in National Institute for Forest Products Innovation Centres at Gippsland, Launceston and the Green Triangle. This enhanced research and development is aimed at delivering projects to increase the productivity, profitability and sustainability of our forest industries.

Our Government has backed all elements of the forestry industry and will continue to do so with our Plan for the Future.

The Risk of Labor

Labor and the Greens can't be trusted on forestry.

Labor has a history of shutting down our sustainable, world-leading forest industries – they did it in Tasmania, and they are doing it in Victoria and Western Australia.

Although they might say they want to grow the industry, the Labor Party has no plan. Their track record shows they do not support Australia's traditional industries because they are constantly pandering to the Greens.

The Morrison Government backs in the forestry industry. Our plan is supported by strong investment, and we are delivering on it.

COALITION	LABOR
<p>We strongly support native forestry and have extended the Regional Forestry Agreements to enable our native forest industries to continue to operate. We have historically opposed the unnecessary lock-up of productive native forests.</p>	<p>Labor has refused to call out the Victorian and Western Australian Government's decisions to shutdown native forestry, and has previously supported the lock-up of vast swathes of native forests in Tasmania.</p> <p>Albanese would be too weak to stand up to the Greens or the unions.</p>
<p>The Coalition has committed over \$465 million to grow Australia's forest industries through the National Forest Industries Plan. Under our Government, the forestry sector has grown by 45% since 2013.</p>	<p>Labor has no plan to grow our forest industries.</p> <p>Labor's carbon policies could push up input costs of timber manufacturers and wood processors.</p>
<p>The Coalition has a plan to deliver more jobs, tax relief for workers and small businesses, and investment in roads, rail, water infrastructure and renewable energy technology.</p>	<p>Labor can't say how they'll pay for their promises. And they can't manage money.</p> <p>That means higher deficits and higher taxes.</p> <p>In uncertain times, Australia can't risk Labor.</p>

Cost

The Coalition Government is investing an additional \$106.6 million to boost forestry research, development, innovation and commercialisation.

Funding for other policies in the Coalition's Plan for Australian Forestry is already provided for within budget estimates.



THE NATIONALS
for Regional Australia



For further details of the CLP's Plan go to: www.clp.org.au