



Timber Towns Victoria
A Local Government Association



2022 Election Campaign

Timber Towns Victoria is the peak local government body for Victoria on forestry policy. We represent Victorian Local Government areas with forestry industries on public or private land.

We call on the State Government to rethink its decision to phase out the native timber industry. We need a genuine plan to guarantee adequate timber supply, protect regional economies and jobs, and provide certainty for native timber communities across Victoria.

The current situation

In November 2019, the Victorian Labor Government announced its Forest Plan to phase out native forest logging by 2030. Harvest levels will be maintained at current levels to 2024, then reduced by around 25% in 2025, and a further 25% from 2026 to 2030. The Government's policy is to transition the remaining native forest timber industry to plantation timber.

Only \$120 million is offered as a transition package for the whole of Victoria; a recent economic report shows the industry is worth \$311 million per annum across two eastern shires in Wellington and East Gippsland alone.

Phasing out the native timber industry will devastate jobs and regional economies

Regional communities have been **severely impacted by drought, bushfires, the loss of the 2019-20 tourism season, and now the pandemic**. Gippsland is one of the hardest hit areas in Australia in 2020 with **unemployment doubling** in just eight months.

The loss of native timber industry jobs will have **devastating flow-on impacts in small regional communities** where there are limited alternative employment opportunities, low chance of re-skilling, and when 35% of log sawmilling and timber dressing workers are the sole income earner for their household. These flow-on effects need to be fully understood - **it's not just timber workers who will lose their jobs**.

This is not the time for Government to take steps that will **cost more jobs, further damage regional communities and economies, and sacrifice a viable resource industry**.

The native timber industry is critical in the fight against climate change

The Intergovernmental Panel on Climate Change Sixth Assessment Report states that sustainable forest management can increase and maintain forest carbon sinks through harvest, transfer of carbon to wood products and their use to store carbon and substitute emissions-intensive construction material.

The **native timber industry thus provides a climate solution**. The industry also improves forest health by regenerating forest areas badly damaged or killed by high-intensity bushfires.



In the town of Heyfield, it's estimated that 25% of businesses' income is derived from timber harvesting and haulage. Loss of jobs and related spending will affect every retail business and service in the community.

Its about protecting jobs and supporting communities

- According to the latest economic analysis (TTV ID domestic value-add report), **native timber generates \$1.4B in sales/output of which \$432M was direct value-added for the regions.**
- The entire Victorian timber industry **employs around 21,000** people across the State.
- The native timber industry is a key employer, if not the **major employer in many small towns** in Gippsland; it underpins entire local economies.
- The native timber sector generates around **2,500 direct jobs** and employs up to **10,000 people in downstream jobs** across the state and in Melbourne, particularly in the furniture-making industry.

Plantation timber cannot support the entire timber industry alone

The Government's policy is to transition the remaining native forest timber industry to plantation timber. Here are some of the issues with this:

- Industry estimates are that it requires **40 to 60 years to develop hardwood plantation timber** for harvesting.
- The government has **currently failed to meet its own plantation planting targets for 2030.**
- **The timber the Government is planting is blue gum**, only suitable for pulp wood to meet the Government's legislated timber obligations to Australian Paper; the Government has produced a plan to meet its own pulp wood obligations while destroying the hardwood processing industry by starving it of timber supply.

The solution is to maintain a viable and sustainable native timber industry

Victoria has the capacity to maintain a financially viable and sustainable native timber industry supporting thousands of workers, their families and businesses in regional communities if the Victorian Government will allow it to operate. Consider:

- Victoria has more than 7.64 million hectares of native forest. **94% of the native forests are unavailable and/or unsuitable for harvesting.**
- VicForests harvests and regenerates approximately 3,000 hectares each year from Multiple-use Public Forests. **That equates to just 0.04% of Victoria's 7,645,000 hectares of native forest area– equivalent to 4 trees in 10,000.**
- **Victoria's most environmentally important forest areas are protected** in 3.367 million hectares of Victorian Nature Conservation Reserve and can never be harvested.
- **All Victorian Old Growth Forest is protected** within the reserve system or excluded from harvesting areas; Old Growth Forest cannot be harvested for timber products.
- **Every tree harvested is regrown**, by law.

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