



TIMBER TOWNS VICTORIA

A Local Government Association

2024 Update of the Victorian Freight Plan

Timber Towns Victoria Submission to the Discussion Paper

Timber Towns Victoria welcomes the opportunity to provide a submission to the 2024 Update of the Victorian Freight Plan.

Timber Towns Victoria (TTV) is an incorporated Victorian Local Government Association, representing the interests of municipal councils in relation to forestry.

TTV primary function is to provide a forum for local government to address the management of forests and forest industries and their impact on our local communities.

TTV is an effective advocacy body that represents many towns and cities across Victoria.

Our effectiveness is based on being a peak organisation and acting as a voice for these communities advocating to both the Federal and Victorian State Government on policy and legislation that impacts the timber industry.

Timber Industry Roads Evaluation Summary Report (TIRES)

TTV partners with the Victorian Government to provide a 5 yearly review of the Timber Industry Roads Evaluation Study (TIRES) Report 2023-2027.

The TIRES report 2023-2027 provides an evidence-based framework to prioritise infrastructure investment across the Victorian rural road network utilised by the timber sector.

TTV understands that Victoria's roads are a key economic enabler and a pillar of the state's eminence as a commodity exporter. How quickly and efficiently we can move our exports to port underpins Victoria's competitiveness in global markets.

This is particularly the case for a commodity like timber, which is the state's largest export by volume.

The nature of forestry products means the timber industry puts unique demands on our roads.

These demands will continue to grow as volumes expand from 14.7 million tonnes for the 2016-20 period to 34 million tonnes for 2023-27, an expansion forecast to generate an extra 18,000 jobs.

1





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State Overview

The TIRES report quantifies the economic contribution of the forest and wood products sectors regionally and state-wide, by forecasting future road use and estimating the investment needs.

The study presents a more empirical basis on which to prioritise local freight road funding.

The Victorian forest and wood products sector is significant, with wood flows across the TIRES regions expected to exceed 34 million tonnes between 2023 and 2027.

The sector is also a major user of Victoria's road (freight) infrastructure.

The entire forest and wood products supply chain relies heavily on good road freight infrastructure to transport harvested timber and products to point of sale as efficiently as possible.

Considerable work has been undertaken in the past to identify road freight infrastructure priorities for the industry in Victoria.

The TIRES 2023-2027 report is both timely and important in quantifying the likely industry activity for the next five years, how industry changes will influence the road infrastructure and usage arrangements and what that means for regional road infrastructure needs.

Total economic output, in the form of sales and service income, is \$8.6 billion dollars annually, making it a significant contributor to the State's economy, with the forest and wood products sector provide some 50,000 jobs across the supply chain.

The 2023-27 TIRES project identified a total of 167 local freight roads for infrastructure maintenance and upgrade which will carry an estimated 34 million tonnes of log products over the next five years, across the four TIRES regions.

The estimated value of freight road maintenance and upgrade works is \$128.6 million across 167 roads, at an average cost of \$3.72/tonne.

Timber industry road use and the importance of infrastructure funding -

Projected state-wide wood flow has increased materially in recent years, from an estimated 14.7 million tonnes for the 2016-20 TIRES forecast period to 34 million tonnes for 2023-27 forecast period. This represents about 6.9 million tonnes each year.

The forest and wood products sector depend heavily on local road infrastructure as their entire freight supply chain, from site preparation and establishment of plantations through to transport of manufactured wood products.

2

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TIMBER TOWNS VICTORIA



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However, the highly variable nature of the local road network means that not all haulage routes are suitable for all vehicle types, with factors such as pavement width and strength, road alignment, vertical profile and other safety considerations all limiting factors when determining road suitability for proposed vehicle configurations.

High Productivity Freight Vehicles

There is ongoing pressure to increase the proportion of high productivity freight vehicles (HPFVs) which will ultimately reduce the amount of traffic on roads and make the freight task more economically efficient and ultimately reduce the overall cost of road maintenance and efficiency across the network.

South West Victoria makes up one half of the Green Triangle Region – (comprising a total of 10 Local Government municipalities from SE South Australia (Naracoorte) to SW Victoria (Colac) - a diverse economy with a number of sectors including timber, woodchip, mineral sands, dairy, meat processing, and electricity and gas production.

The regional timber harvest and transport levels have increased significantly in the region since 2010, as the hardwood plantation estate has matured, and the Port of Portland is now the largest woodchip export facility in the world.

The wood transport dynamics in the region are now well understood through the Green Triangle Freight Action Plan committee work but the very large freight task on concentrated routes means that an additional \$1.5 million for timber haulage network renewal has also been identified as a high priority.

More than 20 million tonnes of wood will be transported across a road network of 1,395 km during the forecast period.

Green Triangle Freight Pilot Trial

TTV strongly believes that a Pilot Trial into the use of High Productivity Freight Vehicles across the region with the expansion of the pre-approval and gazetted network for the Green Triangle Planation region would encourage investment in new road transport equipment that is safer and more efficient providing positive socials and economic outputs for the regions.

TTV recommends consideration of a **pilot trial** within the high plantation volume Green Triangle region for High Productivity Freight Vehicles up to 110 tonnes particularly between the South Australian border and Colac via the Princes Highway.





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Decarbonisation of the freight sector

Whilst TTV acknowledges there are specific challenges related to fleet uptake of low and zero emissions heavy vehicles (LZEHVs) to increase efficiencies across the freight network, we support the Victorian Government to continue to work with industry collaboratively through state based initiatives.

Further work on policy and regulatory changes will need to occur to ensure that industry continues to invest in these types of vehicles. It is important to note that in regions where the freight networks cross state borders, alignment in policies and regulatory requirements between the two jurisdictions needs to occur to minimise barriers for industry to adopt.

By electrifying the fleet, it will reduce the sectors carbon footprint, also reducing emissions to zero when recharging with renewable energy.

Timber industry road use and the importance of infrastructure funding

It is also imperative, regardless of proposed vehicle configurations, that freight infrastructure used by the timber industry is maintained to ensure continuity of timber haulage and safety for all road users.

The cost to local government authorities of maintaining and upgrading these **key local freight road networks** to service new and existing plantation areas is considered to be a major impediment to an expanded and internationally competitive timber industry in Victoria.

The estimated cost of \$129 million over the next five years for municipalities to maintain these freight transport links is needed between forest harvesting sites and the State's arterial road network.

There are considerable broader social and economic benefits to be realised if municipalities receive state and federal infrastructure funding to support these projects.

