



TIMBER TOWNS VICTORIA

A Local Government Association

TTV contribution to State of Industry report

Victoria has the capacity to maintain a financially viable and sustainable native timber industry supporting thousands of workers, their families, and businesses, while protecting Old Growth Forest and endangered wildlife. Not only does native forest management deliver positive social and economic outcomes, but it is also critical to combating climate change. The current plan by the Victorian Government to phase out the industry is not supported by economic or environmental data and will occur at the detriment of communities, industries and the environment.

Rather than phasing out the industry, native forestry should be expanded to relieve pressure on the dwindling resource, improve our existing \$2billion trade deficit in wood and timber products and improve employment security for regional Victorians. Native timber production in public forests promotes carbon storage and must be taken seriously if Victoria is to tackle climate change

The current situation

In November 2019, the Victorian Government announced its 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.

Plantation timber is insufficient to support the entire timber industry. It requires 40 to 60 years to develop hardwood plantation timber for harvesting and the Government has currently failed to meet its own plantation planting targets for 2030. In addition, the planted timber is blue gum, only suitable for pulp wood. Blue Gum cannot be substituted for the timber required for the construction and local manufacturing industries, which are already experiencing significant shortfalls in hardwood.

Economic impact

According to VicForests, native timber contributes around \$500 million to the economy per annum. The entire Victorian timber industry employs around 21,000 people across the State. The native timber industry underpins entire local economies and is a key employer, if not the major employer in many small towns in Gippsland. The native timber sector generates around 1,800 direct jobs and employs up to 10,000 people in downstream jobs across the state and in Melbourne, particularly in the furniture making industry.

The loss of native timber industry jobs will have devastating flow-on impacts for workers in small regional communities and for downstream construction industries. These flow-on effects need to be fully understood - it's not just timber workers who will lose their jobs.

Timber Towns Association Victoria Inc.

| PO Box 152, Portland Vic 3305 | Phone: 0428 891 728 |

| Email: secretary@timbertownsvictoria.com.au | Website: www.timbertownsvictoria.com.au |



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Regulated vs unregulated markets

Victoria's native timber industry is regulated, sustainable, and renewable.

- 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 1.6 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 through prescription; Old Growth Forest cannot be harvested for timber products.
- Every tree harvested is regrown, by law.

A ban on Victoria's native timber industry means that timber required for the construction and furniture manufacturing industries will be sourced from other jurisdictions, including unregulated overseas markets which harvest timber from rainforests which cannot be regenerated.

Combating 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.

Sincerely,
Cr Karen Stephens
President

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