



9 October 2019

Inquiry into growing Australian agriculture to \$100 billion by 2030

Standing Committee on Agriculture and Water Resources

Committee Secretariat

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The Australian Forest Products Association (AFPA) welcomes the opportunity to make a submission to the Standing Committee on Agriculture and Water Resources inquiry into growing Australian agriculture to \$100 billion by 2030.

AFPA is the peak national body for Australia's forest, wood and paper products industry. We represent the industry's interests to governments, the public and other stakeholders on the sustainable development and use of Australia's forest, wood and paper products.

The forest products industry is one of Australia's largest manufacturing industries with an annual turnover over \$23 billion. It contributes around 0.5% to Australia's gross domestic product and 6.6% of manufacturing output (see [here](#)). Around 80,000 people are directly employed along the industry value chain with a further 100,000 jobs supported through flow-on economic activity.

Forest industries have the potential to help the Government achieve its goal to grow Australian agriculture to \$100 billion by 2030. In comparison to other countries Australia has fallen far behind in its investment in research and development. Funding of research and development investment has fallen from around \$104 million in 2008 to less than \$20 million in 2019 and associated with this decrease has been a decline in the number of researchers, technical and support staff undertaking this effort from 732 in 2008 to 70 in 2019, but some say as low as 30, more information [here](#).

Investment research and development in Forest Industries has the potential to boost productivity by at least 20% and drive employment growth. The AFPA analysis, based on a forest industry workforce data and conservatively applied multipliers, suggest that Australia is well positioned to take a significant role in a growing global market for timber, fibre and cell scale bio-energy and cellulose-based biomaterials.



In September 2018, the Assistant Minister for Agriculture and Water Resources Senator Colbeck released the Federal Government National Plan for forest industries “**Growing a Better Australia – A billion trees for jobs and growth**’. In the plan the Government commits to planting one billion new plantation trees however there are no policy settings for encouraging the planting of additional trees in Australia.

There is currently a \$2 Billion trade deficit in timber which results in the importation of large volumes of timber. The growing shortage of softwood plantations prevents our sawmillers from expanding to global-scale productions. Australia is currently importing more than 918,000 cubic meters a year of sawn softwood (the equivalent of 76,500 new house frames), see [here](#). This is increasing construction costs and will only worsen as our population expands and our cities grow. There is a growing global demand for renewable timber, paper, cardboard and bioproducts to replace those existing products derived from fossil fuels.

In order to meet both the Government’s target of 1 billion new plantation trees and the market shortfall, industry estimates that an additional 400,000 hectares of production trees, is urgently required to simply keep pace. We believe 300,000 hectares of new plantations and 100,000 hectares of new farm forestry plantings at the modest rate of 40,000 hectares per year for ten years will achieve this target, more information [here](#). According to ABARES there is 385 million hectares of agricultural land in Australia. Plantations presently occupy just 1.9 million hectares. The industry goal would see that grow to about 2.3 million hectares. Plantations cannot compete for prime agricultural land and growth will occur on marginal country.

In Australia all plantation growers are certified as sustainably managed by either the Forest Stewardship Council or Responsible Wood/PEFC or both. The demand for wood supply has never been higher and if Australia does not produce its own product it will continue to be imported. It is difficult to ensure all timber coming into Australia has been sustainably sourced and we are aware there are concerns over the sustainability and even legality of some wood supplies imported into the country.

There are regulatory barriers in place that currently prevent the growth of the plantation estate in Australia such as the existing water rule restrictions contained in the Carbon Farming Initiative (CFI) regulations negative list. This effectively exclude new forest plantation and farm forestry projects from participating in the Emissions Reduction Fund (ERF) using the existing CFI methodologies for forest plantations and farm forestry.

Climate change and emissions reduction are one of the great policy issues of our time. The Australian government has committed to reduce the nation’s emissions by 26-28 per cent on 2005 levels by 2030. As Australia and the world ramp up efforts to drastically reduce emissions, our renewable forest industries can play an even greater role in Australia’s transition to a greener, low-carbon emission economy.

In June 2018, the Australian Forest Products Association (AFPA) launched "18 by 2030 – Forest Industries help tackle Australia's climate change challenge" detailing a plan to remove over 18 million tonnes of CO₂-e per year by 2030, by:

- **Building Block 1:** Storing carbon in new forest plantations.
- **Building Block 2:** Replanting existing forest plantations to maximise on-going carbon storage.
- **Building Block 3:** Increasing the use of wood products in the construction of new detached residential houses, multi-rise apartment and commercial buildings to offset emissions.
- **Building Block 4:** Reducing emissions from our processing and industrial facilities by being more energy efficient and using renewable bioenergy (both electricity and renewable heat) instead of fossil fuels.
- **Building Block 5:** Reducing emissions in transport by replacing fossil fuels with renewable biofuels.
- **Building Block 6:** Reducing emissions by supporting the use of sustainable biomass for cofiring in existing coal fired power stations.

This ambitious but important goal can only be achieved through the right mix of policies across all levels of government to maximise the carbon-storing and emissions reduction potential of our renewable forests and forest products. The 18 by 2030 climate change challenge document can be found [here](#). AFPA's associated 18 by 2030 website with more information is [here](#).

Forestry Industries in Australia stand ready to assist the Government achieve its goal of \$100 billion by 2030. In order to participate, the removal of unnecessary regulation which hinders the growth of our industry and support for research and development are keys to growing Australia's sustainably managed plantation resource.

Any further queries on this submission please contact AFPA on (02) 6285 3833.

Yours Sincerely



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