

The Chair

House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry

Regional Development Australia Limestone Coast is pleased to have the opportunity of providing this input into the new Inquiry into Growing Australian Forestry.

Our RDA Committee covers the entire South East of South Australia region which forms part of the well renowned Green Triangle Forest Region, extending into the Western Districts of Victoria.

Plantation Forestry with associated downstream processing and the export of wood chips from the Port of Portland, represents a very significant contribution to the Green Triangle economy and employs around 5,000 people directly and a further 10,000 indirectly. The forest plantation estate comprises some 150,000 hectares of softwood (*Pinus Radiata*) and 150,000 hectares of hardwood (*Eucalyptus Globulus*).

The main thrust of our submission is that this important regional industry needs to be expanded to continue providing certainty of access to timber resources for value adding and to service domestic and export markets.

More specifically when looking at the areas the Committee will inquire into and report on, we offer the following for consideration.

- Opportunities and constraints upon production can be impacted by a variety of factors including, access to capital, market conditions, the regulatory environment, new product development, skilled or available workforce etc. However, the key issue will generally be availability of resource and in that context we would submit that expansion of the forest plantation estate in Australia should be a priority and the key driver in maximising the economic and employment benefits from forestry and wood processing. Measures which support increased productivity should be identified and implemented, such as reforms to the transport regulatory environment which facilitates the use of high productivity freight vehicles, a measure that would increase international competitiveness.
- Industry stakeholders generally foster diversification, value adding and product innovation, largely in response to emerging trends and markets. A key role for Governments is to support such activities in the whole of industry chain by creating conditions and developing programs which foster, encourage and incentivise new product development.
- As a general rule, plantation and farm forestry bring environmental benefits and sustainability, especially from plantation forests. Well established forest regions should be the focus of increased growth, given that usually forestry will have developed over time in harmony with other land uses. Communities in established forest regions will also have a well developed understanding and culture for the industry. In some regions there will be strong examples of industry clustering with wide economic and social benefits resulting.
- Hopefully this Inquiry will draw on advice from industry participants in relation to the creation of a better business environment for forest industries. A whole of supply chain review of 'red tape' type constraints should be undertaken with a view to creating a positive commercial basis on which to grow the industry with a demonstration of strong political support and a streamlined regulatory environment.

A review of earlier models of an 'investment allowance' concept should be undertaken to measure gains in productivity, innovation and efficiency, by supporting new investment in targeted growth and production models.

- The Green Triangle Region has benefited from over 70 years of plantation forestry and downstream processing, with the social and economic benefits obvious in the population growth and overall development of the region. Cities like Mount Gambier in particular are largely underpinned by the economic activity directly associated with forestry. The industry cluster that has developed over time contains a number of private sector organisations which consistently contribute to the community through sponsorships and support for local clubs and events, well beyond the impact of their investment and employment activities.
- Potential energy production from the forestry sector adds a new value adding opportunity. Demand for feedstock could mean further expansion of the plantation estate which in turn drives certainty for potential investors. It is that certainty which needs to be fully focused on when policy and program settings are being considered.
- The issue of land use competition between sectors has always existed although in this region that competition has intensified with the development of blue gum plantations, largely driven by MIS over the last 10-12 years. This submission referred earlier to the harmony between different land uses where plantation forestry has existed for several decades. Future growth in the sector should be built around strong political signals of support for the industry and the evidence of social and economic benefits to communities through forestry and the inter-related commercial activities.

Thank you for the opportunity to submit this response and we would be pleased to provide further information or explanation, if required.

Yours sincerely

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