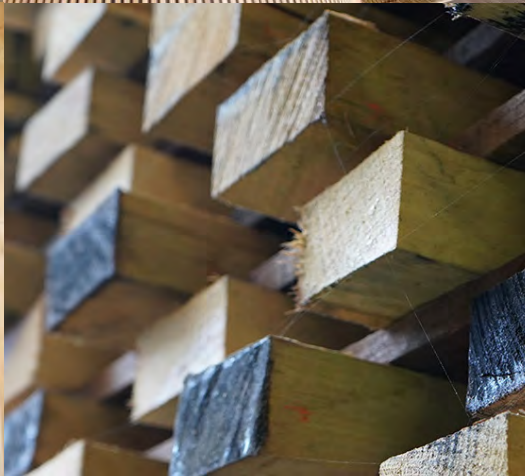




South Australian
Forest
Products
Association

THE PLATFORM POLICY

*A BIG INDUSTRY WITH
A BIG FUTURE*



THE INDUSTRY AT A GLANCE

FORESTRY AND FOREST PRODUCTS INDUSTRIES ARE A MAJOR CONTRIBUTOR TO THE SOUTH AUSTRALIAN ECONOMY AND TO THEIR REGIONAL COMMUNITIES DIRECTLY. OUR INDUSTRY:



Directly contributes more than \$3 billion to the South Australian economy each year.



Employs more than 18,000 South Australians directly and indirectly.

THE SOUTH AUSTRALIAN FOREST PRODUCTS INDUSTRY GROWS AND PROCESSES:

- 35% of Australia's locally produced house framing and interior sawnwood
- 25% of the nation's particleboard
- 48% of the packaging and industrial grade timber
- 60% of the poles, posts and fencing products that keeps our agriculture and horticulture going
- 25% of Australia's compost and growth medium that puts food on the nation's table.

Each year, the South Australian plantation estate sequesters 4.64 tonnes of CO₂e from the atmosphere creating a cleaner and greener future for all.

ABOUT SAFPA

The South Australian Forest Products Association is the peak industry body representing the entire value chain of forest industries in South Australia to all levels of Government.

SAFPA represents members involved with:

- The growing of trees into forests, from which the timber is produced,
- Silviculture (the planting and caring for trees),
- Sustainable harvest of forests,
- Haulage of timber,
- Timber manufacture, and
- Manufacture of pulp, paper and bioproducts.

SAFPA is the State-based body supported by the Australian Forest Products Association; and with sister organisations across the country, represents the interests of the wider Australian sector.

OUR TOP PRIORITIES

1. **Stopping the loss of South Australia's plantation estate;**
2. **Securing a water allocation plan based on achieving a sustainable water resource for all;**
3. **Unleashing the industry's carbon benefits;**
4. **Supercharging a new domestic manufacturing wave to drive local job creation; and**
5. **Protecting our sovereign compatibility by growing our plantation estate.**

SOUTH AUSTRALIA'S FOREST INDUSTRIES: A BIG INDUSTRY WITH A BIG FUTURE

South Australia's forest industries are an engine room of economic activity, providing a great diversity of jobs ranging in skill and expertise, employing more than 18,000 South Australians and more importantly, delivering a cleaner and greener future.

Our core business is the growing and manufacturing of essential timber products such as construction materials for new homes and businesses as well as producing the myriad of critical products ranging from paper and packaging to everyday essentials such as toilet paper and hygiene products.

We are an unseen but vital part of our great state.

While our jobs and growth are in regional parts of the State, the forest products industry has the potential to grow significantly over the next decade if the right policies are in place to support this vision.

The 2022 State election is a once-in-a-generation opportunity for the next State Government to stand up for regional jobs, to grow domestic manufacturing by supporting South Australia's sustainable, renewable forest industries and to deliver real and meaningful steps to reduce our carbon footprint.

It's time to seize the opportunities and address the challenges facing our forest products industries.

The plantation estate in South Australia, which is the foundation for thousands of jobs in sawmills and frame and truss-manufacturing plants across the State and supplies vital construction materials, is contracting at an alarming rate.

The current construction material supply issue is a signal that we will face periods without timber construction supplies if the estate does not grow to meet new demand.

The good news is it's not too late to reverse this trend, and we know what needs to be done. But we need action now.

SAFPA has developed this document to articulate the forest products industries' key policy priorities and I welcome the opportunity to discuss this document with you and urge you to share our vision for a stronger forest and wood products industry for South Australia.

Nathan Paine
CEO



THE INDUSTRY, PEOPLE, REGIONS AND THE FUTURE

ASKS:

PROBLEM	EXPLAIN	SOLUTION	KPI
Future of FIACSA (Forest Industry Advisory Council of South Australia)	FIACSA is a welcome pathway for Government and Industry to communicate and solve challenges.	Supercharge FIACSA by updating its charter/terms of reference to embed involvement of other key agencies including Treasury & Finance, Transport & Infrastructure.	Updated FIACSA Terms of Reference. Four meetings per year, including an annual report clearly setting out deliverables against KPIs.
Slashing Red tape and rebuilding trust	The industry is burdened by red tape.	Commitment to slash red tape.	Commit to a review of red tape to be conducted by the South Australia Productivity Commission.
Population Attraction Program	The regions in South Australia continue to suffer from population loss.	Commitment to develop a Population Attraction Program to grow regional populations.	Commitment to a population of 50,000 in Mount Gambier by 2036.
Community Cabinet	It is important for Cabinet to meet outside of the city to hear from industry and communities.	Hold an annual Community Cabinet in Mount Gambier.	Hold one community cabinet in Mount Gambier each year.
Skilled Workers	Lack of access to skilled workers in regional areas.	10-Year Forest Industry Skills Plan plus \$2m in funding.	Development and funding of the Plan.
Training	The industry is largely overlooked for training assistance packages.	Ensure forestry and associated industry training and skill development programs continue to be recognised for training support programs.	New funding formulae to support the forest products industry.



THE PLANTATION ESTATE

BACKGROUND/OVERVIEW

- South Australia is the first major state to see policy-driven contraction of the plantation estate. Over the next five years, the estate in the South East will have directly and indirectly reduced by about 30,000 hectares combined with almost 20,000 on Kangaroo Island. This is almost 20 million trees lost to the future – trees that could build homes and store carbon.
- The current timber shortage in South Australia is a once-in-a-generation event caused by a combination of factors.
- There is an opportunity to reverse the contraction of the plantation estate and promote expansion.

POLICY OBJECTIVES

To arrest the decline and support expansion of the estate.

ASKS:

PROBLEM	EXPLAIN	SOLUTION	KPI
Stop the loss and grow the estate #moretrees	<p>The plantation estate in the South-East has directly and indirectly contracted by about 30,000 hectares over the past decade primarily due to water policies.</p> <p>Growing trees is a high priority sovereign-risk issue and it must be #1 priority for the State Government.</p>	<p>Empower FIACSA to work across Government to fix broken policies, remove roadblocks, and create new market mechanisms supported by pro-plantation Government policies.</p> <p>Fix flawed water policies.</p> <p>Remove any and all planning prohibitions on commercial forestry in rural areas.</p>	<p>Sign onto a KPI of planting 50 million trees between 2022-2026 and a moratorium of further loss of estate by allowing all harvested estate to be replanted.</p> <p>Abolish discriminatory policy measures which impede commercial forestry such as discriminatory planning policies on Kangaroo Island.</p>
Supporting forestry in South Australia	<p>Policy settings must support forestry in South Australia beyond the Green Triangle.</p>	<p>Coordinated fire response including DEW, CFS and SAFPA.</p> <p>Develop a dryland farm forestry innovation strategy.</p>	<p>Embed SAFPA members into CFS and DEW fire response activity and pre-work.</p> <p>Abolish all discriminatory policy measures which impede commercial forestry.</p>
Grow the estate across the State	<p>Support the unlocking of new plantation opportunities on land >600mm rainfall and close to existing resource hubs – Green Triangle, Adelaide Hills, Kangaroo Island, Mid-North.</p>	<p>Undertake mapping of government lands to identify new plantation opportunities.</p>	<p>Agreement to mapping and to access arrangements.</p>
State Carbon Policy	<p>Forestry must be included in all State Government Carbon Farming Initiative policies (CFI).</p>	<p>Commitment to include forestry in the State's CFI.</p>	<p>Commitment.</p>
Forest and Mill Insurance	<p>Insurance for forest and mill assets is increasingly difficult to acquire or too expensive.</p>	<p>Investigate an optimal self-insurance model which could be supported by Federal Government.</p>	<p>Establish an insurance taskforce under FIACSA to develop a new insurance model to feed into national cabinet/CoAG.</p>
Establish a Forestry R&D Hub	<p>Bring together the multiple funding streams for forestry and create a long-term Forestry R&D Hub.</p>	<p>Funding commitment of \$10 million over four years for research and \$5 million for a new Centre for Excellence to bring together all the forest research entities.</p>	<p>Funding commitment.</p>
Cross Border Commissioner	<p>End the duplication and red tape.</p>	<p>Set up a cross border commissioner.</p>	<p>Commitment.</p>



DOMESTIC MANUFACTURING & INFRASTRUCTURE

BACKGROUND/OVERVIEW

- The forest sector provides a major manufacturing base in regional South Australia and supports construction right across the State.
- Mt Gambier is one of the State's most significant and diverse regional manufacturing hubs.
- Regional sawmills and manufacturing are key to driving economic and social success in our regional areas.
- A diverse and innovative sawmill base is critical to supporting a broad industrial future for Mount Gambier as small to medium enterprises provide adaptability for new products and innovation which aids risk management and mitigation – these enterprises must be supported as employers and a critical part of the manufacturing value chain.
- Several proposals for new investment into manufacturing and infrastructure are valued at \$1.1 billion.
- In the South-East alone, the Timberlink and Altus projects along with the mooted Borg project will deliver more than \$1 billion of investment in new domestic manufacturing capacity.

POLICY OBJECTIVES

- Support timely decision-making by investors into new manufacturing and infrastructure.
- Remove redtape and other administrative obstacles.

ASKS:

PROBLEM	EXPLAIN	SOLUTION	KPI
Develop a Forest Products Domestic Manufacturing and Infrastructure Masterplan	Three themes that require support and problem-solving in the South-East, Adelaide Hills/Mid-North and Kangaroo Island.	Instruct FIACSA to oversee the development of the masterplan to address the three key regions.	Funding of \$2 million to the development of the masterplan. Commit to a State target of doubling the economic value of the domestic timber manufacturing sector by 2050 with a focus on regional South Australia.
Energy Prices	Industry continues to suffer from high power prices.	Establish a Renewable Energy Fund to assist forest industry companies to reduce their reliance on high emission energy sources. Commit \$10 million in grants and \$10 million in loans over a four-year period. The first \$1 million is committed to feasibility and the residual allocated to projects that can demonstrate feasibility.	Establish the Fund and provide funding.
Domestic Manufacturing Support	Government must provide support to unlock new private investments in manufacturing facilities.	Quarantine \$5 million per year for four years of any Regional Development or Growth Fund for domestic manufacturing projects plus \$5 million in low-interest loans per year for four years.	Funding commitment.
Infrastructure Support	The Masterplan will identify soft and hard infrastructure blockages that need resolution.	Guarantee funding to remedy infrastructure problems.	Commit \$40 million (over four years) to improving regional infrastructure in forest industries areas (seeking matching Commonwealth funding). Provide a \$10 million fund for 'last mile' productivity-enhancing infrastructure for forest industries (eg. power upgrades or heavy vehicle turning lanes).
Wood First/TIPP/ carbon footprint calculator	Wood has been disadvantaged for some time in government procurement processes.	Include a weighting for renewable and low-carbon emission timber products.	Commitment to new procurement requirements.



PROTECTING THE ESTATE

BACKGROUND/OVERVIEW

- Bushfire is a major risk for the South Australia forest products sector, but fire prevention is the responsibility of all members of the community.
- In 2019-20 more than 95 per cent of the plantations on Kangaroo Island were fire-affected through bushfire and associated backburning, along with significant tracts of plantation throughout the Adelaide Hills.
- In 1983 20,000 hectares of plantation estate was lost in the Ash Wednesday fires.
- The South-East manufacturing sector is dependent on resources from both sides of the border.
- Crown land assets and remnant natural vegetation present a major risk to surrounding communities and enterprises.
- The forestry industry already invests heavily in fire prevention, detection and firefighting – about \$5 million a year.
- Forestry Industry Brigades (FIBs) have about 300 firefighters and 105 appliances.

POLICY OBJECTIVES

- Integrated landscape fire planning and response is required.
- Avoid future losses on the scale of 1983 and 2019-20.

ASKS:

PROBLEM	EXPLAIN	SOLUTION	KPI
Future fire detection	The fire towers in the South-East have served the community for many years but with some of the towers now unserviceable there is a drive to adopt new technologies, such as camera technology (funded to date by ForestrySA and industry) to provide a landscape level fire detection program.	\$2 million over three years to invest in new technology.	Commitment to funding.
Integrated landscape planning	Key areas at risk: Kangaroo Island, Mid North, Adelaide Hills and the South-East.	Commitments from DEW on natural vegetation management.	Delivery of commitments.
Radios	It is understood that the CFS is soon to upgrade the GRN radio sets which will require FIBs to upgrade their radio sets.	Commit to provide GRN radios to FIBs as part of the upgrade program.	Commitment to upgrading FIB units at the same time as CFS units.
FIB Insurance and Power to Direct	Members of FIBs are excluded from the insurance scheme yet at the same time the Chief Officer of the CFS has the power to direct.	Agreement that where FIBs are under direction of CFS that they are also covered by CFS insurance and commitment that no FIB will be directed away from protecting its own assets. Removal of s.69(f) of the Fire and Emergency Services Act 2005.	Commitment.
Harmonise training requirements	Different training requirements in Victoria and South Australia are adding thousands of dollars in red tape costs to businesses which operate across borders.	Harmonise CFA and CFS training requirements.	Commitment to harmonise within 12 months, saving the industry about \$50,000 a year.
Ensuring all activity ceases on high fire danger days	Many fires are started by other agricultural users operating on high fire danger days.	Deliver an education campaign to stop activities on high fire danger days.	Commitment to fund advertising campaign, stronger enforcement and a new stakeholder roundtable to unite all interest groups.

Industry Brigade Field Officer (IBFO)	The management of Industry Brigades, following adoption of the Fire and Emergency Services Act, will put additional pressure on regional CFS staff. An Industry Brigade Field Officer is required to facilitate the changes required under the Act and will result in improved fire management in the South-East.	Commit to jointly fund a IBFO in the South-East.	Commitment to create the role, including ongoing funding.
Lack of information about burn off permitting	The permitting system for burn offs is outdated and must be converted to an online system which also requires notification of when and where burn offs start, to reduce pressure on resources.	Commit to the development and implementation of an electronic permitting system.	Commitment to deliver the system within 12 months.
Higher penalties for arson	There is an increased prevalence of stolen cars being burnt, which in turn creates a fire risk.	Increase the penalties for people who potentially create bushfires.	Commitment to increased penalties.
Increased fire-fighting equipment	The industry is willing to sponsor an additional aircraft to operate in the South-East.	Support industry in securing additional aircraft and commit to no reduction in existing equipment levels.	Commitment.
Black spot funding for better mobile phone coverage.	Early detection of fires is critical to early action. There are still significant mobile phone black spots which have caused delays in responding to sightings.	Commitment to lobbying Federal Government for black spot funding.	Commitment.
No seat at the table: State Bushfire Coordination Committee (SBCC)	<p>The SBCC is a South Australian Government Committee made up of representatives of fire and land management and allied agencies and representative organisations, with executive support provided by the CFS.</p> <p>The contribution, experience and size of the Green Triangle forest industry is not adequately represented.</p>	The Green Triangle Fire Alliance represents the capability and interest of the forest and timber industries in the South-East. With a full-time manager, the GTFA is ready and able to belong to the SBCC.	Commit to giving the GTFA a seat on the SBCC.

AN EQUITABLE WATER POLICY FOR ALL

BACKGROUND/OVERVIEW

- The current water policy is strangling the industry and has or will soon cause the direct and indirect loss of 30,000 hectares of the estate in the South East.
- The forestry industry has been disadvantaged by the current policy and associated Lower Limestone Coast Water Allocation Plan (LLC WAP) and is the only industry that has sustained a reduction in production as a consequence of the policy.
- Forestry must have a seat at the review table – to leave the industry out of the process is to put at risk the livelihoods of 18,000 people who depend directly and indirectly on the forestry sector.
- Forestry is driven by a scientific, evidence-based approach to the mid-term review and the research is under way to inform the process to come.

POLICY OBJECTIVES

- Secure the planting of an additional 50 million trees to replace those that have been lost.
- Recognition of the limitations of the current evidence about water use by trees, and the impact of this limitation on the LLC.

ASKS:

PROBLEM	EXPLAIN	SOLUTION	KPI
Independent Review	As the LLC Landscape Board starts a review of its Water Allocation Plan, it must ensure that it assesses the performance of the current plan on both environmental and economic criteria.	Commit to holding an independent review of the LLC WAP to assess the performance of the WAP against its original intention, on both environmental and economic criteria. This should also consider and inform the upcoming WAP review.	Commit to an independent review.
No seat at the table	LLC Landscape Board will lead the review and there is no forestry representation on the Board.	Set up a formal industry reference group to ensure all industry sectors are engaged in the review process.	Commitment to set up reference group.





MEMBERS

MEMBERSHIP AT 30TH JUNE 2021

FULL MEMBERS

- ALTUS RENEWABLES
- FORESTRY SA
- GREEN TRIANGLE FOREST PRODUCTS
- HANCOCK VICTORIAN PLANTATIONS
- NEW FORESTS
- NF MCDONNELL & SONS
- ONEFORTYONE
- PF OLSEN
- TIMBERLANDS PACIFIC
- TIMBERLINK

ASSOCIATE MEMBERS

- BIOGRO
- FENNELL FORESTRY
- HARVESTCO
- MORGAN SAWMILL JAMESTOWN
- SA PINE
- SE PINE
- SFM ASSET MANAGEMENT
- T-PORTS LTD
- TABEEL TRADING

GOVERNING COUNCIL



Tammy Auld
Chair

Customer & Regional Manager
Timberlands Pacific



Mike Lawson
Deputy Chair

Chief Operating Officer, SFM
Environmental Solutions



John Forster
Treasurer

General Manager,
SE Pine



Greg Boulton
Council Member

Director,
SA Pine



David Oliver
Council Member

EGM Sales, Marketing &
Corporate Affairs,
Timberlink Australia



Cameron Macdonald
Council Member

Executive General Manager,
Australia, OneFortyOne



Odette Lubbe
Council Member

Acting General Manager,
GTFP



Adrian Flowers
Council Member

General Manager,
Tabeel Trading



Phil Mason
Council Member

Director Operations,
ANZFF, New Forests Asset
Management



Craig Nisbet
Council Member

Chief Executive Officer
NF McDonnell & Sons



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