

Joint Forest Industries Policy

July 2006



Goal

To have robust and sustainable forest industries in Victoria.

Objectives

- To work with the State Government to develop policies supportive of robust and sustainable forest industries in Victoria, economically and socially viable, long term, for all elements of the supply chain, sourced from native forests, plantations and farm forests.
- Victoria's forest industries to be world's best managed, ecologically sustainable and recognised as such.
- To enlist State Government support to encourage the Federal government and others to introduce policies to restrict imports of illegally and unsustainably harvested timber.
- To have recognised, native hardwood timber, sustainably harvested, used and regrown, as one of the most environmentally friendly materials we can use; eg trees store carbon as they grow and wood based products continue to store that carbon.

Priority Actions for Victorian State Government

- In order to reaffirm its commitment Our Forests Our Future (OFOF) to robust and sustainable forest industries in Victoria the Government needs to draw a line in the sand and guarantee the industry the 567,800m³ per year of D+ sawlogs as outlined in OFOF, 2002.¹
- The State Government should demonstrate leadership and champion the benefits and management of native forest industries in Victoria
- That all timber workers displaced as a result of the establishment of the Otways National Park and the phasing out of native forest harvesting by 2008, be awarded appropriate compensation in line with the OFOF 2002 contractor/worker assistance payments.
- The Government should develop a 40 year industry plan based on native forests, plantations and farm forestry, growth and prosperity of world class industries in regional and urban Victoria.

In this plan, State Government needs to work with industry to establish ways and means, to identify areas of appropriate quantity and quality of timber to guarantee the base resource as promised in OFOF, ie 567,800m³ of D+ sawlogs per year (as above).

¹ **Note:** It should be noted that for 2005/2006 the resource, as published in the VicForests catalogue is considerably less than stated in OFOF. It is 528,342m³ for D+ sawlogs per year in 2005/2006 and by 2015/2016 the quantity is reduced to 15%, 450,000m³ of D+ sawlogs per year. Reference: *VicForests Estimated Sawlog Availability by FMA, 15 December 2005*

Further, there should be government support for ensuring greater efficiency and effectiveness of the systems administered by VicForests, especially in terms of:

- Reforms to the pricing and allocation system especially the on-line auctions to ensure the future of sustainable, robust, viable forest industries and dependent communities.
 - This should include moving the allocation order out to 20 years
 - Increasing the Timber Release Plan from 5 years to 10 years
 - Consulting with industry to determine means of reviewing with a view of streamlining the current auction system to make it fairer
 - Improving VicForests supply contracts to make them legally enforceable, watertight supply contracts (equivalent to those in other jurisdictions eg NSW, WA, Tas)
 - Reviewing the oppressive terms and conditions of the VicForests Timber Sales Agreement / Terms and Conditions contracts to provide commercial fairness for both VicForests and the Buyer (current arrangement heavily weighted in favour of VicForests as monopoly supplier)
 - Guaranteeing, ie locking in the resource volumes as defined in OFOF
 - Honouring the RFA commitments in terms of area swaps (like for like)
- This means the Government needs to make an immediate commitment to no further net loss of resource in quantity, quality of the public native timber resource in Victoria. The Government needs to take further action to:
 - Encourage long term investment, public & private
 - That a compulsory social benefit of the socio-economic benefits and impacts related to forest industries across regional Victoria be developed by Government. This should be led by DIIRD in collaboration with other Government departments, agencies, industry, appropriate communities and community organizations a matter of priority.
 - Support sustainable Red Gum forestry with no diminution of the resource
 - Eliminate regulatory and policy settings which unfairly discriminate against forest industries
 - Continue sustainable forestry in water catchments with full life cycle analysis as the basis for valuing and comparing resources
 - Continue sustainable forestry in old growth with alternative harvesting practices positive for industry and ecology
 - Support for R&D & innovation in harvesting, transport, processing etc

- Support for industry training & skills development
- Legislate for the right to harvest in line with other Australian States
- Support for recognition of timber/wood as a sustainably harvested, used and regrown, one of the most environmentally friendly materials we can use and consequently;
 - Ensure procurement policies and any eco related labelling, have objective, scientific assessment of the elements of timber as a resource and including Triple Bottom Line outcomes (economic, social, environmental) in the Victorian Industry economics and communities
 - Amend 5 star energy rating criteria and methodologies so as not to discriminate against timber/wood-based products
- Support for a strategy of investment in diverse plantation and farm forestry resources in Victoria
- Support for scoping the utilisation of additional private native forest sawlog resources on a sustainably managed basis
- Support for and recognition of the significant socio-economic contribution that timber dependent communities contribute to regional Victoria
- Support for third party certification and other proposed mechanisms to ensure Victorian Native Forests are the best managed in the world and recognised as such
- Support for the declaration and the enforcing of Public Safety zones in State Forests and the implementation of the Voluntary Protesters code as developed by and supported by the whole of the industry and proposed to the Government and NGO's in 2004 (see attached)