

\$150m native forest industry drives economic growth in East Gippsland

Supporting 778 workers and their families

A NEW Victorian government study shows that native forestry in East Gippsland generates \$150 million of economic activity and directly supports the livelihoods of 2000 people in the region.

Commissioned by the Department of Primary Industries (DPI), the report by Coakes Consulting confirms that the forest and wood products industries are major drivers of economic growth, particularly in rural and regional areas.

Local business expenditures in East Gippsland include \$22.16 million in Bairnsdale; \$21.08 million in Orbost; \$14.33 million in Cann River; and \$7.79 million in Heyfield.

These businesses supported around 2022 people (778 industry workers, plus their families) within East Gippsland. According to research by Australian National University academic Dr Jacki Schirmer, this figure may be even higher. In this study, also commissioned by DPI, 1289 people (2.3% of the workforce) in East Gippsland were directly employed in the forestry industry. A further 2145 people were directly employed



Sustainable timber supply and jobs .. value of native forest industry a wake-up call to policy makers.



Dr Jacki Schirmer .. forests big jobs provider

in forestry in Gippsland.

The Coakes study found forestry jobs to be generally better paying than the Victorian labour force average, with incomes also growing faster than average between 2001 and 2006.

Forestry jobs were also found to be more secure, with workers on average employed in the industry for 19.7 years – and 10.2 years with the same business.

There was also a higher than average indigenous participation in the industry, with 2.8% of the industry workforce in East Gippsland

being Aboriginal.

The study also found forestry workers to be highly active in their communities, with 65.4% reporting involvement in community groups and organisations.

However, a very high proportion (40.5%) stated when asked that they would leave the area to find work if no longer employed by the timber industry.

Victorian Association of Forest Industries public affairs manager Shaun Ratcliff said the report made it clear forest and wood products industries were major economic contributors to the local economy.

“These industries provide good, stable jobs for East Gippsland communities that create income for other businesses, such as the local supermarket, bakery and the pub,” he said.

“Forest and wood product businesses also help keep local CFA members and other community minded volunteers employed and in the region.

“This needs to be a wakeup call to policy makers and advocates for East Gippsland; we need to make sure there is a sustainable forest and wood products industry into the future to ensure we retain viable communities in the region.”

Guidelines needed on older houses

From Page 8

top home of the year (Cairns region), sources its timber products from manufacturers in Maryborough and Gympie.

“Timber’s flexible performance in the tropics is a huge ‘plus’ for us. There can be few structural problems if builders adhere to current building codes,” Mr Fox said.

Canadian industry out of hole, but long way to go

DESPITE China’s increasing appetite for Canadian forest products, there will be no solid recovery for Canadian sawmillers until Americans start building more houses, leading industry experts told a Vancouver forestry conference last week.

Forest companies worldwide have pulled out of the recession and are now profitable, but the recovery is fragile and they are still not earning enough

money to attract new capital, says Fred Bouchard, a partner in consulting firm PwC’s forest paper and packaging practice.

“It’s small steps toward a more profitable industry,” Bouchard told 450 people attending PwC’s annual global forest industry and paper products conference.

“I think we are not completely out of the financial crisis but progress has been made.”

Canadian producers still faced a stagnant US economy, a high Canadian dollar and challenges from digital media, he said.

The prospect of a weak US market for Canadian lumber is expected to bring a change in direction in the forest sector toward more higher-valued products, stimulating mergers within the industry and cross-industry partnerships to develop new products.