Michael Taylor  
Message from the President

For 130 years now the Victorian Association of Forest Industries (VAFI), and its predecessor organisations, has been the voice for our industry. VAFI has represented us, worked alongside us and helped to steer our industry through the many challenges and opportunities. I am honoured to be the president of VAFI for such a milestone and proud of the Association and the leadership it has provided over many years. This, we can all celebrate.

The forest and wood products industry in Victoria has a long and proud history. From our early beginnings in the 19th century, we have become an industry that is now some 21,000 employees strong and worth more than $7 billion annually. Our industry is made up of small and large companies, native forest and plantation operations, and many others.

The past year has provided many challenges and there remains much work to be done. VAFI has been a strong voice for our industry in co-convening the Forest Industry Taskforce and has taken a lead role in issues relating to plantations such as koala management.

From challenges come opportunities. Plantation estate expansion, the range and mix of species available for timber production, niche and high value product markets and even taller timber buildings are just some growth opportunities for our industry. Let’s embrace our history and look forward to a strong and rewarding future.

This report covers the great work done by the industry over the past financial year. While as always we face an array of challenges, one thing that will always remain is our commitment to ensuring a vibrant future for the industry and for the sustainably managed forests from which we draw our renewable resource.

I hope that you enjoy reading this report and join with me in thanking the staff and Executive Committee of VAFI for their effort and commitment over the past year and in celebrating VAFI’s 130 years of industry representation.

Michael Taylor  
President

Tim Johnston  
Message from the Chief Executive Officer

This year VAFI celebrates 130 years of industry representation. From 1886, when sawmillers met at the Orient Hotel in Melbourne, through to the Hardwood Millers’ Association of Victoria, the Victorian Sawmillers Association, and finally, the Victorian Association of Forest Industries: this is the long and proud history of the Association, and it is a legacy that VAFI staff are proud to uphold.

We have come a long way since those early days at the Orient, although some of our challenges remain eerily similar. However, VAFI is no longer just sawmillers, we are also growers, managers, contractors, and processors. We work in plantations and in the natural forest, and we live in rural, regional and metropolitan Victoria. Some of us even live interstate! From the seedling to the stick of timber or ream of paper, we are all that and everything in between.

The broadening base of our membership recognises that many of our members work and contribute across many sectors that make up the forest and wood products industry. We do not, and we cannot, operate in functional silos. We are an integrated industry and we must present as such, knowing what is happening both up and down the supply chain.

I am very honoured to be the CEO of an Association who is a trusted voice for the forest and wood products industry. We have worked hard for our strong reputation for service and advocacy in Victoria. I am therefore acutely aware of the responsibility to maintain the quality of what we say and do and will always strive to achieve the best outcomes for our industry.

Enjoy reading this Report.

Tim Johnston  
Chief Executive Officer
Contents

Executive summary 4
About this report 4
Industry snapshot 5
Economy 7
Community 15
Sustainability 23
About VAFI 29
Governance and stakeholders 30
Endnotes 33
The forest and wood products industry in Victoria is a dynamic sector of the economy that uses wood - a renewable, biodegradable, recyclable product, to create materials for new homes, buildings and furniture, paper and fuel for green energy.

Victoria’s forests and plantations provide a sustainable resource base for the sector. Australian, State, and Territory governments share the objective of an industry based on the sustainable management of forests integrating environmental, commercial and community values and uses.

Jobs, training, self-supporting communities, local manufacturing and exports are all maintained and furthered by a secure local Victorian forest and wood products industry. The industry directly employs more than 21,000 people and indirectly supports another 40,000 to 50,000 jobs, providing a sustainable future for suburban, rural and regional communities across Victoria.

The Victorian Association of Forest Industries (VAFI) is the peak body for the Victorian forest and wood products industry and represents the entire lifecycle of forestry products, including forest growers and managers, harvest and haul businesses, wood and paper processors, and associated businesses across both the forest and plantations sectors.

VAFI proudly champions the forest and wood products industry’s values, including managing a renewable resource, which stores carbon and is recyclable. The forests and plantations of Victoria available for timber harvesting are highly regulated and well managed. They conserve all three sustainability values: economic, social and environmental.

The Victorian Forest Industry Review 2016 looks at the economic, community and sustainability aspects of the forest and wood products industry and the activities of VAFI as its peak industry body. Annual reviews have been conducted by VAFI since 2005 as a tool for dialogue, a method of recording improvements, and as a resource to support decision-making by industry stakeholders and government.

This review covers the 2015-2016 financial year; outlining key areas of the forest and wood products industry as well as key aspects of VAFI operations. A draft of this review was provided to VAFI members for review and comment, as well as to a number of organisations and government agencies for data and information verification.

The VAFI Members Survey 2016, reports, studies, websites and papers of other industry participants, and the Victorian and Australian Government State of the Forest Reports 2013 have been lead sources of information for this report. Terms used are those defined in the Glossary to the Victorian SFR 2013.1

All comments on this review are welcome. Your feedback will provide important input into further improvement of VAFI’s future industry reviews. Comments should be sent to:
VAFI Industry Review,
GPO Box 4320, Melbourne Vic 3001
Email: info@vafi.org.au
### Industry snapshot

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Industry Employment</td>
<td>21,000</td>
<td>21,000</td>
</tr>
<tr>
<td>Additional jobs supported</td>
<td>40,000 – 50,000</td>
<td>40,000 – 50,000</td>
</tr>
<tr>
<td>Value of the industry</td>
<td>$6,115b</td>
<td>$7,115b</td>
</tr>
<tr>
<td>Area of timber plantations in Victoria</td>
<td>433,000</td>
<td>433,100</td>
</tr>
<tr>
<td>Total forest area in Victoria</td>
<td>7.9 million hectares</td>
<td>8.0 million hectares</td>
</tr>
<tr>
<td>Area available and suitable for harvesting by VicForests</td>
<td>Approx. 494,000 ha</td>
<td>496,000 ha</td>
</tr>
<tr>
<td>Area of public native forest harvested by VicForests</td>
<td>3,017 hectares (0.038% of total area of native forest in Vic)</td>
<td>2,854 hectares (0.035% of total area of native forest in Vic)</td>
</tr>
</tbody>
</table>

### Volume of logs harvested (’000m³)

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardwood native</td>
<td>1407</td>
<td>1299</td>
</tr>
<tr>
<td>Hardwood plantation</td>
<td>2188</td>
<td>2824</td>
</tr>
<tr>
<td>Softwood</td>
<td>3806</td>
<td>3928</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7.401 million m³</td>
<td>8.051 million m³</td>
</tr>
</tbody>
</table>

### Value of logs harvested ($m)

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardwood native</td>
<td>114</td>
<td>109</td>
</tr>
<tr>
<td>Hardwood plantation</td>
<td>150</td>
<td>197</td>
</tr>
<tr>
<td>Softwood</td>
<td>269</td>
<td>280</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$534 million²</td>
<td>$586 million²</td>
</tr>
</tbody>
</table>

### Area of Australian forests and plantations independently certified (AFS/PEFC and FSC)

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFS: c.10.4 million ha¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSC: 977,038 ha</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFS: c.26.872 million ha²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSC: 1 million ha²</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Number of chain of custody certificates (Australia)

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFS/PEFC: 255</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSC: 302</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Some areas of forest have both certifications

*Some chain of custody certified companies have both certifications

### Forest area

Victoria has about 8.0 million hectares of forest across both Crown and private land.

![Forest in Victoria](image)

*In November 2015 QDAF expanded their certified area to include a large amount of leasehold state land (about 17 mill ha) that is managed for timber production, along with other agricultural products

### Forest in Victoria

About 5.2 million hectares (65%) is in State forest, parks and conservation reserve.

Between 1988 and 2013, forest cover has either increased or remained the same across all 11 Victorian bioregions. Changes in public land forest area are associated with both human and natural processes, including forestry operations (harvesting and regeneration) and bushfires (crown defoliation and post-fire regeneration).

In 2014-15 there were 433,100 hectares of commercial hardwood and softwood plantations in Victoria, up from 319,000 hectares in 2000. Hardwood plantations (mostly blue gum) account for 47% of plantations while softwood plantations (mainly radiata pine) cover 52% of plantation area.
Introduction

The forest and wood products industry in Victoria is widespread and diverse. From Central, West and East Gippsland, the Central Highlands to the North-East, and Western Victoria, we have a reach in almost every corner of the state. The overall vision for the forest and wood products industry in Victoria, and Australia, is that of growth, stability and sustainability. We are an industry of the 21st century.

The products it delivers range from sawn and wood panel products for building, high volumes of paper for printing and packaging, and products that fill a niche, including furniture. A successful and sustainable industry requires a holistic supply chain strategy, together with a collaborative vision and business buy-in that covers strategic, tactical and operational drivers. Each part plays an important role in the whole supply chain of the industry.

The volume, the types of products, production methods and even the locations within the state have changed over the long and proud history of the industry. Emerging technologies, market demand and economic factors have all helped to drive and shape the industry as we know it today.

We have an abundance of natural resources here in Victoria and the industry should be proud of its record in balancing environmental, social and economic considerations in relation to our forests.

The forest and wood products industry in Victoria is highly integrated. We have the resource, we have the processing and we have the manufacturers. We also have the passion and the drive to move forward.

Our industry is made up of many parts; it is the growers, the sawmillers, the plantation owners and operators, the processors and the manufacturers, harvest and haulage through to the retailers and sellers, exporters and importers. We are one industry, greater than the sum of its parts.

As we continue to work for a sustainable future, a cooperative approach is required; among industry, communities and government, with strong leadership and a far-reaching commitment to create this future.

Together we must embrace our past, and continue to work together to create a strong, sustainable and viable future for the forest and wood products industry in Victoria.

Sawmilling in Victoria – general history

When industrial sawmilling began in Australia it was able to draw on expertise and techniques from Britain and North America. Initially hand and pit saws came from England as supplies for colonies. One of the more notable British settlers to enter sawmilling was the Scotsman James Wright, who arrived in 1853 in Melbourne and founded a company which became the largest and most up-to-date mill in Victoria at the turn of the century.

Victoria met its timber needs during the first two decades of settlement in at least three ways. The first resource of settlers was to cut timber for buildings using axe and wedges; trees were used for posts and beams or split for slabs and pailings. Bark was also stripped for walling and roofing. Timber was also sawn by hand using a pit saw. There are many references to pit saw operations but no records of numbers or total production were kept. It has been written that two men could produce 1,500 super feet of timber in a week by this method. When gold was discovered in Victoria there was a substantial increase in demand.

The commercial and private buildings constructed to serve the mining community created more demand for the resource. Vast quantities of timber were consumed by the gold mines. For example in 1870, 767,000 tons of firewood, 23,500 tons of sawn timber and countless pieces of split timber were taken from the Wombat forests to supply Ballarat and the surrounding goldmining areas. In 1899 when the gold towns had progressed from canvas to wood and railway development had reached its zenith, 500,000 tons of firewood, 1,500,000 prop and cap pieces, 5,000,000 feet of sawn timber and 3,000,000 laths, slabs and sleepers were cut from all Victoria’s forests. Fast forward and by the mid-1930s mountain ash provided 80 percent of Victoria's timber.

A State Forests Department was established in 1907. The Forests Act 1919 constituted the Forests Commission Victoria, and gradually, forest areas were identified and dedicated as reserved forest. The management and protection of State forests then progressively improved to the world class system it is today.

*VAFI would like to acknowledge ‘The Historical Archeology of Forest Based Sawmilling in Victoria 1855-1940’ for this history.
Economy

Operating in a high cost economy is a business challenge that is especially demanding for trade-exposed industries in Australia, such as the forest and wood products industry. In early 2016, the CommSec State of the States Report stated that Victoria has the fastest annual economic growth rate of the nation, and leads the country in population growth. Our industry operates in a far broader regional, national, and international economy that shows worrying signs of instability and declining growth, leaving us vulnerable to wider market forces.
The economic framework for Victoria’s forest and wood products industry consists of government policies on investment, regulation, taxation and trade. These settings influence the level of investment in conservation and sustainable management of forests, as well as the production of forest products, ecosystem service values, and access to national and international markets. Reporting change to economic frameworks can provide insight into the role of Government in driving trends in the sector.19

For the last few years, business activity and workforce development in the industry has been shaped by economic downturn, changes in plantation ownership and diminution of access to significant native forests areas. Company restructures and considerable reviews of business activity and workforce utilisation resulted in a reduction of the workforce and therefore a further loss of critical skills.20 In addition, we are also heading into a time where economics will combine with demographic generational forces which will see challenging times for businesses and governments. By 2029, most Baby Boomers will be retired. We are heading towards a period of a shortage of talent at senior levels across all sectors. Initially, this will see a smaller pool of leadership talent to call on. This is why we must actively invest in the future leaders now.

VAFI is working with industry and Government in this policy space to:

- Secure and grow the resource
- Expand the product mix further up the value chain
- Explore new options for products
- Grow the skill base of the industry and training options

**Victoria’s Future Industries**

On 17 March 2016 the Victorian Government launched the Future Industries Sector Strategies, together with the Sector Growth Program. The Future Industries are sectors the Government has identified that have the potential to drive significant jobs growth and attract investment into the future.21 The forest and wood products industry is well placed to contribute to three of the sectors: Food and Fibre, New Energy Technologies, and Construction Technologies. VAFI will continue to work with Government to ensure opportunities for funding and growth are presented to the industry.

**Investment and Innovation**

Investment and innovation is key to any successful industry; to continue to grow the forest and wood products industry in Victoria, investment in vital. Despite economic challenges, the forest and wood products industry in Victoria is well positioned to secure significant investment in both plantation development and downstream wood processing facilities. At the same time, many businesses are focusing on value adding production.

VAFI takes a great interest in markets and the opportunities for our products both locally and internationally.

Our industry’s product suite continues to evolve which is both challenging and exciting and we must grab the opportunities presented to us. The future is ours, and we should always support and encourage the innovators and entrepreneurs in our industry who are prepared to take that leap and drive us forward. It is time for us to take change and explore. We must extract value from every fibre across the whole production cycle. What else can we do with residue? What markets, both niche and large scale, can we further develop? What will add value to our industry, knowing that the future requires precision technologies operated by a highly skilled workforce?

Investing in more niche products that are of a higher value is an opportunity to use timber in different ways that add more value to the local economy and can be processed and manufactured here in Australia. However to be able to better utilise wood in this way, we need further investment and research into how, why and when best to situate so the economics stack up.

VAFI members have continued to invest in their businesses. The 2016 VAFI Members survey shows 86% of members made significant improvements in equipment, products or markets. 57% of respondents made an investment over of $1 million this reporting year.

Over 83% said they planned to invest in 2016-17.
Native Forest Estate

Nearly eight million hectares of Crown land is managed to provide environmental, social, cultural and economic benefits to the people of Victoria. The primary tenures of Crown land are Parks and Conservation Reserves or State Forest. Of the 8.0 million hectares of public native forest in Victoria, more than 90% of these forests are unavailable or unsuitable for timber harvesting operations. This includes 4.74 million hectares of native forest in Victoria which is protected in national parks and conservation reserves.

There are many forest types present in Victoria’s State forests. The main forest types are ash forests (which are dominated by *E. delegatensis, E. regnans* or *E. nitens*) and mixed species forests (which are dominated by a wide variety of *Eucalyptus* species). Some areas consist of other tree species such as wattle and some, such as grasslands or swamps, are not forested. Timber harvesting is permitted within a very small fraction of Victoria’s total native forest area. The area legally available for harvesting is made up of General Management Zones and Special Management Zones. Areas classified as ‘reserved’ are forests within Special Protection Zones and other exclusions such as riparian buffers and slopes.

In total, approximately 496,000 hectares or 6% of the state’s total native forest estate is available to be harvested by VicForests. In 2014-15 VicForests harvested 2,854 hectares in Eastern Victoria ha, or 0.036% of total native forest area in Victoria.25

Regional Forest Agreements

The management of Australia’s forests is guided by the 1992 National Forest Policy Statement (NFPS). The NFPS was signed by the Australian Government and all mainland state and territory governments in December 1992. The NFPS outlines agreed objectives and policies for the future of Australia’s public and private forests.

Following the introduction of the NFPS, Regional Forest Agreements (RFA) were developed. RFAs represent the cornerstone of native forest resource security policy, balancing the environmental and economic demands on naturally regenerated forests. In Victoria, five 20-year RFAs were established between 1997 and 2000 to guarantee protection of the most significant biodiversity values within Victoria’s native forests.

VAFI has been a strong supporter of the RFA process and its regional and all-inclusive approach to environmental, social and commercial forest asset interests. VAFI believes that RFAs are a model using regionally specific management of forests, provided for by state based governance. However we believe that industry development has been constrained by resource reductions, sovereign risk associated with resource uncertainty and industry consolidation which are not in accordance with the RFAs. There have been political decisions made in Victoria which have undermined the RFAs and limited the extent to which industry growth can be achieved. VAFI also believes that there are issues with public perception of the RFA process which has led to a lack of community confidence in the RFAs. These can be addressed through communication and demonstration of monitoring, compliance and performance.

The first RFA is due to expire in February 2017 (East Gippsland). Discussions are currently underway with the Federal Government on the renewal of the agreements to underpin future investment by the sector.

Size of plantation estate

Plantations and small scale farm forestry present an opportunity to increase Australia’s long-term wood supply while contributing significant social, economic and environmental benefits to regional Australia.

In 2014-15 Victoria continued to have the largest total area of plantations of Australian states and territories with 433,100 hectares of commercial hardwood and softwood plantations, up from 384,600 hectares in the ten year period dating back to 2004-05. Hardwood plantations (mostly blue gum) make up roughly 47% of plantations while softwood plantations, mainly radiata pine, covered 52% of the plantation area in Victoria.
Development of new plantations

The reality of the forest and wood products industry is that we will operate in a resource constrained future. To continue to have a sustainable future, we will need investment in the plantation estate which will include a matrix of species. The location of plantations will need to be considered taking in the location of local infrastructure and processing facilities. A commitment to a new plantation target, how to address regulatory impediments and identifying specific actions to stimulate new investment in plantations and support the reestablishment of existing plantations, is needed.

VAFI is continuing to support initiatives to increase plantation and private forest investment.

Victoria’s State of the Forest Reports 2013 stated that the rate of new plantation establishment has been declining rapidly since 2000.27 Plantations play an important role in supplying timber locally and to export markets. Due to the long term nature of plantation investment the establishment of plantations has often required government assistance and regulatory support. Plantation trees are either for a ‘short term’ rotation of 8-15 years or a ‘long rotation’ of over 25 years. Short rotation timbers are traditionally used for woodchips or pulp for paper product. Long rotation timbers are aimed at producing sawlogs for construction or appearance grade applications such as furniture manufacture. Long rotation hardwood plantations are relatively scarce in Victoria and VAFI supports all plantations initiatives in this area.

The area of new plantations established in 2014-15 Australia wide was just 600 hectares. This is a decline of 60.1% for hardwood plantations and 65.9% for softwood plantations compared to establishment in 2013-14.28

In May 2016 the Forest Industry Advisory Council released its recommendations to Government following an extensive consultation period in 2015. One of the recommendations was ‘that industry develops a strategy for expanding the productive forest estate in strategic regional hubs through farm forestry, and identifies the role for government.’

This renewed call for expanding the productive forest estate follows the Plantations 2020 vision, announced in 1997.

In Victoria, plantations may be a minor land use but the hardwood and softwood plantation estate and farm forestry operations are economically significant. Plantation forestry provides additional economic diversification at the regional levels as well as environmental benefits including carbon sequestration.
Market access and opportunities

Businesses in the Victorian forest and wood products industry produce a wide range of product types from high quality appearance and structural grade timbers through to engineered wood products, woodchips and paper and packaging for the Australian and international markets. 50% of VAFI member respondents to the 2016 survey export their products.

Imports and exports

The international trade of products is a key influence on Australia’s forest and wood products sector. Overall, Australia imports more forest products than it exports, with an average trade deficit of $2 billion in value per year. Australia’s trade in wood products increased in 2014–15, with imports increasing by 10% to $5.1 billion and exports by 9.6% to $2.8 billion. While imported forest products increase competition for Australian manufacturers, they will remain a key part of the forest and wood products industry.

Imported products provide an important resource for construction and other applications, particularly where products in demand are not, or cannot, be processed or manufactured in Australia. Australia’s trade in wood products comprises a significant amount of two-way trade, particularly in paper and paperboard. Paperboard has been Australia’s largest wood product import since December 2013. Victoria is Australia’s largest exporter of forest and wood products, with total exports from the industry approaching $900 million in 2014–15, accounting for nearly 40% of the value of Australia’s forestry export. This is mainly driven by paper and paperboard and roundwood product exports.

The Victorian Food and Fibre Export Performance Report 2014-15 showed that in the 12 months to June 2015, the value of Victorian forest product exports declined by 3%, to $663 million. The major forest and wood products exported in Victoria by value are paper and paperboard, woodchips, roundwood and wastepaper.

To best serve the domestic forest and wood products industry, negotiated international trade agreements need to be transparent, balanced, and equitable, and contain provision for the continuation of strong anti-dumping provisions.

Source: Australian Sustainable Hardwoods
Manufacturing

As a primary industry, the forest and wood products industry has a strong market demand for its products. It has long been a part of the proud history of manufacturing in Australia, with the vast majority of its businesses involved in processing and manufacturing. These include sawmills, engineered wood products manufacturers, appearance product manufacturers (flooring, lining, cladding, mouldings and other products), paper makers, furniture manufacturers and frame and truss fabricators for the construction sector. Many of these businesses have operated for generations and have helped build Victoria’s proud heritage as a centre of manufacturing.

Now wood can take you further

Changes to the National Construction Code

From May 1 2016, builders are allowed to use timber construction solutions in buildings up to 25 metres in height – or around 8 storeys. The acceptance of the Mid-rise Timber Buildings Proposal for Change (PFC), will make it easier for the use of timber in mid-rise buildings up to 25m, effectively eight storeys.

These changes are extremely positive for both the construction sector, as well as the forest and wood products industry, and are a result of many years of hard work. From this we should see increased timber use in construction and the opportunity for more innovative and diverse design, which will see a more competitive environment for consumers.

The development of the Mid-rise Timber Buildings PFC was prepared by Forest & Wood Products Australia Limited (FWPA) and has been undertaken over the last two and a half years and involved extensive consultation and research.
Infrastructure
A key aspect of regional manufacturing businesses is ensuring that the associated infrastructure, such as roads, rail and port facilities, is maintained and developed in step with the growing needs of industry. Local municipalities often find it difficult to fund maintenance and upgrades of local roads utilised by the forest and wood products industry, which impacts on both the community and the industry alike. Maintenance of these roads is a concern for industry and local government, with the cost threatening to undermine future production.

The established and growing plantations in the Green Triangle region, on the Victorian and South Australian border, and the state forest operations in the North East are key areas where the industry is facing infrastructure constraints. These constraints, if not addressed, will detract from the realisation of the full range of benefits the industry can provide.

Strategic planning of freight infrastructure and efficient access from resource to market provides clear benefits to the whole community, including safety for all other users (e.g. school buses, tourists), regional job security, and improved access for other primary industries including local farmers.

In early 2016, Infrastructure Victoria released a discussion paper outlining objectives and actions to support the development of Victoria’s 30-year Infrastructure Strategy. VAFI supports the aim of the strategy in using the strategic provision of infrastructure to achieve social, economic and environmental benefits for all Victorians. The forest and wood products industry will both benefit from, and contribute to, these aims. In line with the objectives listed in the paper, VAFI highlighted the need for improved distribution networks, robust regional ICT infrastructure and a distributed energy network that includes bio-energy from wood waste.

**Roads**

The road infrastructure required by our industry spans across remote and rural areas as well as regional and metropolitan areas. Productivity improvements are critical to Victoria’s economic growth, and a collaborative approach to roading will result in fewer trucks on the road, fewer trips and better use of infrastructure and routes. This also leads to improved safety, environmental and efficiency outcomes.

The adequate provision of funding and committed support from governments at all levels is critical to ensuring that the significant economic and employment growth potential of the forest and wood products industry is realised. Considerable work has been undertaken over the last 10-15 years to identify and prioritise the road infrastructure needs of Victoria’s timber industry.

VAFI works closely with local councils and VicRoads to ensure that the needs of the industry are being met, while also being aware of community considerations. Major concerns for the industry are the Shelly-Walwa Road in North-East Victoria, a key route for HVP Plantations, and roads in Western Victoria connecting the industry in regions around Hamilton, Casterton, Heywood and across the border, to the Port of Portland.

**Ports**

Victoria’s commercial trading ports are engines for Victoria’s economic growth. They provide critical transfer points in Victoria’s transport network and connect Victoria to international markets.

The Victorian forest and wood products industry exports to numerous countries, predominately China and Japan, and relies heavily on the port system including ports of Melbourne, Geelong and Portland.

Issues related to ports in Victoria that directly impact the forest and wood products industry, include port capacity and on-port rail access.

Government direction and support is required to increase the availability and reduce the cost associated with the on-port rail as part of ongoing transport efficiencies. This will also assist in reducing trucks on roads around port areas and is part of normal wharf operations in other areas of Australia.
The ‘social licence’ of the forest and wood products industry continues to be a priority for the industry as a whole. The forest and wood products industry has many positive, good stories to tell and moving forward the industry is working to be more proactive in sharing these stories with the wider public.
The industry is strong and dynamic, with a sustainable, natural, beautiful recyclable product. VAFI is proud to champion the industry and support a number of industry initiatives to provide information about the qualities of forest and wood products. We want people to see the good in the industry.

Programs like the ‘Wood. Naturally Better’ campaign are examples of how we as an industry can tell the ‘good news story’ of the sustainable, natural, beautiful and recyclable forest and wood products industry. Research undertaken on behalf of FWPA in 2016 found that most Australians are likely to choose wood over other materials for various uses and that wood is the most used material for home applications and is on the rise for renovating, furniture use and redecorating. The research also found that due to Australians being increasingly concerned about climate change, attitudes towards wood is positive and support for the product and how it is sourced is increasing.

Contributions to community
VAFI members are generous supporters of their local communities in a variety of ways and continued this support over the past year. More than 87% of member respondents to the VAFI 2016 survey contributed financial and in-kind support to the CFA, local sporting clubs and charities.

Wood, Naturally Better
This marketing campaign, resourced by FWPA, aims to inform the public via print, free-to-air TV and internet (YouTube) about the environmental benefits of wood products. It aims to educate that “wood stores carbon for life” and is “a way to tackle climate change”. It is a successful and innovative partnership with Planet Ark and is fronted by Peter Maddison, Architect and host of Grand Designs Australia.

Wood Products Victoria
Wood Products Victoria (WPV) works closely with VAFI providing “technical-promotional” services for the wood products industry in Victoria. WPV’s assistance and activities range from the ‘forest to the consumer’. A portion of WPV’s annual income continues to be provided by VAFI members and VicForests in support of WPV activities.

Wood Solutions
Wood Solutions is an industry initiative at the national level to provide independent information on wood products and building materials for industry professionals. FWPA members and others pay a levy to support the publication of 20 Technical Design Guides, the TimberLife Educational Software, training courses and presentations.

Australian Timber Design Awards
Now in its 17th year, these awards promote outstanding timber design in the built environment. The 2016 overall winner was JAWSARCHITECTS for Three Capes Track Cabins. Drawing on previous experience with prefabrication and transportable structures, the cabins employ repeated and preassembled timber components.
Victorian Timber Industry Production Chain

Forest management
- Hardwood native forests, Hardwood plantations, Softwood plantations

Initial manufacturing or processing
- Hardwood & Softwood sawn timber (Structural with LOSP treatment for framing)

Appearance & structural grade
- Panels
  - Structural grade
  - Panels
  - Bark & Sawdust
  - Packaging grade

Products
- Wood panels – Plywood, Particleboard, MDF
- Pulp and paper
- Peeling & preservation

Environmental services
- Sequestration, biodiversity, habitat, salinity abatement, catchment protection
- Forest residues
- Posts & poles
- Pulplogs

End use products
- Residential dwellings, commercial buildings and renovations
- Furniture, doors, stairs, fittings, dwellings, buildings, renovations
- Newsprint, printing & writing, fibre board, fibre boxes, tissues, hygiene products
- Packaging

End use by-products
- Firewood
- Landscape products, potting mix, chemicals, adhesives, cogeneration energy

Cameron Consulting, Socio-economics of the Forest & Forest Products Industry in Victoria, Report prepared for VAFI, p. 334
The Victorian timber industry production chain

- **Sawlogs**
- **Pulplogs Chips**
- **Chips**
- **Forest residues**
  - Hardwood
  - Softwood
- **Sawntimber** (Structural with LOSP treatment for framing)

**Initial manufacturing or processing**

- **Joinery & furniture manufacture**
- **Trusses & frames**
- **Engineered wood products**
- **Pallets & boxes**

**Further manufacturing**

- **Products**
- **Sawdust etc**

**End use products**

- **Residential dwellings, commercial buildings and renovations**
- **Furniture, doors, stairs, fittings, dwellings, buildings, renovations**
- **Newsprint, printing & writing, fibre board, fibre boxes, tissues, hygiene products**
- **Packaging**
- **Preservative treated posts and poles**
- **Fire wood**

**End use by-products**

- **Landscape products, potting mix, chemicals, adhesives, cogeneration energy**
The forest and wood products industry remains a strong, reliable source of employment for many regional towns across Victoria and VAFI supports initiatives to ensure that employment not only remains steady, but increases in the future and provides a secure future for its workers.

- Direct employment in the forest and wood products industry represents approximately 1% of the total Victorian workforce.
- 40,000 – 50,000 indirect employees.
- Between 320 and 380 business operating locally.
- 21,000 direct employees.
- 13,000 live and employed in the suburbs of Melbourne and work in manufacturing such as cabinetry, framing and furniture making.

Employment
The forest and wood products industry in Victoria is one of Australia’s largest and most diverse, providing a broad array of career opportunities in forest growing and management; harvesting and haulage; sawmilling and processing; pulp and paper manufacturing; engineered wood, panel and board production; and timber merchandising.36

With ongoing issues facing all industries in attracting adequately trained and experienced personnel, ensuring there is a workforce available with the required skills is essential if we are to provide a sustainable future for the forest and wood products industry.

Skill shortages in the Australian forest and wood products industry continue to be a concern. Working with industry, ForestWorks drafted a list of Victorian skills shortages in the forestry and furniture design and manufacturing sectors. High on the list are: forester, silviculture worker, truck drivers, saw doctor, wood machinist through to PLC engineer and paper and pulp plant operators.37

We are also heading into a time where economics will combine with demographic generational forces which will see challenging times for businesses and governments.

As an industry we need to think about the future workers and the skills and training opportunities available to them. How can we support the younger workers and continue to develop their skills? How can we encourage new workers into the industry? How can we encourage new investments into this area?

To further attract Australians to study forestry and other related course, VAFI believes there is more room for the training to go directly to the person and move away from traditional classroom style teaching. In addition, there is the need to widen the scope of what is taught to beyond the science.

VAFI encourages the Federal and State Governments to work with industry in investing in the education and work experience of those working in the forestry industry to address the skills and training needs of the sector.

Skills Impact

In early 2016, it was announced that ForestWorks were successful in their alliance with the National Farmers Federation to secure government approval for a Skills Service Organisation (SSO) role through the creation of a new entity, Skills Impact. Skills Service Organisations (SSOs) replaced the role previously held by Industry Skills Councils (ISCs) in the review and development of training products, including skills standards and qualifications. SSOs will work under a new model which includes supporting a series of Industry Reference Committees (IRCs), who sit at the core of industry engagement.
Ryan & McNulty

In 1942 two gentlemen by the names of Pat Ryan and Ned McNulty ran a small sawmill for Pat’s brother who passed away. In 1952 the demands for more land from the Terrett’s Group forced the partnership to purchase land so they could continue their operations.

The site of 123 Sydney Road, Benalla was to be the new home for Ryan & McNulty Sawmilling. Pat Ryan was from a farming background whilst Ned McNulty was from a sawmilling background, and so the partnership began with farming and sawmilling sectors.

In 1963 the partnership of Pat and Ned was agreed to separate, Pat Ryan taking on the farming business and Ned McNulty continuing the sawmilling operations. Expanding the sawmilling operations, Ned introduced his son Des to the sawmill in 1978. Prior to this Des had his own successful logging and falling business from which he supplied his father. Selling his dozers and trucks, Des bought the sawmilling operations.

The now single owner, Des kept the sawmill running and growing, and in 1982 Des asked his son Greg to become a partner in the business. Greg prior to becoming a partner in the business worked for his father Des as a benchman from 1978, and by all accounts, was one of the best in the industry.

To this day, the name Ryan & McNulty is respected for the history it has. It’s a respectful act Des and Greg have towards the people in their past who have helped them become what they are today.

Ryan & McNulty has been a successful business, supporting the local community since they began. Des and Greg’s passion for the local community is received by many sporting clubs, charities and other not for profit organisations.

Radial Timber

Timber scientist, Christopher McEvoy began Radial Timber Sales in 2004 because he saw a need for the timber industry to head in a new direction. His vision began when he became involved with the world’s first radial sawmill.

The radial way of processing wood guarantees a recovery yield of up to 80 per cent and is nearly double the yield of traditional sawmills. This means that Radial Timber can actually provide the same amount of timber, but from fewer trees.

To further increase their resource and sustainability, the trees that Radial Timber uses are established and managed through their affiliate, Heartwood Plantations and are part of a renewable forest cycle.

All of the plantations are old farmland which is converted to native plantations with endemic trees from the Gippsland region. Each tree is grown for 20-30 years, harvested, and a new tree re-planted to ensure a constant cycle of forest growth. This not only ensures the plantation does not need to expand, but also maximises carbon storage from the trees, creating a renewable forest cycle.
Sustainable forest management supports a range of environmental, social, cultural and economic values. It is important that forest management practices meet the high regulatory standards required in Victoria and are continually improved to reflect new knowledge, technology and values. The aim of sustainable forest management is to manage forests in a way that maintains their biodiversity, productivity and regeneration capacity. It also aims to make forest regions healthier and more productive. Timber production in Victoria’s public forests is required, by the Sustainable Forests (Timber) Act 2004, to be managed according to the principles of ecologically sustainable development. This includes setting aside areas of significant conservation value that are not harvested and re-seeding and fully regenerating harvested forests.
Fire management

Although a natural part of the Australian environment, large high intensity bushfires are one of the greatest threats to biodiversity, timber values, water and other values in Victoria’s forests. Victoria has experienced three major landscape-scale bushfires since 2000, burning over three million hectares of land.

The Department of Environment, Land, Water and Planning (DELWP) has adapted a broader approach to managing bushfire risk as part of ongoing efforts to deliver the recommendations of the Inspector-General for Emergency Management’s recommendations that the government replace the existing hectare target for fuel reduction burning with a target for risk reduction. This approach to reducing bushfire risk is being used by DELWP in the new Safer Together program.

The Department uses strategic bushfire management planning to create regional “risk landscapes” and identify the most effective options to reduce bushfire risk, and reports annually on the effectiveness of fuel management activities. The program also emphasises the knowledge of local communities in sharing responsibility for managing bushfire risks and integrating approaches on public and private land.

DELWP manage bushfire risk in parks and forests in a variety of ways, including through conducting planned burns, both near communities and in remote areas. They do this in partnership with Parks Victoria, VicForests and CFA. Since 1 July 2015, DELWP has conducted 694 planned burns, with a treated area of 237,889 hectares. [2015-2016 season - 670 burns with treated area of 234,614ha; 1 July 2016 to date - 24 burns, 3275ha].

VAFI continues to contribute to the DELWP Land and Fire Management Stakeholder Roundtable and the Far East Gippsland Roundtable, providing feedback from the industry on fire management methods and gaining information from the Victorian Government and other stakeholders.

In early 2016, VAFI distributed an editorial titled ‘It’s time to manage our forests properly’. The editorial stated that each year we face the threat of catastrophic bushfire and that all of our forests need to be actively managed for fire. The editorial ran in several regional newspapers, as well as industry publications.

Industry contribution to fire management

Large plantation owners in Victoria are required to fund and run Forest Industry Brigades (FIBs) by the Country Fire Authority Act 1958 if they have in excess of 500 ha of plantation within a 25 km radius. In 2014-15 there were 22 Forest Industry Brigades registered across Victoria.

Generally, the owners of the specific asset being protected provide much of the equipment and pay for staff members to attend. CFA sets standards, provides training and some equipment. Many of the forest managers are professional foresters with additional training in fire behaviour and backgrounds in forest fire fighting. Forestry companies regularly attend callouts to fires on third party land and many take a shared responsibility view together with CFA, as advocated by the 2009 Victorian Bushfires Royal Commission.

Plantation owners have always accepted their responsibility to manage the risk that bushfires pose to their assets and neighboring properties. They invest considerable effort and resources to preparing for bushfires each summer. This includes the construction and maintenance of access roads, fire breaks and water storage (dams), and fuel reduction burning. As well as reducing the risk on the plantation owners land, this effort reduces the risk of fires spreading beyond their boundaries to neighboring land. There is considerable cost associated with the maintenance of these FIBs, including capital equipment (fire tankers, slip-on for 4WD vehicles, pumps, hoses, etc.), training of staff and contractors and wages of employees involved in fire suppression activities (often after-hours). This can be upwards of $10 million for companies like HVP Plantations.

Source: Victorian Association of Forest Industries
Regeneration
Regeneration
Regrowing the forest following harvesting is a key part of sustainable forest management. Replacing the older, harvested forest with a younger, growing forest ensures the maintenance of forest cover, biodiversity and habitat across the landscape.41

All commercial forestry operators must comply with the Code of Practice for Timber Production 201442 in order to fulfill their obligations to regenerate harvested coupes. In 2014 the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) undertook review of all rules that apply to harvesting operations as part of Timber Industry Action Plan (TIAP) implementations. VAFI was part of the consultation in the review process. The 2014 version of the code builds on the 2007 review by consolidating the environmental regulatory framework for entities conducting timber harvesting operations and protecting values such as soil, water, recreation, cultural heritage and biodiversity. Socio-economic values such as health and safety were found to sit outside the Minister’s responsibilities, and are no longer in the code.

Biodiversity
Conservation of biodiversity, and in particular threatened species, is vital for sustainable forest management. The Victorian forest and wood products industry is focused on ensuring forest conservation values are maintained in the forests in which it operates. VicForests conducts pre-harvest biodiversity surveys of all areas planned for timber harvesting and has external ecological experts conduct targeted threatened species surveys in areas that are likely to contain threatened species and their habitat.

Koalas
Koala management in plantations, particularly in blue gum plantations in Western Victoria, continued to be a subject of discussions and scrutiny in 2015-16. The forest and wood products industry in the region takes an active approach to working with key local stakeholders and State Government departments to develop processes and operational techniques aimed at eliminating harm to koalas. Industry and the State Government have established a Koala Management Leadership Group, supported by a Research Management Group and a Koala Stakeholder Engagement Group led by the local industry’s Green Triangle Regional Plantation Committee.

Leadbeater’s Possum
Following the listing of the Leadbeater’s possum as ‘critically endangered’ in 2015, the Federal Government released a Draft Recovery Plan for the possum. VAFI made a submission to the report on behalf of members and will continue to be involved in the ongoing discussions regarding the Leadbeater’s Possum.

Forest Industry Taskforce
In November 2015 the Victorian Government formally established the Forest Industry Taskforce and released the Terms of Reference. The purpose of the Taskforce is for the major stakeholders to reach common ground on a durable, long-term set of recommendations and proposals to government, about future issues facing the industry, job protection, economic activity, protection of our unique native flora and fauna and threatened species, such as the Leadbeater’s possum. The outcomes will be reached by consensus, and involve robust dialogue and considered negotiation. The process will rely on expert evidence, analysis and facilitation, and the engagement of relevant other affected groups and interests, and the broader Victorian community. Ideally, the Taskforce will aim for recommendations that will enable us to successfully create and sustain jobs and industry growth in a changing economic environment, to conserve high value ecological assets, to protect key species, and to implement a durable plan for the good stewardship of Victoria’s forests that can be embraced by the Victorian community.

The Taskforce has met regularly, both in Melbourne and out in the field, including visiting industry businesses.

2014-15 VicForests regenerated 3,459 hectares

In 2014-15 VicForests regenerated 3,459 hectares of harvested areas. The majority was regenerated by seed, with the rest planted by hand.43 VicForests aims to replicate natural regeneration processes as closely as possible.
Forest management and certification
Victoria’s forests are managed within a Sustainable Forest Management System to meet the requirements of the Sustainable Forests (Timber) Act 2004 (Vic) including a wide range of instructions and controls to ensure the regulatory requirements are met by VicForests and DELWP. Internal and external audits are rigorously undertaken to ensure compliance with the Code of Practice for Timber Production, Management Plans, Action Statements and internal requirements.

Victoria’s criteria and indicators for sustainable forest management are consistent with the criteria defined through the 1995 Montreal Process and complement the Framework of Regional (Sub-National) Level Criteria and Indicators of Sustainable Forest Management in Australia. The 45 indicators inform Victorians on progress toward sustainable forest management. Performance against each indicator is reported on a five-yearly basis through Victoria’s State of the Forests Report.

Independent, third-party certification is conducted every three years under the Australian Forest Standard (aligned to the global Programme for the Endorsement of Forest Certification) and the world’s largest forest certification scheme). The Australian Forest Standard was amended in 2012/13. 2013-14 saw further consolidation of AFS Ltd’s circumstances and, in addition to operating and maintaining the AFCS, AFS Ltd continued to operate as the PEFC National Governing Body for Australia.

VicForests is certified to the Australian Forestry Standard, and undertakes surveillance audits every six months. Regulatory Forest Audit Program ("FAP") audits, managed by DEDJTR, are also performed each year as well as internal audits conducted by VicForests.

DEDJTR focus on three key areas in conducting audit projects to assess the range of regulatory requirements relevant to the timber harvesting lifecycle:
- Coupe Planning, Harvesting and Coupe Closure;
- Harvest Area Limits;
- Regeneration and Finalisation.

Regular auditing ensures agencies are up to date with all regulatory requirements and encourages innovation and fresh approaches to ongoing system practices and improvements.

More than 10.4 million hectares of Australian forest, including native forests and plantations are AFS certified. More than 253 million hectares of forest worldwide is certified by schemes endorsed and recognised by the PEFC. The Forest Stewardship Council (FSC) continued to develop its National Standard for Australia and consulted widely on the third draft of the Standard, including the draft High Conservation Values (HCV) framework. There was a high level of interest in the process, with submissions from across Economic, Social and Environmental interests and productive discussion at the FSC annual meeting. The key issues of interest were: old growth forests, riparian protection, representative sample areas, sustainable yield, and industrial relations. The final draft of the Australian standard was to be released in the second half of 2016.

Climate change and carbon

Wood is a renewable resource that stores carbon. Both the United Nations Food and Agriculture Organization and the Intergovernmental Panel on Climate Change have stated that the use of forests for energy and wood products may be one of the most effective ways to achieve sustainable reductions in carbon dioxide emissions. The practice of sustainable harvesting and regeneration stores carbon in wood products, as well as in regrowth forests. It also allows for the production of low emissions timber products which reduce demand for alternatives, such as steel and concrete, which embody far greater carbon emissions in their production and manufacture. This role was recognised by the state government’s draft Climate Change Framework, where investment in jobs, skills and innovation in the forestry sector was listed as a potential for reducing Victoria’s carbon emissions.

Bioenergy

Bioenergy is energy derived from organic material (biomass). Bioenergy can be used for power generation (such as electricity) and heat applications in all energy sectors including domestic, commercial and industrial purposes, and in the production of liquid fuels for transport.

Currently one of the main sources of Australia’s bioenergy use for generating heat and electricity is wood waste. The wood waste is from forest residues and wood related waste products from sawmill residue (woodchips and sawdust) and pulp mill residue (black liquor and wet waste).

Using wood residues to produce bioenergy requires sustainable forest management to maintain environmental integrity. There is potential to expand Australia’s bioenergy sector to increase the use of wood residues from forest operations for electricity and heat generation, transport biofuel, and high-value low-volume products refined from lignin and cellulose.
About VAFI

The Victorian Association of Forest Industries (VAFI) is the peak body for the Victorian forest and wood products industry.

The forest and wood products industry in Victoria is a dynamic sector of the economy that uses wood – a renewable, biodegradable, recyclable product – to create materials for new homes, buildings and furniture, paper and fuel for green energy. VAFI represents the entire lifecycle of the forest and wood products industry, including forest growers, harvest and haul businesses, wood and paper processors, and associated businesses across both the native forest and plantations sectors.

VAFI represents the entire lifecycle of the forest and wood products industry, including forest growers, harvest and haul businesses, wood and paper processors, and associated businesses across both the native forest and plantations sectors.

The industry directly employs more than 21,000 workers and indirectly supports another 40,000 to 50,000 jobs. This provides a sustainable future for suburban, rural and regional communities across Victoria.

In a global economy VAFI continues to support local forest and wood products businesses, both in response to resource security and market access to the industry. VAFI continues to encourage greater uptake of productivity enhancing measures, including new technology, workforce skills and capabilities, industry collaboration and market support.

VAFI strives to protect and promote the forest and wood products industry’s commitment to Victoria’s economy and community, as well as its ongoing sustainability. VAFI works collaboratively with its members, industry stakeholders, the community and governments to achieve this goal.

Our vision is to ensure an economically, environmentally and socially sustainable future for Victoria’s forest and wood products industry. In working towards our vision, value is measured through what we, our stakeholders and members achieve.

VAFI’s values include:

• VAFI leads – it is the trusted voice for industry and its businesses
• VAFI advocates – it promotes outcomes that improve capacity to operate and grow
• VAFI networks – it cultivates and maintains relationships based on respect and cooperation
• VAFI educates – it communicates with government and stakeholders
• VAFI acts – it is professional, credible, and responsive in achieving the best possible outcomes

VAFI’s work includes:

• Representing our members and the Victorian forest and wood products industry to all levels of government, the community, other agencies and organisations;
• Developing policy, in consultation with our members, and advocating our position to support the future success of the forest and wood products industry in Victoria.
• Researching, analysing and advocating key industry and related issues;
• Supporting members on industrial relations, training and education, occupational health and safety and environmental management issues; and
• Developing and maintaining partnerships and collaborations for continuous industry improvement.

Source: Victorian Association of Forest Industries
Governance and stakeholders

Membership
VAFI members include organisations involved with forest and wood products processing, pulp and paper manufacturing, plantation growing and harvest and haulage.

Full members
Any person, firm or company who is or usually is an employer carrying on tree-growing, sawmilling or processing of timber, kiln seasoning of timber or independent logging operations in Victoria or adjacent areas.

Associate members
Any person, firm, partnership, company, corporation, association (whether incorporated or not) or unincorporated body involved in the forest industries.

Full Members
Allied Natural Wood Exports (from January 2016)
Arbuthnot Sawmills
Australian Bluegum Plantations
Australian Paper
Australian Sustainable Hardwoods
Auswest Timbers
Big Traffic Australia
Dindi Sawmill
Fenning Bairnsdale
HVP Plantations
Jacob’s Creek Contractors
Midway Ltd
Montana Timber Holdings Pty Ltd
Powelltown Sawmills
Pyrenees Timber
Radial Timber
Reid Bros Timber
Ryan & McNulty Sawmills
South East Fibre Exports (until January 2016)
South West Fibre
Walker’s Sawmill

Associate Members
A E Gibson & Sons P/L
Britton Timbers
Conway Transport P/L
DN & LJ Blackwood
Hallmark Oaks
MJ & MJ Brady P/L
Orient Exports
PF Olsen (Aus) P/L
Rubicon Cable Co
Stafford Logging P/L

Management
The VAFI Executive Committee is comprised of a President, three vice-presidents and three Executive Committee members. All Executive Committee members represent VAFI member businesses and as a body, they set the policy agenda for the Association and provide oversight of VAFI’s management activities. VAFI CEO, Tim Johnston, manages the Association on a day-to-day basis and is assisted by Jillian Roscoe, Manager Operations (currently on parental leave). All Policy issues are managed by Policy Adviser Dr Tim Morrissey, with public affairs issues and social media managed by Natalie Kimber, Media and Communications Co-ordinator. Contract staff provides IT, finance and industrial relations support.

Executive Committee Members
President
Michael Taylor, Midway Ltd

Vice Presidents
Vince Hurley, Australian Sustainable Hardwoods
Julian Mathers, Australian Paper
Greg McNulty, Ryan & McNulty Sawmills

Executive Committee members
Simon Gatt, HVP Plantations
John McConachy, Jacob’s Creek Contractors
Geoff Proctor, Montana Holdings Pty Ltd

VAFI staff
Tim Johnston, Chief Executive Officer
Jillian Roscoe, Manager Operations (currently on parental leave)
Tim Morrissey, Policy Adviser (from January 2016)
Natalie Kimber, Media and Communications Co-ordinator
Peter Ryan, Industrial Relations Adviser (until July 2016)
Sean Chua, IT Manager

VAFI Annual Industry Dinner
As the key industry event held in Victoria, the VAFI Annual Industry Dinner showcases the Victorian forest and wood products industry and its importance to key government and political representatives and industry stakeholders. The dinner is an opportunity to continue to cultivate the strong ties with key stakeholders across all sectors, whilst recognising the hard work from everyone in the industry.

The 2015 VAFI Annual Dinner was another outstanding success. More than 200 government and political representatives, industry representatives, industry association representatives and media attended the event. Speakers included the Hon. Jaala Pulford MP, Minister for Agriculture and Regional Development and Mark McCrindle, a social researcher.


**VAFI Awards**

**Awards**

Each year, VAFI recognises those members who have gone beyond compliance and made strategic improvements in their business, helping to build and secure the future of the Victorian forest and wood products industry.

The purpose, sponsor and recipient of each award in 2015 were:

**Economy Award**

**A**

(Sponsored by First Super)

Encouragement and recognition for significant innovative approaches that resulted in increased productivity, new value-added products or access to new markets for timber.

**Auswest Timbers**

In recognition of the commitment to innovative approaches, resulting in the development of their new value-added product, Swiftdeck.

**Community Award**

**B**

Encouragement and recognition for initiatives that contribute to the social and cultural wellbeing of regional communities

**Britton Timbers**

For enhancing the positive reputation of the industry as an important member of the community through education and partnership with RMIT.

**Sustainability Award**

**C**

(sponsored by PF Olsen)

Encouragement and recognition for achieving significant improvements in business, health and safety or environmental sustainability.

**Australian Bluegum Plantations**

For the contribution to ongoing sustainability through significant initiatives in koala management.

**Lifetime Achievement Award**

The VAFI Lifetime Achievement Award is one of the most significant awards VAFI presents each year, as it recognises an individual’s consistent and long-term achievements in serving the Victorian forest and wood products industry in excess of 20 years. In 2015 it was posthumously awarded to Robert Humphreys.

Bob was not only a stalwart of the industry, he was a dear friend and confidant. A pioneer and leader for the industry in East Gippsland, Bob was in his 52nd year sawmilling in the region. In that time his companies reached a peak of 5 sawmills, 77 employees and processed 65,000 cubic metres of sawlogs annually.

A former president of VAFI, and current Executive Committee member, Bob was a vital contributor to the forest and wood products industry. There is no doubt that his passing will be felt throughout the industry, particularly the towns and communities in East Gippsland. I know that many of you do not know an industry without Bob, he has been a constant in an ever changing world.

Bob will be remembered for his kindness, his sense of humour and his passion for the industry in which he worked for over half a century. We are better off for having known him, and together we will continue to ensure his legacy in the industry lives on. VAFI extends our thoughts and prayers to his family, friends and loved ones. Vale Bob, you will be sorely missed and remembered always.
Acknowledgements

The Victorian Association of Forest Industries (VAFI)
GPO Box 4320 Melbourne VIC 3001
T: +613 9611 9000
F: +613 9611 9011
www.vafi.org.au
info@vafi.org.au
@VAFIOnline
facebook.com/VAFIonline

Design & Print Management
Pix & Wordz Advertising
2 Elphin Grove Hawthorn VIC 3122
T: +613 407 322 527
www.pixandwordz.com

Printing
T C Printing
20 Jellico Dr Scoresby VIC 3179 Australia
T: +61 3 9763 8800
www.tcprinting.com.au

The Australian made carbon neutral paper used in the 2016 VAFI Annual Industry Review is made with a mix of recycled waste paper and wood fibre from sustainably managed Victorian forests.
Endnotes

1 Victoria State of the Forests Report 2013 p.92
2 Sales and Service income in forest product industries = total wood products and paper + paper products, from ABARES via email 2/9/2014 to be included in updated AFWPS statistics release November 2014.
3 8155.0 - Australian Industry, 2014-15
OpenDocument
tp://143.188.17.20/anrd/DAFFService/display.php?fid=pub_ 
AFWPSd9abfe20160526_11a.xml
5 VicForests via email 1 August 2016
6 VicForests via email 1 August 2016
7 VicForests via email 3 October 2016
8 Australian forest and wood products statistics: September and December quarters 2015
9 Australian forest and wood products statistics: September and December quarters 2014 summary statistics -
10 Australian forest and wood products statistics: September and December quarters 2015
11 AFS Annual Report 2014-15
12 http://www.forestystandard.org.au/
13 FSC Annual Report 2015
15 FSC Annual Report 2015
16 Linge 1979:339; Heatton 1980; Forest Report 1870-1
17 Johnson 1974-65; Forest Report 1899
18 The Historical Archeology of Forest Based Sawmilling in Victoria 1855-1940
Research_Report_Native_forest_project.pdf
20 ForestWorks ISC Environmental Skills Scan 2014 p.6
future-industries
images/Announcements/2016/Sector_Forum_-_April_2016.pdf
23 VicForests Area Statement 2014
NativeTimber-WEB.pdf
25 VicForests via email 3 October 2016
26 Department of Environment, Land, Water and Planning
27 Victoria SFR 2013 p.26
28 Australian plantation statistics 2016 - 17 Aug 2016
Documents/criterion2-web.pdf
30 AFWPS Statistics
31 AFWPS Statistics: Trade performance—September and December quarters 2015
32 AFWPS Statistics: Trade performance—September and December quarters 2015
33 Victorian Food and Fibre Export Performance Report 2014-15
34 Forest and Wood Products Australia consumer research – 
project alien consumer tracking 2016
35 http://www.timberawards.com.au/winners/awards- 
winners-2016
36 ForestWorks Skills Scan 2015 - Sector Overview
37 Draft Victorian Skills Shortages 2016; Forestry and Furniture 
Design and Manufacture
38 http://www.audit.vic.gov.au/publications/20131211-Timber- 
Resources/20131211-Timber-Resources.pdf
40 Country Fire Authority Annual Report 2014-15
41 VicForests Sustainability Report 2015-16
42 http://www.dep.vic.gov.au/forestry-and-land-use/timber- 
production/timber-harvesting-regulation/code-of-practice-for-

VicForests Sustainability Report 2015
44 http://www.dep.vic.gov.au/forestry-and-land-use/forest-
management/forest-sustainability/criteria-and-indicators
45 http://www.dep.vic.gov.au/forestry-and-land-use/timber-
production/timber-harvesting-regulation/code-of-practice-for-

http://www.montrealprocess.org/
47 http://www.dep.vic.gov.au/forestry-and-land-use/forest-
management/state-of-the-forests-report
49 http://www.pefc.org/
50 http://www.dep.vic.gov.au/forestry-and-land-use/ 


51 http://www.dep.vic.gov.au/forestry-and-land-use/timber-
production/timber-harvesting-regulation/code-of-practice-for-

http://www.montrealprocess.org/
54 FSC Australia’s standards development group https://au.fsc. 
.org/en-au/standards/national-standard-development/ 
standards-development-group-01
55 Climate Change Framework Discussion Paper 1- Jobs, Growth 
au/climate-change-framework/documents>