

## MEDIA RELEASE

22 April 2022

### **AFCA encouraged by Coalition's commitment to forestry industry, but gaps remain in securing plantation investment and growth**

AFCA welcomes the support from Prime Minister Scott Morrison and Assistant Minister for Forestry, Senator Jonno Duniam for the 73,000 direct forestry and timber industry jobs within Australia. The 14 April commitment of a \$219.5 million package to support innovation and R&D is seen as a considerable contribution to the industry. "We regard this as positive affirmation that this industry can deliver on housing and infrastructure, while also assisting the government in meeting its emissions reduction targets" said AFCA General Manager, Carlie Porteous.

The Coalition has committed to:

- \$100 million to establish a new National Institute for Forests Products Innovation (NIFPI) in northern-Tasmania, with up to five regionally located centres nationally
- \$112.9 million in grants to boost adoption of new wood processing technologies to maximise log recovery, process smaller logs and create new products
- \$6.6 million to extend Regional Forestry Hub funding for the 11 hubs

Previous commitments of the Coalition include:

- \$86.2 million in a new Plantation Establishment Program to help reduce the upfront costs of establishing new plantations and get more trees in the ground in key regions around the country
- \$4.4 million to strengthen Australia's illegal logging system and stop illegal timber imports from undercutting Australian producers Native Forestry Support.

The Coalition also re-iterated its support for the Native Forestry sector and the key role it has in productive supply into the future. Mr Morrison stated that "under the Liberals and Nationals, the Government would never support shutdowns of native forestry and would work with state government to create permanent timber production areas." This is welcome news to AFCA members currently facing uncertainty in several states.

Opportunity for further growth

A true opportunity for further growth, however, has been missed by the Coalition during this announcement. In the Forestry Hub areas of North Queensland, South and Central Queensland, South East NSW, Central West NSW and the Northern Territory where the 'water rule' continues to strangle greenfields investment or productive farm forestry



opportunities for the agricultural sector. This rule is effectively denying farmers and landowners in these regions from seeking carbon sequestration opportunities from the forestry sector.

The 'water rule' restricts new plantation investments from accessing carbon credits through the Emissions Reduction Fund if they are established in an area of more than 600mm annual rainfall. "Like any other crop, plantations need rain for sufficient growth rates and mortality, planting outside of these areas is just not economically viable. These hub regions receive significant annual rainfall totals, so water interception concerns just don't stack up" said Mrs Porteous.

Establishment of new plantings throughout these hub regions would generate immediate employment opportunities for AFCA members through civil and silviculture works. Ongoing and long-term employment benefits would also be realised in harvest, haul and processing.

Innovation funding from the Coalition announcement will only be effective if Australia has the forest resources to support the local industry and the economy more broadly. AFCA encourages the Coalition to remove this significant barrier to investment ahead of polling day.

---- END ----

Contact:

Carlie Porteous  
General Manager  
carlie@afca.asn.au  
0438 873 307

