

**INQUIRY INTO LONG TERM SUSTAINABILITY AND
FUTURE OF THE TIMBER AND FOREST PRODUCTS
INDUSTRY**

Organisation: Australian Workers' Union (AWU) and the CFMEU
Manufacturing Division

Date Received: 18 June 2021



The Australian Workers' Union

The CFMEU Manufacturing Division

Joint Submission into the inquiry into
the long-term sustainability and future
of the timber and forest products
industry

June 2021

Portfolio Committee No. 4 - Industry

Table of Contents

<i>Executive Summary</i>	<i>3</i>
<i>Consolidated List of Recommendations</i>	<i>5</i>
<i>Introduction</i>	<i>10</i>
<i>Industry overview.....</i>	<i>11</i>
<i>The timber and forest products industry value chain.....</i>	<i>12</i>
<i>External influences on the timber and forest products industry</i>	<i>17</i>
Summer 2019-20 bushfires	17
Drought, climate change and biomass build up and the timber industry	21
<i>Projections for softwood and hardwood supply and demand</i>	<i>23</i>
<i>Hardwood.....</i>	<i>24</i>
Supply	25
Demand.....	26
<i>Softwood.....</i>	<i>27</i>
Supply	28
Demand.....	30
Transparency and data reporting of timber supply	34
<i>Role for NSW Government</i>	<i>35</i>
Capitalising on Value Adding	35
Mandating training and other social criteria in wood contracts	36
Engaging with Indigenous Australians.....	37
Recognising a carbon-positive industry.....	38
Create a vehicle to encourage plantation establishment	40
<i>The environmental impact and sustainability of native forest logging</i>	<i>42</i>
<i>Implementation of the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package.....</i>	<i>44</i>

Executive Summary

The forest and timber industry in NSW is a crucial industry to the state. In 2016, it provided 19,000 jobs to workers in the suburbs, regional communities and 'timber towns'. The industry, however, has a wider social and economic importance to the state beyond the employment it creates.

NSW's grown, processed and manufactured timber and wood products – from logs and fibre, paper board and sawn timber to more elaborately transformed wood products like particleboard and panels and wooden furniture – are in high demand.

Timber and wood products are a key supplier of the booming and important housing and construction industry, essential to keeping the NSW's growing population housed and the state moving.

Wood is sourced from a very small percentage of the States' forests which are managed for timber production, including plantation forests and multiple-use state forests. These forests are not exclusively managed for timber production but are managed in a way that promotes sustainable development through the application of triple bottom line (social, economic and environmental) principles through the utilisation of sustainable forest management practices.

The bushfires of the summer of 2019-20 and the supply chain shocks associated with the COVID-19 pandemic highlight the values of the forest estate and appropriately ask us to reconsider the appropriateness of the various land management regimes in place for different types of forest tenures.

The bushfires have accelerated the restructure that the industry was already undergoing and highlighted some of the challenges faced within the supply chain.

The sober reality is that the bushfires have exacerbated the situation where demand in Australia for softwood for house framing timber was already exceeding local supply. Demand for hardwood is also likely to exceed local supply due regulatory creep and government policy in several Australian states, including NSW.

This reality provides an opportunity for the NSW Government to take the initiative by putting in place forest management prescriptions and government policies which:

- Maximise wood and timber production in NSW in a sustainable manner, both in the immediate response to current shocks and in the medium and longer term.
- Support the industry to innovate, value add and better utilise the resource available to it.
- Increase the industry's social license and efficiency by promoting training, job security and good jobs, improving workplace health and safety and mental health, encouraging engagement with Indigenous Australians and helping underpin sustainable communities.
- Mitigate the impact of current pressures on workers, contractors and communities being felt due to the restructure precipitated by the bushfires by providing adequate and just worker, business and community assistance and transition support (support that has been appallingly lacking to date).

Consolidated List of Recommendations

The AWU and CFMEU Manufacturing Division recommend that:

Recommendation 1: Union officials and union delegates be invited to provide verbal evidence at the inquiry's upcoming public hearing(s).

Recommendation 2: In recognition of the importance of NSW's timber industry and the challenges that different sectors in the industry face, the committee recommends that the NSW Government commit to industry planning in consultation with our unions and industry stakeholders.

Recommendation 3: The committee recommends that the NSW Government establish and support a NSW Forest Industry Advisory Council, made up of industry stakeholder representatives across the timber supply chain. This would include representatives of forest managers, primary processors, secondary processors, forest contractors, frame and truss manufacturers, furniture manufacturers, timber merchants and workers (including CFMEU Manufacturing and the AWU). The Council should have a program of collaborating together on industry supply chain challenges, initiatives, and an ongoing dialogue and exchange between industry, workers and the NSW Government.

Recommendation 4: The committee recommends that the NSW Government should ensure hardwood production is maximised from areas available for harvest in accordance with the objectives of sustainable forest management and the need to appropriately balance environmental, economic, and social benefits (as opposed to privileging environmental management ahead of management of social objectives). If wood is still not able to be supplied, workers laid off need to be provided with a Government-funded assistance, support and retraining package delivered through the bi-partite industry body ForestWorks, with details of the package negotiated with the CFMEU Manufacturing Division and the AWU.

Recommendation 5: The committee recommends the NSW Government commission an experts' review of the hazard reduction regime across different forest tenures. The task of the reviewers will be to recommend an optimal hazard reduction regime to meet the objective of the prevention and mitigation of catastrophic bushfires. The Government should provide adequate opportunity to provide input into the review.

Recommendation 6: The committee acknowledges the extremely valuable role of timber industry workers, contractors and Forestry Corporation, and their expertise in bushfire prevention, mitigation, and suppression activities. The committee should reject submissions promoting pseudo, junk "science" callously claiming timber harvesting increased the severity of bushfires.

Recommendation 7: The committee acknowledges that hardwood solid timber products are in demand and there is no prospect for a transition of the industry to plantation supplies in the near to medium future. Therefore, the committee should recommend that the Government maximise hardwood timber supply from NSW's native forests to timber processors in a fashion consistent with sustainable forest management (SFM).

Recommendation 8: The committee acknowledges that the 2019-20 bushfires have increased the already widening gap between local supply and local demand of sawn softwood timber.

Therefore, the committee should recommend that the NSW Government maximise log supply for local processors by assisting industry in several initiatives to increase supply in the short, medium, and longer term including by helping source logs from outside the region as a short-term remedy, assisting the rapid replanting of the burnt resource as a medium-term solution and establishment of new, additional softwood plantations as a longer-term solution.

Recommendation 9: The committee seeks information during the course of inquiry about the outlook for resources, drawing on projections, data and current supply commitments. The committee recommends that Government swiftly establish and convene the NSW Forestry Industry Advisory Council and coordinate an industry briefing from Forestry Corporation.

Recommendation 10: The committee recommend that the NSW Government support the timber industry through assistance to process residual products which have traditionally being destined for export markets, leverage its government procurement spend by buying from the NSW timber industry and make strategic investments to bolster the timber industry supply chain.

Recommendation 11: The committee recommends that the NSW Government facilitate increased take up of nationally accredited training and skills recognition in the industry by engaging Forestry Corporation, the CFMEU Manufacturing Division, the AWU and other industry stakeholders. The committee recommends that the Government leverage its position as a major supplier to drive improvement in the industry, and the benefit of the industry to workers and the community, by engaging Forestry Corporation, the CFMEU Manufacturing Division, the AWU and other industry stakeholders to develop an appropriate set of criteria to be considered when making supply allocation determinations.

Recommendation 12: The committee acknowledge the unique knowledge of sustainable forest management held by Indigenous Australians of New South Wales and the benefits of partnerships between Forestry Corporation and Indigenous Australians. The committee should recommend to the Government that they identify and facilitate opportunities for further Indigenous community involvement in forest management and co-management, employment, training, skills development, and business opportunities.

Recommendation 13: The committee acknowledge the positive role that sustainable forest management plays in slowing climate change and reducing emissions of greenhouse gases. The Committee recommend NSW and other governments introduce wood encouragement policies and require locally manufactured wood products be used on Commonwealth, State and local government funded projects in NSW.

Recommendation 14: The committee acknowledges the importance of plantation establishment to the future of the timber industry and that currently market and policy failure is hindering establishment. The committee also acknowledges that the benefits of plantation forestry are not fully understood and drawbacks such as interception of water are often overstated. The committee recommends that the Government urgently consult with industry on an urgent strategy to establish new plantations.

Recommendation 15: The committee acknowledges the social, economic, and environmental benefits of sustainable forest management. The NSW Government should support the workers, families and communities which rely on the native forest sector for their livelihoods and supports an ongoing ecologically sustainable native forest industry.

Recommendation 16: The committee recommends that the NSW Government link all future assistance to businesses with a requirement that they commit to continuing their operations in the communities they currently operate (including employment and training guarantees). In addition, the committee recommend that the NSW Government urgently convene a meeting with the CFMEU Manufacturing Division, the AWU and the Australian Forest Contractors Association and negotiate the details of a government funded contractors' and workers' assistance package, skills audit and recognition process and training and retraining allowance and program for any

workers displaced due to the restructure of the forestry industry caused by the 2019-20 summer bushfires.

Recommendation 17: The committee recommends that the NSW Government commit to not selling any further land assets or pursuing its previous plan to privatise the Forestry Corporation of NSW.

Introduction

Thank you for the opportunity to participate in the committee's inquiry into the long-term sustainability and future of the NSW timber and forest products industry.

The Australian Workers' Union (AWU) is the principal union representing workers in the NSW forest growing and management sectors of the industry including workers at Forestry Corporation.

The CFMEU Manufacturing Division is the principal union representing workers in the NSW harvesting and haulage and forest products manufacturing sectors of the industry including the sawmilling, wood products, frame and truss manufacturing and pulp and paper manufacturing sectors.

Our unions have benefited from hundreds of members already participating in this inquiry by providing the key content of this submission.

Submissions from members form **Appendix 1**.

Our unions welcome the opportunity to provide this submission and would further welcome the opportunity to have union members appear at the inquiry's hearings to provide verbal evidence.

This inquiry is timely. The resource of the industry was severely impacted by the 2019-20 summer bushfires, and this has put unique pressures on businesses and workers as the ramifications are felt.

For the timber industry, resource security is key. When resource security exists, it provides a favourable environment for investment confidence, profitability, and certainty. The absence of resource security has the reverse effect.

In addition, the COVID-19 pandemic has proven the importance of good, secure full-time jobs which our resources and manufacturing industries provide, along with the folly of over reliance on overseas supply chains for our essential needs.

The timber industry has provided a case study of this as strong domestic demand coupled with high global demand has resulted in severe shortages.

This submission will explore these issues and others, in line with the themes of the terms of reference.

Recommendation 1: Union officials and union delegates be invited to provide verbal evidence at the inquiry's upcoming public hearing(s).

“Our jobs are what enable us to give our families a life. It’s what pays our bills and allows us to care for our children, A lack of wood supply affects us and other workers in our field all around the state”.

– Union Members, Frames and Trusses Albion Park Rail

Industry overview

The forestry and forest products (timber) industry's workers provide a vital contribution to NSW. The industry provides thousands of direct and indirect jobs up and down the supply chain from forest growing and management to high tech and high value adding manufacturing supporting the livelihoods of workers, their families, and communities.

In 2016, forestry and wood manufacturing contributed \$2.4 billion to the NSW economy. The industry employs around 19,000 workers, with 42 per cent of these jobs based in regional NSW.¹

The industry supplies key products used in construction, by businesses and by consumers. The main markets for logs, sawn timber and manufactured products include the domestic frame and truss sector, joinery sector, furniture sector, flooring sector, windows and door sector and residential housing construction market.

Some of the end products that our NSW based members produce include frame and truss, structural timber, posts and rails, flooring, virgin Kraft liner paper, white top liner paper, cut to order timber, pallets, fencing, framing timber, energy, panels, engineered wood products and wood products used in furniture, kitchens, cabinets, and joinery. Retailers, large and small are involved in the sale of timber, furniture, and paper products.

¹ NSW Forestry Industry Roadmap, NSW Government, August 2016, p. 2

The industry is made up of a plantation-based softwood sector, a native forest hardwood sector and a plantation-based hardwood sector. All sectors deploy sustainable forest management (SFM) practices designed to ensure that social, environmental, and economic objectives from forest management are balanced and triple bottom lines benefits are delivered.

Each sector provides a valuable contribution to NSW, has specific and different attributes, and faces its own unique challenges. All sectors in seeking to overcome these challenges deserve the Government's and the community's support.

Recommendation 2: In recognition of the importance of NSW's timber industry and the challenges that different sectors in the industry face, the committee recommends that the NSW Government commit to industry planning in consultation with our unions and industry stakeholders.

The timber and forest products industry value chain

"90% of our products are exported. This site is one of the largest container users in Australia. The downturn of this site would be devastating to the region and have wider impacts for the State... The Tumut region relies on the timber industry, 80% to 90% of the region's population are employed either directly or indirectly by the timber industry.

– Union Members, Visy Tumut

"We are crucial to the timber industry as we supply materials and product essential for the construction of new homes and estates. Our product has a flow on affect that creates jobs outside the timber industry such as in the commercial and residential construction industry.

– Union Members, Frames and Trusses Albion Park Rail

The timber industry is characterised by a supply chain which is fully integrated. Managed forests provide a variety of social, economic, and environmental services as well as wood and non-wood products.

Primary processing of logs occurs at sawmills, pulp and paper mills and wood products manufacturers, with different logs of different ages and quality provided to different processors based on the logs' attributes and value and the processors' operational requirements.

By way of example, thinning is a silviculture/harvesting method used to enhance sawlog quality of remaining trees. It is important that a market for "thinnings" exists for the viability of the whole industry.

Likewise, harvesting residues and sawmilling processing residuals require a market. Export, pulp and paper, reconstituted wood products and renewable energy generators often provide that market.

Visy, a pulp and paper mill at Tumut can process sawmilling residues from local sawmillers like AKD Softwood and Hyne Tumberumba.

The Visy Pulp mill's feedstock also includes thinnings and harvesting residues from the softwood resources managed by Forestry Corporation and private forest owners.

The process is explained by Dean Anderson, Regional Manager of Forestry Corporation:

"At about 12-15 [years] we'll take out half [of what is being planted now], they'll go to Visy to make cardboard boxes, then about 22-25 [years] we'll thin them out again and they'll come to Hyne, and then at 30 [years] we will take out the remainder; they will come to Hyne to make housing frames, and then we'll start again."²

Economic viability of the supply chain requires the economic sustainability of every individual link, from forest managers to harvest and haulage contractors to processors. The supply chain is only as strong as its weakest link.

Despite this reality, due to uneven power relationships, too often the profitability of one part of the supply chain benefits disproportionately at the expense of another part of the supply chain, a situation which is a risk to the entire industry. By way of example, forest contracting businesses are often forced to adopt the most risk,

² Dean Anderson, Regional Manager of Forestry Corporation of NSW, Burnt log recovery begins to wind up, By [Emily Wind](#) May 7, 2021, 9 <https://tatimes.com.au/burnt-log-recovery-begins-to-wind-up/>

despite having the smallest capital base in the supply chain. The supply chain falls if they become unviable.

Some of the processors are exporters and partially or wholly rely on overseas markets to sell raw commodity products (logs or wood chip) or value-added products (like Kraft liner). The reliance on overseas markets for residual logs have meant that China's export ban on Australian logs has caused some disruption to some sectors in the NSW industry. Australia is the sixth most forested country on earth and approximately 16% of the country is forested. NSW is blessed with approximately 15% of the forests in Australia (20.4 million hectares of forests).

Forestry Corporation's management includes stewardship of 230,000 hectares of softwood timber plantations in the Central West, South and North of NSW, just under 35,000 hectares of hardwood timber plantations in the North-East along with approximately two million hectares of multiple-use public native forests. These multiple-use public native forests under NSW Forestry Corporation management are managed for environmental conservation, tourism, sustainable timber production and to facilitate other primary industries such as grazing and beekeeping.

Only approximately 1% of the multiple-use native forests under Forestry Corporation's management are harvested each year. Forests are then regrown by methods mimicking natural regeneration – it is incorrect to equate sustainable forestry to land clearing.

Regional Forest Agreements were established in the NSW in 1999 (Eden RFA), 2000 (North-East RFA) and 2001 (Southern RFA). The agreements established Comprehensive Adequate and Representative (CAR) reserve systems where timber harvesting is completely forbidden.

The existence of the CAR reserve system means that the approximately 0.01% of the NSW native forest estate harvested annually can be done with negligible impact on significant biodiversity values of national environmental significance which are well represented in the reserve system. The CAR reserves system and the relatively small footprint of forestry form just part of the rules and procedures for the timber industry.

By way of just one example, Forestry Corporation and their contractors are, on sites where koala habitat may be present, required to adhere to site-specific operating conditions. In addition, they must check for the presence of koalas before any trees are felled and put in place exclusion zones around areas where koalas are identified.³

It is important that the economic benefits of preserving our timber and forestry industries are appropriately balanced with the fiscal resources required to achieve a sustainable and growing koala population in NSW. Unfortunately, we are seeing both sides of politics work in different directions that ultimately heighten risk of destroying both.

In the very small area of native forest where harvesting is allowed to occur it is prescribed to be undertaken in line with the State's Forest Management Framework.⁴ This prescription, in combination with the CAR reserve system and other management prescriptions satisfies Commonwealth legislative requirements for environmental planning and assessment and for conducting forestry operations in a way which meet ecologically sustainable forest management objectives.

Indeed, the Federal Court of Australia recently concluded that forestry operations occurring under state regimes in RFA designated areas are in accordance with the Environment Protection Biodiversity and Conservation Act 1999 (Cth).⁵ Despite the finding of the court, we support legislative amendments to the Act to remove uncertainty due to ongoing legal challenges to forestry operations by opponents of the industry.

Triple bottom line SFM of NSW's public and many private forests are additionally guaranteed by forest managers' compliance with SFM standards. Certification requires forest managers to periodically demonstrate their compliance with nationally established and internationally endorsed Forest Management Standards⁶ to third party auditors.

³ NSW Environmental Authority, "Bushfire-affected forestry operations", available online: <https://www.epa.nsw.gov.au/your-environment/native-forestry/bushfire-affected-forestry-operations>

⁴ See: Overview of the NSW Forest Management Framework V1.1 March 2021 available online: <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/full/2021/2021fcafc0066>

⁵ *VicForests v Friends of Leadbeater's Possum Inc* [2021] FCAFC 66

⁶ Such as *Responsible Wood* Australian Forest Management Standard which is endorsed internationally by the *Programme for the Endorsement of Forest certification* (PEFC) and the FSC Australia National Forest Management Standard which is endorsed internationally by the *Forest Stewardship Council* (FSC).

Supply chain industry players such as processors are often “Chain of Custody” (CoC) certified which gives them the right to make claims that the products they process were sourced from certified sustainably managed forests. A CoC holder’s compliance with the CoC standards is likewise independently audited periodically.

Increasingly, retailers are demanding certified timber and wood products. Products sold by retailers are often marketed to consumers as certified and certification is encouraged by government procurement policies and several private sustainability schemes such as the Green Building Council of Australia where the use of certified wood can result in a Green Star “Credit”.

The Australian Government has hindered opportunities for collaboration at the national level amongst the industry’s supply chain partners since 2013. This is when the Forest and Wood Products Council (FWPC) (a representative body industry of stakeholders in the supply chain) was abolished.

The lack of industry collaboration since has hampered the ability of the industry to advise not just the Australian Government but State governments on challenges that the industry faces, and policy positions that government should take to help the industry overcome them. The NSW Government should rectify this situation by establishing a representative body.

Recommendation 3: The committee recommends that the NSW Government establish and support a NSW Forest Industry Advisory Council, made up of industry stakeholder representatives across the timber supply chain. This would include representatives of forest managers, primary processors, secondary processors, forest contractors, frame and truss manufacturers, furniture manufacturers, timber merchants and workers (including CFMEU Manufacturing and the AWU). The Council should have a program of collaborating together on industry supply chain challenges, initiatives, and an ongoing dialogue and exchange between industry, workers and the NSW Government.

External influences on the timber and forest products industry

Summer 2019-20 bushfires

“The 2019-20 bushfires wiped out about 30% of the softwood plantation supply. We lost houses (and we would have lost more) (It was) a really stressful time for the whole town. Once we were finally physically safe, we then had the mental stress about worrying about the future and if we and our kids will have jobs.”

– Union Members, Hyne Tumberumba

Timber workers, timber communities and their industry were at the forefront of the devastating 2019-20 summer bushfires. Hundreds of timber workers were deployed in volunteer fire fighting force units and/or by Forestry Corporation to utilise their skills and local knowledge of the forest and topography in a formal fire-fighting capacity.

The impact of the fires was devastating. 2439 homes were destroyed and tragically twenty-seven people died in NSW including nine fire fighters.

5.5 million hectares (7% of the State), including over 2.7 million hectares in national parks were burnt. Of this approximately 890,000 hectares of Multiple Use Public forests managed by Forestry Corporation and 65,000 hectares of hardwood and softwood timber plantations were destroyed.

Forestry Corporation: Impact on Hardwood Resource of 2019-20 bushfires

Fires impacted 831,439 hectares of native forest well as 5,252 hectares of hardwood plantations.

This equates to around half of the native forest estate, including productive forest areas as well as areas managed solely for conservation, and 15 per cent of the hardwood plantation estate.

The impacts of fires in terms of scale and severity were most pronounced on the south coast and upper north coast, with the western region largely unaffected.⁷

It is our unions' view that the Environment Protection Authority (EPA) has implemented overly onerous site-specific conditions unduly preventing salvage harvesting in burnt forests and timber harvesting in unburnt forests since the 2019-20 summer bushfires. The result of this has been that timber production from native forests fell to below one third of pre-fire levels according to evidence provided by Forestry Corporation to the NSW Parliament in a public hearing earlier this year.⁸ This has impacted jobs, hours at work and production in the hardwood sector.

In the North, prioritisation of production and supply from hardwood plantation timber meant the minimum volumes in some supply contracts were able to be met in some instances.⁹ Despite this, there clearly have been impacts on wood supply from fires as well as floods in the past 18 months for some mills in the North as reported by our members and resulting negative consequences to workers.

“Wood supply in the last 18 months has been impacted by rain and floods, fires, trucks not being let through and the Boral contract. The result has been that our quota (has) being halved recently. This has led to slow work processes, a lot of down time and redundancies.”

– Union Members, Hurford Hardwoods Kempsey

“Wood supply in the last 18 months has been impacted by fires, floods and environmental activists. The results have included a cut to hours temporarily and it being difficult to get certain types of timber.”

– Union Members, J. Notaras and Sons

⁷ Forestry Corporation Annual Report 2019–20 Written and compiled by Forestry Corporation of NSW, 10, Available online: https://www.forestrycorporation.com.au/data/assets/pdf_file/0007/1278340/FCNSW0739-AnnualReport_FY20web-1.pdf

⁸ Ansul Chaudary, Acting Chief Executive Officer, Forestry Corporation, PORTFOLIO COMMITTEE NO. 4 - INDUSTRY Friday, 26 February 2021, 15 available online:

<https://www.parliament.nsw.gov.au/lcdocs/transcripts/2520/Transcript%20-%2026%20February%202021%20-%20CORRECTED%20-%20PC%204%20-%20Regional%20New%20South%20Wales%20Industry%20and%20Trade%20-%20Barilaro.pdf>

⁹ Forestry Corporation Annual Report 2019–20, 10.

An absence of hardwood timber plantations on the South Coast meant that Forestry Corporation were unable to substitute planned harvesting of native forests with hardwood plantation harvesting like they were able to, at least to some extent, in the North. The result was that minimum supply commitments to processors were not met in most instances.¹⁰

Workers, the industry, and community impacted by the lack of wood supply are understandably extremely frustrated:

“Our timber supply has been affected by bushfires, floods, lack of access and red tape from governing bodies not allowing harvesters to clean up after such disasters yet more than happy for those people to risk their machinery and jobs to help the local community during the fires...We have lost our night shift which has put 11 employees out of a job and we are down to 2% available stock in our yard when it use to be around 90%”

– Union Members, Narooma Timber Mill

Recommendation 4: The committee recommends that the NSW Government should ensure hardwood production is maximised from areas available for harvest in accordance with the objectives of sustainable forest management and the need to appropriately balance environmental, economic, and social benefits (as opposed to privileging environmental management ahead of management of social objectives). If wood is still not able to be supplied, workers laid off need to be provided with a Government-funded assistance, support and retraining package delivered through the bi-partite industry body ForestWorks, with details of the package negotiated with the CFMEU Manufacturing Division and the AWU.

Forestry Corporation: Impact on Softwood Resource of 2019-20 bushfires

The 2019-20 fire seasons impacted approximately 52,000 hectares of stocked softwood plantations managed by the Softwood Plantations Division, which is around one quarter of the total softwood plantation estate. The largest impact

¹⁰ Ibid.

occurred around the south west slopes and southern NSW, where roughly half the softwood timber resource is located.

Close to a third of the 100,000 hectares of timber plantations around Tumut were affected by fire, along with nearly a third of the plantations around Bombala.

While the scale of the softwood plantation estate is smaller in the north of the state, fires affected a substantial proportion of the plantations near Grafton along with the processing facility of the district's major customer. Plantations near Bathurst and Oberon were largely unaffected.¹¹

In contrast to the hardwood sector, there was a spike in harvesting of, and production from, the softwood plantation estate because of a focus on the recovery of as many burnt, usable logs as was possible prior to them deteriorating. In the same hearing in the NSW Parliament that Forestry Corporation's acting CEO reported a reduction to below 1/3rd of pre-fire timber production from multiple use native forests, he reported a doubling of harvesting and production of softwood compared to the pre-fire harvesting and production rate.¹²

About 2.7 million tonnes of timber was salvaged in the Tumut/Tumbarumba region alone with Hyne, AKD Softwoods and Visy increasing production and stock piling logs.¹³ The salvage effort caused some initial difficulties for our members in the processing sector who adjusted diligently to handling and processing burnt logs which required changes to storage, dust control, drying and grading procedures.

Despite the incredible effort to salvage so much, over half the burnt trees in the fires affected region were too young to salvage. The salvage operation has now finished.

Impacts on future wood supply and projections on hardwood and softwood resource outlooks due to the fires and other factors will be focussed on in the following section.

¹¹ Forestry Corporation Annual Report 2019–20, 8.

¹² Chaudary, 15.

¹³ Australian Forest products Association, 'Sixteen months on from bushfires, forest industries' mission to use as much burnt timber as possible for home construction is coming to an end' 05 May, available online: <https://ausfpa.com.au/media-releases/sixteen-months-on-from-bushfires-forest-industries-mission-to-use-as-much-burnt-timber-as-possible-for-home-construction-is-coming-to-an-end/>

Drought, climate change and biomass build up and the timber industry

Droughts can stunt forest growth, kill trees, and even change how forests function.¹⁴ Drought conditions also tend to make forests more fire prone.

Most of the fires in NSW were triggered by dry lightning strikes¹⁵ and spread quickly and catastrophically. A recent study concludes that the 2019-20 bushfires were not made worse by three years of below-average rainfall which led to an abundance of overly dry vegetation.¹⁶

It was extremely unfortunate that an opportunity to soberly calculate the factors behind the increasing risk of devastating forest fires at the outset, during and in the aftermath of the fires was largely exchanged for an unbecoming, largely uninformed and ideological national debate. This debate saw proponents on either side exclusively blaming either a lack of hazard/biomass reduction in unmanaged forests exclusively or alternatively climate change exclusively on the severity of the fires when both factors were likely at play.

Out of control catastrophic bushfires are threat to not just the future of the forestry industry but lives, properties and environmental values including fauna, habitat and carbon stored in our forests which is emitted when burnt. Given this, there should be an unprejudiced, unideological analysis of an optimal hazard reduction regime for fire mitigation across forests of all tenures as other jurisdictions have undertaken.

By way of example, the Biden administration in the United States has recently released its wildfire strategy which calls for a doubling or a quadrupling of the rate at

¹⁴ Tom Ovenden PhD Candidate - Forest Ecology, Resilience and Biodiversity Conservation, University of Stirling Alistair Jump Professor of Plant Ecology, University of Stirling “Forests go into growth ‘overdrive’ to recover from drought – new study”, the conversation, January 19, 2021, available online: <https://theconversation.com/forests-go-into-growth-overdrive-to-recover-from-drought-new-study-153115>

¹⁵ Lisa Richards and Nigel Brew Foreign Affairs, Defence & Security and Lizzie Smith Science, Technology, Environment & Resources, Australian Parliamentary Library, 2019–20 Australian bushfires—frequently asked questions: a quick guide, 12 March 2020, available online: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1920/Quick_Guides/AustralianBushfires

¹⁶ Timber Biz, Catastrophic bushfires made worse by poor rainfall not logging, with reference to David M. J. S. Bowman, Grant J. Williamson, Rebecca K. Gibson, Ross A. Bradstock & Rodney J. Keenan The severity and extent of the Australia 2019–20 Eucalyptus forest fires are not the legacy of forest management, *Nature Ecology and Evolution Journal*. <https://www.nature.com/articles/s41559-021-01464-6>

which it thins and removes dead wood from its forests to reduce the threat of wildfires that have become more frequent and severe due to climate change.¹⁷

Of course, if there are any additional wood and timber from the implementation of a new strategy of biomass and hazard reduction which is of commercial use to the timber industry, it should be available for utilisation (provided that the resources are able to be delivered and processed in a socially, environmentally, and socially sustainable fashion). Despite this, a commercial yield should not be the driver of the strategy.

Recommendation 5: The committee recommends the NSW Government commission an experts' review of the hazard reduction regime across different forest tenures. The task of the reviewers will be to recommend an optimal hazard reduction regime to meet the objective of the prevention and mitigation of catastrophic bushfires. The Government will provide requisite opportunity to provide input into the review.

Equally unfortunately, and disgracefully timber workers sacrificed so much in defence of their communities and livelihoods were also subject to crude and opportunistic attacks by anti-native forestry campaigners claiming that timber harvesting increases the risk and severity of bushfires. The presentation of this viewpoint as a scientific consensus is extremely disingenuous as is the omission by the proponents of that theory of the effectiveness of harvesting and the associated infrastructure and skilled workforce in aiding bushfire suppression.¹⁸

Forestry Corporation and their activities are a prime example of this effectiveness.

Forestry Corporation's Bushfire Prevention, Mitigation and Suppression Activities

'As a statutory firefighting authority, we play a key role in preventing and managing fires and protecting communities as part of the State's coordinated firefighting

¹⁷ [Christopher Flavelle](https://www.nytimes.com/2021/05/20/us/wildfire-biden-strategy.html) *The Biden administration releases its wildfire strategy as the climate threat grows*, May 20, 2021, available online: <https://www.nytimes.com/2021/05/20/us/wildfire-biden-strategy.html>

¹⁸ Ian Ferguson and Phil Cheney, *Logging does not cause 'tipping points' for Mega Fires*, 2012, available online: <http://www.australasianscience.com.au/article/issue-january-and-february-2012/logging-does-not-cause-%E2%80%99tipping-points%E2%80%99-mega-fires.html>

response. We employ a highly trained and skilled firefighting workforce and carry out annual hazard reduction, training, and maintenance programs. We also maintain a firefighting fleet, equipment, and heavy plant as well as a network of fire trails and fire towers to aid rapid detection and early suppression of fires in State forests.’¹⁹

‘Forestry Corporation was heavily involved in firefighting as part of the State’s coordinated firefighting response led by the RFS. The logistical firefighting task was the largest ever embarked upon, with ongoing staff deployments continuing throughout the state over many months. The full time, seasonal and casual firefighting workforce was bolstered by the engagement of contractors as required as well as several forestry strike teams from interstate and overseas. Forestry Corporation also engaged its own contract aircraft and diverted heavy machinery such as bulldozers from operations to help build containment lines and keep fires in check.’²⁰

Recommendation 6: The committee acknowledges the extremely valuable role of timber industry workers, contractors and Forestry Corporation, and their expertise in bushfire prevention, mitigation, and suppression activities. The committee should reject submissions promoting pseudo, junk “science” callously claiming timber harvesting increased the severity of bushfires.

Projections for softwood and hardwood supply and demand

Projections of sustainable wood and timber supply from Australia's forests in the short medium and longer term can be made as can demand projections of consumers, industry and the general market.

Of course, supply projections are just that – projections and can be impacted by external factors both negative, (like bushfires or increased regulation) or positively

¹⁹ Forestry Corporation 5

²⁰ Ibid, 12

(by having the amount of forest available to harvest increase, for example, by plantation).

Demand projections are also not static but based on changing preferences and the availability of supply and alternatives.

We can analyse impacts on supply and demand projections and if we act nimbly, make policy adjustments and implement industry policy accordingly.

Forestry Corporation is Reviewing Sustainable Yield Modelling

Sustainable yield modelling is being reviewed to quantify the impact of fires on the supply of timber in the short, medium and long term from both plantations and native forests, with the volume of timber produced anticipated to decrease in the medium term. Timber revenue is projected to decrease by around 25 per cent as salvage programs draw to a close, markets respond to the downturn triggered by the global COVID-19 pandemic and supply contracts are realigned to the available resource.²¹

Hardwood

“Our mill has timber supply contracts that end in around 2023. This should be sorted so we have secure supply and secure jobs.”

– Union Members, Sweetmans Timber

“We are worried about the future of wood supply which underpins our jobs because, no logs equals no work”

– Union Members, Hurford Hardwood Kempsey

²¹ Forestry Corporation, Annual Report, 7.

CFMEU submission to a Commonwealth Inquiry into the Forestry industry in 2011

Regional Forest Agreements are meant to provide certainty for the forest-based industry and native forest dependent communities. The RFAs have in our view delivered no such certainty. Forest based industries cannot be robust when agreements fail to deliver and cannot distribute on an ongoing basis the wood volumes as specified in the agreements. In our view this has been a characteristic of all ten agreements. This climate of uncertainty has led to a lack of significant industry growth and severely stunted possible economic opportunities.

Practical observation and projections of wood volumes and profiles would suggest this resource crisis is prevalent in New South Wales, Western Australia and Tasmania with serious question marks over Victoria's capacity to provide adequate log volumes to existing industry. Our assessment is that key requirements are not being met and/or are not projected to be met in terms of quality and/or quantity of log volumes. It is the Union's appraisal that this resource profile will only become worse, particularly under current policy settings.²²

Even before the 2019-20 summer bushfires the industry experienced decades of declining volumes of wood supply from native forest areas designated as available to harvest under the RFA. The wood that was anticipated to be available was simply never there in the comes promised and increasing environmental regulation along with and fires have further reduced volumes.

As outlined in the previous section, the supply for the native forest hardwood sector was reduced dramatically as a result to the regulatory reaction to the bushfires (to below 1/3rd of pre-fire harvest volumes). This resulted in the

²² CFMEU Forestry and Furnishing Products Division, April 2011, Submission in the Senate Standing Committees inquiry into the Australian forestry industry.

Forestry Corporation declaring *force majeure* on many contracts following the 2019/20 bushfires.

Forestry Corporation report that: “Work will continue into FY21 to map a path to recovery for both the forests and the industries and communities that rely on them”²³ They also report that the: “The impact on long term sustainable wood supply is also being reassessed to ensure forests continue to be managed sustainably”²⁴

Forestry Corporation also warn that they “...may have onerous contracts in relation to wood supply agreements for native forest timber. The quantum of this amount is not able to be determined as the wood supply agreements allow for movements in price and volume.”²⁵

Demand

“We have demand for our product that we just cannot keep up with and that just doesn’t make sense...With supply and investment, we could meet our demand and supply the hardwood product our customers want”.

– Union Members, Sweetmans Timber

There is solid and stable demand for “appearance grade” products which are made from timber sourced from NSW’s multiple use forests including fine furniture, flooring, and feature timbers. Hardwood timber is also used in building products to provide additional strength or stiffness.

Opponents of the native forest industry often call for a “swift” transition to plantation supply of the native forest industry. However, the reality is that there is no ready to harvest plantations in Australia that can substitute wood supply from native forests to make these products.

Indeed, there is hardly much plantation even planted that will be suitable to manufacture these products in the future. The fact is that most of the plantations established under the Plantations 2020 strategy (short rotation hardwood

²³ Forestry Corporation, Annual Report, 10

²⁴ Ibid, 6

²⁵ Ibid, 51

eucalyptus pulp logs) have no current viable local processing market, and none in serious prospect.

Demand for hardwood sawlogs was not expected to exceed supply according to ABARES' 2050 outlook produced in 2019.²⁶ However, with demand for hardwood sawlogs being consistently approximately around and above 1.5 million m³/year annually to 2050 there is a legitimate risk that demand will ultimately end up being met by less sustainable overseas alternatives like tropical timbers if declines in hardwood production continue at current trajectories and projections around the country due to regulatory creep and government policies. Where demand cannot be met by local industry due to excessive regulation, ultimately, more harmful foreign production is likely to replace it.

Recommendation 7: The committee acknowledges that hardwood solid timber products are in demand and there is no prospect for a transition of the industry to plantation supplies in the near to medium future. Therefore, the committee should recommend that the Government maximise hardwood timber supply from NSW's native forests to timber processors in a fashion consistent with sustainable forest management (SFM).

Softwood

"We are told that there is not enough wood for all the processors in the region to keep processing the same amounts without spending heaps on freight".

– Union Members, Hyne Tumberumba

"We are told that the impact of the bushfire is going to mean that there is not enough wood for all the processors in the region to have continued supply at their usual levels."

²⁶ Linden Whittle, Peter Lock and Beau Hug, ABARES, 'Economic potential for new plantation establishment in Australia Outlook to 2050', February 2019, available online: https://www.agriculture.gov.au/sites/default/files/abares/documents/PlantationEstablishmentOutlook2050_v1.0.0.pdf

– Union Members, AKD Tumut

“In the long term, the log quality and availability will deteriorate and make it more costly to produce quality product and the supply will decrease significantly for all manufacturers in the region”.

– Union Members, Visy Tumut

“The bushfires have clearly had an impact and with strong demand we have had ongoing timber supply concerns”.

– Union Members, Bunnings Frame and Truss Warnervale

Supply

The increased harvesting activity and timber production associated the salvage harvesting operation has now ceased. New contracts to forest contractors were recently awarded based on reduced volumes.

Forestry Corporation’s post-fire review of the volume of timber that can be sustainably produced from plantations suggests that timber supply cannot return to pre-fire volumes in the worst-affected management areas for up to 20 years.²⁷

Further, the 2019-20 fires exacerbated an already projected decline in the available softwood resource in the region stemming from previous fire activity last decade which was already being managed.²⁸

Part of the problem facing local processors and constraining local processing of sawn timber is the legacy of the poor design of the Plantation 2020 policy which was meant to establish 3 billion plantation trees by 2020 (we remain at about 2 billion).

The CFMEU submission to a Commonwealth inquiry into the Forestry industry in 2011

The Plantations 2020 strategy is a policy instrument implemented with the intention of enhancing regional wealth creation and international competitiveness

²⁷ Forestry Corporation, Annual Report, 9

²⁸ Ibid.

through a sustainable increase (a trebling) of Australia's plantations. Currently the situation for the industry is that:

- Harvested pine plantation resources are not being replaced at a rate sufficient to meet the needs of the current processing industry...

Softwood Resource Insecurity

Softwood plantation establishment under the strategy has been negligible, particularly in comparison to hardwood plantation establishment (150% growth in ten years for hardwood plantations compared to 8% growth in ten years for softwood). This low rate of growth has caused a situation of resource insecurity for local softwood processors and has affected investment and contributed to job losses and enterprise closures.

Softwood resource establishment has not grown at a rate required by industry and dependent communities partly as it has been in competition with plantation hardwood eucalypt establishment.

This is the effect of new plantation hardwood established under the strategy being financed largely through Managed Investment Schemes (MIS).²⁹

Since the collapse of the MIS mechanism in 2008/09 a viable replacement investment vehicle has not been established. In 2018 the Australian Government released a policy to encourage the planting of a billion trees in ten years (400,000 hectares).³⁰

This target was not accompanied by a viable replacement mechanism however to fill the investment viability gap in plantation establishment. This gap stems from the high risk in the first years of plantation establishment – returns on investments are

²⁹ CFMEU Forestry and Furnishing Products Division, April 2011

³⁰ GROWING A BETTER AUSTRALIA A billion trees for jobs and grow, 2018 available online: <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/forestry/national-forest-industries-plan.pdf>

realised (up to 15 years after investment for softwood plantations when the first thinnings are harvested).

Exacerbating the lack of volume of plantation forests, many of Australia's hardwood and softwood assets were purchased by institutional investment companies when the MIS companies collapsed or when State governments privatised their softwood resources. Where parity or more lucrative export prices exist (or even often when they do not), these companies have often decided to export whole logs and been reluctant to provide local processors with logs.

This matter is being considered in a Commonwealth parliamentary inquiry which is considering a voluntary code of conduct. There are also moves in the forest certification space to require the supply of local processors as a part of a forest managers' social sustainability obligations. However, enforcement and compliance will be the key and forest managers on the standard setting committees often attempt to water down requirements on this very matter when adapting international standards to national standards.

Demand

"We supply a product which is in high demand and essential for Australia to keep its building boom going".

– Union Members, AKD Tumut

"We provide a product which is in high demand and essential for Australia to meet its future building needs".

– Union Members, Hyne Tumbarumba

"The building industry and housing is a strongly growing industry. Timber frame and truss is in high demand and critical to the industry."

– Union Members, Bunnings Frame and Truss Warnervale

"An unstable timber supply would see our product dry up and homes go unbuilt or experience extreme, unnecessary delays".

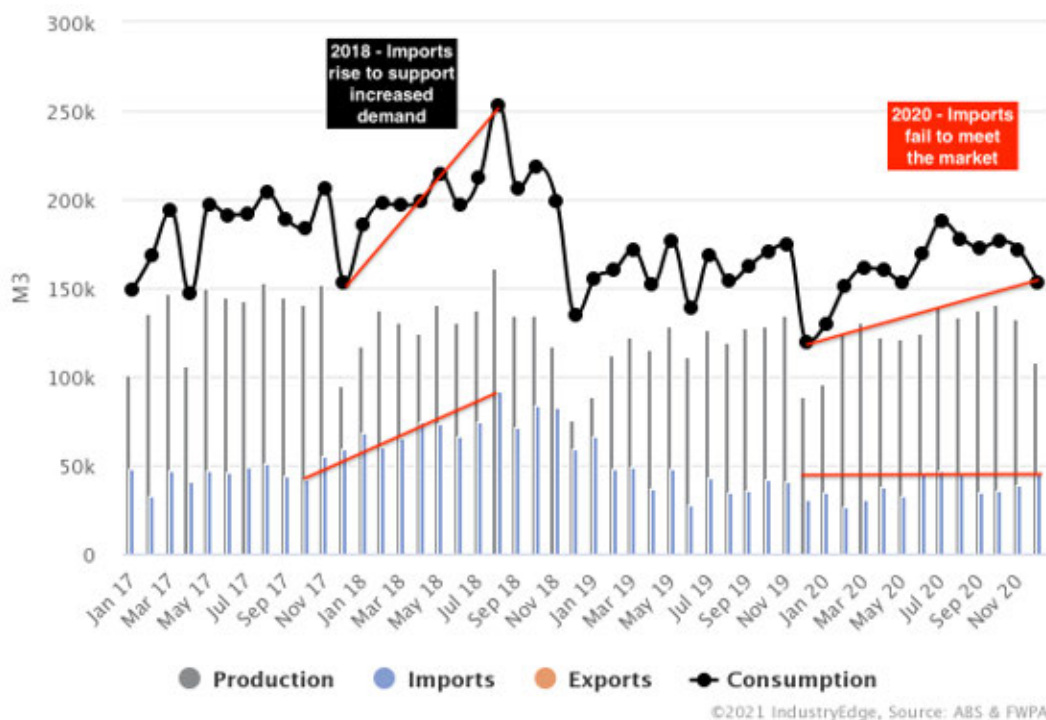
– Union Members Frames and Truss, Albion Park Rail

“We are a major supplier and competition in the national and international Kraft paper supply chain”.

– Union Members, Visy Tumut

Already, Australia relies on imports of sawn timber when demand is high. Australia’s import dependence is going to be exacerbated by loss of resource in the fires.

There is currently a local and global timber shortage relative to demand. In the past, imports have risen to meet local demand when it is high.



Graph produced by IndustryEdge.

However, imports have not risen to meet local demand causing a serious timber shortage. The booming US housing market is a huge market is the preferred and more lucrative export destination for Scandinavian timber.

Complicating things further is that both globally and locally, a prolonged flat housing market was expected for 12-24 months after economic restrictions were introduced in March 2020. supply chain companies ran down their inventories and it has taken some time for expectations and the market to adjust. Even several Australian sawmills stood workers down or reduced shifts and overtime at the outset of COVID-19 in anticipation of flat demand, with NSW workers in softwood mills likely only spared this due to the salvage effort.

Global supply chains disruptions have meant that even when supplies can be secured, there are logistical barriers. Import lead times have been pushed out and international freight costs have climbed to unbelievable levels.

Also, there are other market signals which are impacting global trade. For example, Russia announced a ban of whole log exports by the end of the year. China is the world's largest importer of softwood and hardwood and for many decades, Russia has been a significant supplier for them.

One consequence of Russia's announcement is that Chinese wood manufacturers will need to explore new long-term log supply regions. Already China has shifted from sourcing logs from Russia to European suppliers in the past few years as insect-infested timber in Central Europe was in temporary abundance.

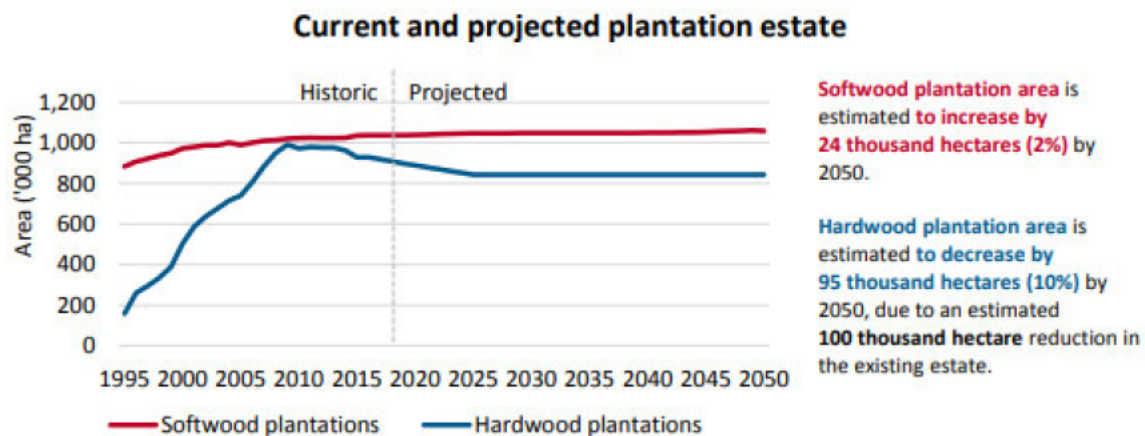
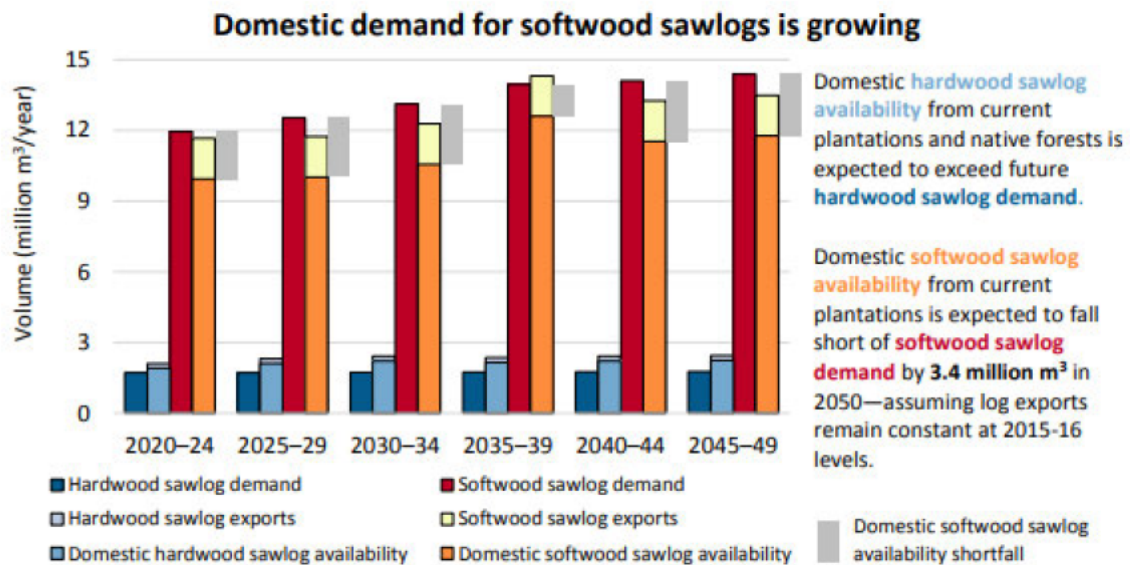
From 2018 to 2020, softwood log imports from Europe to China increased from 1.3 million m³ to 12.3 million m, while Russian-supplied logs fell from 7.8 million m to 4.2 million m³.

However, shipments from Europe are not sustainable long-term. According to the recently released study by the consulting firms Wood Resources International and O'Kelly Acumen, China is expected to source more sawlogs from Oceania, Europe, and the US in the short-term.³¹

Meanwhile, Australia was facing an increasing gap between local supply and local demand even prior to the bushfires. ABARES then estimated that between 2020 and 2050 import volumes of softwood would need to double to meet demand.³²

³¹ Wood Resources International and O'Kelly Acumen (Russian Log Export Ban in 2022 - Implications for the Global Forest Industry), <http://www.foreconinc.com/russia-log-export-ban-in-2022-implications-to-the-global-forest-industry/>

³² ABARES, Economic potential for new plantation establishment in Australia Outlook to 2050'



ABARES Economic potential for new plantation establishment in Australia Outlook to 2050.

Recommendation 8: The committee acknowledges that the 2019-20 bushfires have increased the already widening gap between local supply and local demand of sawn softwood timber.

Therefore, the committee should recommend that the NSW Government maximise log supply for local processors by assisting industry in several initiatives to increase supply in the short, medium, and longer term including by helping source logs from outside the region as a short-term remedy, assisting the rapid replanting of the burnt resource as a medium-term solution and establishment of new, additional softwood plantations as a longer-term solution.

Transparency and data reporting of timber supply

“We need clarity about the amount of wood that is going to be made available because need to be able to plan and look for alternative wood supply options like interstate or from New Zealand”.

– Union Members, AKD Tumut

“For our mill it’s really important because we need investment into the mill to improve its safety and product, this won’t happen without secure timber supply”.

– Union Members, Sweetmans Timber

“Our employer is finding it hard to commit to certain contracts as they can’t guarantee when or if we will get the timber. Clarity on supply will erase these issues and we will be able to handle many more contracts and deliver jobs on time”.

– Union Members, Frame and Trusses- Albion Park Rail

“We need clarity...to plan for the future or the company won’t invest in infrastructure”.

– Union Members, J. Notaras & Sons Pty Ltd

Important for job security and customer requirements”

– Union Members, Hurford Hardwood Kempsey

“To plan, to invest, to keep our jobs and to employ more people we need secure timber supply. We have the demand for our product, secure supply would see us expand, secure the current jobs and probably employ more people”.

– Union Members, Bunnings Frame and Truss Warnervale

As stated at the outset of this submission resource security is vital for the industry. In the current environment where there is a major restructure afoot, information and data about projected timber supply, resource outlooks, sustainable yield analysis and current supply commitments is paramount.

Forestry Corporation should present to industry stakeholders their assumptions and there be an opportunity for industry stakeholders to be assisted to commission independent expert verification. Only when there is a greater understanding about the sustainable wood supply available can the NSW Government and industry, businesses and workers make informed decisions.

It is hoped that this inquiry might provide some further information about the resource. We would also welcome direct dialogue with Forestry Corporation about these issues.

Recommendation 9: The committee seeks information during the course of inquiry about the outlook for resources, drawing on projections, data and current supply commitments. The committee recommends that Government swiftly establish and convene the NSW Forestry Industry Advisory Council and coordinate an industry briefing from Forestry Corporation.

Role for NSW Government

Capitalising on value adding

Local value adding increases local jobs and bolsters the viability of the entire industry supply chain. There are opportunities for local manufacturing of residual products that are currently exported.

Redirecting residual materials from exports can also potentially assist short term supply crunches caused by the fires. The China export ban provides an opportunity to reimagine Australia's timber industry supply chain.

All of industry regardless wants the Government to prioritise supply and South Coast processors like AKD, Tumut and Visy are calling for a government plan and approach which assists with the costs of freight and shipping logs to fill a gap prior to supply economically sustainable supply being re-established. The Government should assist this process.

Government can also play a role by encouraging value adding and supporting manufacturing by using their procurement spend to support local industry. The Government should introduce legislation like Victoria's Local Jobs First Policy and

specify locally grown, sawn and manufactured timber products on NSW Government funded projects.

Several of our members have indicated that funding and investment in technology and plant would be useful. Strategic interventions by Government to secure the viability of parts of the supply chain can create value-adding opportunities.

Recommendation 10: The committee recommend that the NSW Government support the timber industry through assistance to process residual products which have traditionally being destined for export markets, leverage its government procurement spend by buying from the NSW timber industry and make strategic investments to bolster the timber industry supply chain.

Mandating training and other social criteria in wood contracts

The number of people in the industry in NSW obtaining skills and qualifications has been declining over the last five years in all areas and the numbers of apprenticeships and traineeships in the industry in NSW have been declining over time also. This is of serious concern to an industry facing a major restructure.

Our Unions also support nationally accredited training for Forestry Corporation workers.

Companies should be encouraged to enrol their staff in nationally accredited training, conduct skills audits, map current skills as outlined in Standard Operating Procedures to nationally endorsed units of competency and qualifications and provide pathways to the recognition of prior learning.

Most timber processing companies in NSW access supply through contracted supply agreement. Those agreements are usually signed by the processor, Forests NSW, and the responsible NSW Government Minister. It is unclear however from publicly available information just how wood allocation decisions are made.

What is clear is that there are some “non-price criteria” in wood supply agreements (such as limited health and safety requirements such as adequate lighting in unloading areas in the case of mills) and “Value Added Criteria” including criteria regarding the sawing, drying, dressing or other processing of Timber, or the

marketing of Timber. Despite the presence of some “non price criteria” there is scope for enhancement of social and economic outcomes by the introduction of further criteria.

Transparent training and skills recognition commitments along with other objective and transparent criteria which improve business competitiveness and provide benefits to workers and communities should be developed to assist in the determining of supply priorities.

The criteria should include the presence of collaboratively developed and implemented Workplace Health and Safety procedures and strategies, the presence of Employee Consultative Committees, mental health support and programs, job guarantees in the face of automation, diversity and best practice labour standards.

This criterion and their weighting in supply allocation decisions should be determined by consultation between industry stakeholders including the Forestry Corporation, CFMEU Manufacturing and the AWU.

Recommendation 11: The committee recommends that the NSW Government facilitate increased take up of nationally accredited training and skills recognition in the industry by engaging Forestry Corporation, the CFMEU Manufacturing Division, the AWU and other industry stakeholders. The committee recommends that the Government leverage its position as a major supplier to drive improvement in the industry and the benefit of the industry to workers and the community by engaging Forestry Corporation, the CFMEU Manufacturing Division the AWU and other industry stakeholders to develop an appropriate set of criteria to be considered when making supply allocation determinations.

Engaging with Indigenous Australians

There is an opportunity for greater collaboration between the timber industry and Indigenous Australians. This collaboration should foremost be aimed at boosting the social, economic, environmental, and cultural benefits to Indigenous Australians of forest management including through capitalising on co-management, employment, training, skills development, and business opportunities.

Our unions support Forestry Corporation's partnership with Indigenous Australians in important areas like cultural burning and cultural heritage where forest management can benefit from the knowledge of Indigenous people following their sustainable management of forests for tens of thousands of years. We are supportive of Indigenous Australians involvement not just in forest management but in processing and manufacturing sectors of the industry.

Our union support land rights and note that there are 757,887 hectares (2019: 810,564 hectares) of operational timber reserves subject to claims under the Native Title Act.

The Government should provide as much encouragement and incentives necessary to ensure that Indigenous Australians are provided with opportunities to be involved in the management of forests. Our unions intend to seek dialogue with NSW Indigenous Land and Heritage councils to discuss with them the aspirations of their communities and how they might be met through forest management and deeper involvement in the timber industry.

Recommendation 12: The committee acknowledge the unique knowledge of sustainable forest management held by Indigenous Australians of New South Wales and the benefits of partnerships between Forestry Corporation and Indigenous Australians. The committee should recommend to the Government that they identify and facilitate opportunities for further Indigenous community involvement in forest management and co-management, employment, training, skills development, and business opportunities.

Recognising a carbon-positive industry

Sustainable Forest Management Forestry is a carbon positive industry. When trees are harvested, they do not immediately emit their carbon like when they are burnt but retain them in the timber, paper and wood products that are manufactured from them. Residues used for power generation do emit their carbon but replace more carbon intensive non-renewable fuels.

Meanwhile, regenerated, and replanted forests start sequestering carbon as soon as they commence their growth cycle.

It is for this reason why the United National International Panel on Climate Change (UNPCC) favours active and sustainable forest management.

The IPCC report 4th assessment report stated:

“A sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit.”³³

The IPCC have built upon this assessment in recent times asserting in their 2019 Special Report on Climate Change and Land:

“Sustainable forest management aimed at providing timber, fibre, biomass, non-timber resources and other ecosystem functions and services, can lower GHG emissions and can contribute to adaptation.” B5.3.

“Sustainable forest management can maintain or enhance forest carbon stocks, and can maintain forest carbon sinks, including by transferring carbon to wood products, thus addressing the issue of sink saturation... Where wood carbon is transferred to harvested wood products, these can store carbon over the long-term and can substitute for emissions-intensive materials reducing emissions in other sectors.” B5.4.

“Most mitigation pathways include substantial deployment of bioenergy technologies.” B7.4.

“The use of residues and organic waste as bioenergy feedstock can mitigate land use change pressures associated with bioenergy deployment.” B3.3.³⁴

³³ Nabuurs, G.J., O. Masera, K. Andrasko, P. Benitez-Ponce, R. Boer, M. Dutschke, E. Elsiddig, J. Ford-Robertson, P. Frumhoff, T. Karjalainen, O. Krankina, W.A. Kurz, M. Matsumoto, W. Oyantcabal, N.H. Ravindranath, M.J. Sanz Sanchez, X. Zhang, 2007: Forestry. In Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change [B. Metz, O.R. Davidson, P.R. Bosch, R. Dave, L.A. Meyer (eds)], Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, available online: <https://www.ipcc.ch/site/assets/uploads/2018/02/ar4-wg3-chapter9-1.pdf>

³⁴ IPCC, Climate Change and Land, An IPCC Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems, 2019, available online: <https://www.ipcc.ch/site/assets/uploads/sites/4/2021/02/210202-IPCCJ2730-SRCL-Complete-BOOK-HRES.pdf>

The climate benefits of sustainable forest management are still not fully appreciated by national, state and local government laws or guidelines. For example, an opportunity to reduce the carbon emissions associated with the construction industry by replacing more carbon intensive building materials and production with timber and wood products would significantly reduce the carbon footprint of construction.

Recommendation 13: The committee acknowledge the positive role that sustainable forest management plays in slowing climate change and reducing emissions of greenhouse gases. The Committee recommend NSW and other governments introduce wood encouragement policies and require locally manufactured wood products be used on Commonwealth, State and local government funded projects in NSW.

Create a vehicle to encourage plantation establishment

Despite ongoing opportunities in the hardwood native forest sector, much of the industry's growth opportunity relies increasingly on the retention and expansion of the plantation estate. For this to occur it is important for plantations to be provided a level playing field compared to other land uses by state and local regulators.

Eucalyptus pulp trees are grown on a 10–15-year rotation, hardwood plantation for solid wood is longer and softwood plantations have an approximate rotation of 27-35 years. This means that there is a lag in returns for investors in plantation establishment. There has not been a new investment mechanism created since the collapse of the MIS companies.

As explored in previous sections of this submission, a lack of policy direction and market failure has seen plantation growth flatline. This poses the question about whether direct government investment in plantation establishment is required.

Ahead of the 2019 NSW election the Labor opposition pledged \$50 million over five years for new plantations on the North Coast to support the purchase of land and the planting of new trees. In Victoria, the Government in the 2017-18 Budget committed to \$110 million for new plantation estate establishment.

The intention in Victoria, we understand, is to leverage that money to establish 50,000 hectares of predominately softwood plantation. Despite the intent, it should be noted that only 500 hectares of plantation to date have been planted and the Victorian Government's co called Victorian Forestry Plan is a debacle.

In any event, the strategy of leveraging government funds to mitigate risk by taking an equity stake in plantation establishment which is saleable when opportunities return opportunities for thinnings, harvest and participation in carbon market is an innovative strategy. A carbon price of around \$25 per tonne is thought to be the level that would encourage plantation establishment if plantation forestry were provided the opportunity to fully participate in carbon market.³⁵

Unfortunately, a break on new plantation benefiting from carbon markets has included the Commonwealth Government's refusal to abolish the "water rule". This prevented additional plantations being eligible for the Emissions Reduction Fund if established in in areas where average annual rainfall exceeded 600mm.

The amendment of this rule to make additional planation's eligible in areas of Commonwealth designated "forestry hubs" is a welcome first step however inequitable treatment of plantation forestry compared to other land uses continues by it being unfairly treated by a variety of National, State and Local Regulations.

For too long, interception of water resources by forests has been regulated the same as deliberate human extraction. This situation represents a false equivalence because the two main water uses by plantations ultimately return water vapour to the atmosphere unlike water extraction for other more intense dry land crops.

Current local water regulations often do not recognise all the positives plantations contribute to water flows currently (through transpiration and interception) and in the future (through climate change mitigation and drought abatement).

A holistic approach is needed to determine not just the water extraction of plantation forests, but also the contribution to water yields of plantations.

³⁵ AFPA, "Capturing the full benefits of plantation forestry in the Green Triangle Green Triangle Forest Industries", Hub 20 November 2020 <https://ausfpa.com.au/wp-content/uploads/2020/11/CFI-final-report-EY.pdf>

As an environmental asset, plantation trees are pivotal as they sequester carbon in both plantations and their eventual final products after harvesting and processing. It should be recognised that plantation water use is predominately based upon:

- Transpiration: The uptake of water from soil or ground water by tree roots. Much of the water is returned to the atmosphere as it evaporates through the pores in the leaves.
- Interception: Leaves and branches intercept rainfall so the water is ultimately evaporated back into the atmosphere.

In addition, the potential impact of plantations on water yield should not be considered in isolation from other substantial environmental benefits they provide. These benefits are regional (salinity abatement, biodiversity values, land reclamation) and national/global (carbon sequestration and replacement of imported timbers sourced from unsustainably logged forests).

The lack of recognition of the benefits of plantations currently has contributed to the current regulatory system where the interception of rainfall by plantations have been unfairly exaggerated and that the plantations have been demonised.

Recommendation 14: The committee acknowledges the importance of plantation establishment to the future of the timber industry and that currently market and policy failure is hindering establishment. The committee also acknowledges that the benefits of plantation forestry are not fully understood and drawbacks such as interception of water are often overstated. The committee recommends that the Government urgently consult with industry on an urgent strategy to establish new plantations.

The environmental impact and sustainability of native forest logging

Our unions support an ongoing ecologically sustainable native forest industry in NSW on both public and private land. Our unions have always been responsible when it comes to sustainable management of Australia's forest, accepting and even

initiating supply reductions on occasions (with appropriate workers and community assistance packages) if we are convinced it is genuinely necessary to do so to achieve sustainable yield (overcutting the forest helps nobody).

Of course, the fire events of the nature of the 2019-20 seasons will have an environmental impact as they have had social and economic impacts. The event poses legitimate questions about whether CARs are still sufficiently comprehensive, adequate, and representative or whether the impact on habitat and other important environmental values in the CAR reserve systems, private land and multiple use forests means reserves need to be reassessed.

The fire event also poses the question though about biomass/ fuel management and hazard reduction in a more landscape-based and focused approach to forest management which perhaps leaves a lighter footprint over a larger area than the more intensive management on basis of 80-year rotation in a smaller area of production forest should be considered as the basis for the industry. As discussed, the fire event highlights the important role of timber workers and forest managers in mitigating and controlling severe bushfires which clearly have a much more acute impact on habitat and fauna than timber harvesting.

Social, economic, and environmentally sustainable Forest Management of native or “natural forests”, including for a sustainable field of timber is a feature of forestry around the world and is something that we should continue to practice in NSW.

Recommendation 15: The committee acknowledges the social, economic, and environmental benefits of sustainable forest management. The NSW Government should support the workers, families and communities which rely on the native forest sector for their livelihoods and supports an ongoing ecologically sustainable native forest industry.

Implementation of the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package

“Link any government grants to guarantees of current levels of employment, improvements in training and strong workplace health and safety commitments”.

– Union Members, AKD Tumut

“Links grant outcomes to employment, training and HSE and communities”

– Union Members, Visy Tumut

“Secure jobs, secure towns like ours and makes sure that kids of Tumbarumba have a future”.

– Union Members, Hyne Tumbarumba

Our unions support the investments that were made to assist the salvage harvesting initiative as we appreciated the needed focus on trying to retain as many jobs as possible by maximising recovery of the burnt resource. However, we think that there should have been a stronger link to long term job retention in funding especially where it is not clear to the extent the grants will support employment if the resource challenge is not overcome.

One deplorable outcome was the kick in the guts for 50 workers in Wagga-Wagga when they were told by Big River Industries that they were closing days after the company received \$10 million in funding from the NSW Government under its Bushfire Industry Recovery Package which will be used exclusively at their Grafton site.³⁶

³⁶ Lisa Simcock “Big River Industries’ (ASX:BRI) \$10M Govt. support, not enough to save Wagga Wagga site”, Market Herald, Available online: <https://themarketherald.com.au/big-river-industries-asxbri-10m-govt-support-not-enough-to-save-wagga-wagga-site-2020-11-04/>

“Support us and our workmates across the industry with practical money and retaining if we have to leave the industry due to lack of supply”.

- Union Members, AKD Tumut

“...support businesses who must exit the industry due to lack of supply”.

- Union Members, Frames and Trusses- Albion Park Rail

“Offer government jobs to people who lose jobs in the industry”.

- Union Members, J. Notaras & Sons Pty Ltd

We are flabbergasted and angry by the lack of support for workers who have already or will be made redundant as the industry restructures because of the 2019-20 summer bushfires.

Further, the NSW Government was heading towards privatising its profitable softwood plantations prior to the bushfires. This would further limit the Government's ability to manage employment and environmental impacts of changes in the forest industry. The loss of this incredibly valuable long-term asset should not be thrown away for a small budget sweetener.

We are bitterly disappointed that there have been no moves by the Government to date establish a worker assistance package formed in collaboration with our unions and improving on previous assistance packages provided to impacted workers forced to transition from jobs in the timber industry. There seems to be little consistency in the NSW Government's approach with workers at Blue Ridge Hardwoods be provided with a \$150,000 income support payment because their NSW Forestry Corporation contract expired and was not renewed whereas the 11 workers laid off in Narooma due to Forestry Corporation invoking *force majeure* received no income support payment nor even assistance to access worker transition services, training and retraining support, relocation support, counselling etc.

Given there is likely to more disruption in the future to workers, contractors and communities including in the South Coast now that salvage harvesting has ceased it is passed time for the NSW Government to realise to its responsibilities to these workers and communities. In this regard, we 100% support the call from the

Australian Forest Contractors Association (AFCA) calls to support hard-working small businesses and their workers who have dedicated over a year to bushfires and resource recovery and now risk losing their businesses, homes, and personal assets.”³⁷

The Forestry Corporation of New South Wales has cancelled contracts with forest contracting businesses. New contracts were recently awarded based on reduced volumes which have left many businesses with reduced or no future work and significant exposure with large debts unable to be paid.

“The resource reduction is expected to result in over 50 direct forest contracting workers being laid off by year-end,” Ms Gardiner said.

“This includes those that worked tirelessly to harvest and haul the salvaged wood to the mills. The indirect impact on the region, businesses and jobs will be significant,” she said.³⁸

We also support the recommendation of ForestWorks made to this inquiry, which calls upon the NSW Government to provide support to workers and businesses displaced from the forest and wood products industry to formally recognize their skills and provide support to find new roles in the region. This should be one part of a comprehensive workers and contractors assistance package which has been appallingly lacking to date.

Recommendation 16: The committee recommends that the NSW Government link all future assistance to businesses with a requirement that they commit to continuing their operations in the communities they currently operate (including employment and training guarantees). In addition, the committee recommend that the NSW Government urgently convene a meeting with the CFMEU Manufacturing Division, the AWU and the Australian Forest Contractors Association and negotiate the details of a government funded contractors’ and workers’ assistance

³⁷ Stacey Gardiner, GM AFCA, [Last fire salvaged wood points to a bleak future for forest contractors](https://www.timberbiz.com.au/last-fire-salvaged-wood-points-to-a-bleak-future-for-forest-contractors/?fbclid=IwAR2IXPvQ9EFRmXcXpsAQ4XhGUeTnkh1R9MDiAC2wKA5fRArAQBmaGFs9-wQ), *TimberBiz*, available online: <https://www.timberbiz.com.au/last-fire-salvaged-wood-points-to-a-bleak-future-for-forest-contractors/?fbclid=IwAR2IXPvQ9EFRmXcXpsAQ4XhGUeTnkh1R9MDiAC2wKA5fRArAQBmaGFs9-wQ>

³⁸ Ibid.

package, skills audit and recognition process and training and retraining allowance and program for any workers displaced due to the restructure of the forestry industry caused by the 2019-20 summer bushfires.

Recommendation 17: The committee recommends that the NSW Government commit to not selling any further land assets or pursuing its previous plan to privatise the Forestry Corporation of NSW.

APPENDIX 1 – Submissions from Union Members

AKD Softwoods (Tumut)

We work at:	AKD Tumut.
The products that we produce include:	Framing timber used in house construction
The timber industry is important to our community because:	AKD is an important employer in the region providing hundreds of jobs.
Stable and secure wood supply is important to our business because:	Without a stable wood supply, we cannot plan, we need logs to maintain our employment
Wood supply in the last 18 months has been impacted by:	The 2019-20 bushfires which wiped out about 30% of the softwood plantation supply.
The result has been:	An initial increase in wood supply because there was a spike in supply due to salvage logging, that is now coming to an end
We are worried about the future of the wood supply which underpins our jobs because:	We are told that the impact of the bushfire is going to mean that there is not enough wood for all the processors in the region to have continued supply at their usual levels.
We need clarity about the future amount of wood that is going to be made available because:	We need to be able to plan and look at alternative wood suppl options like interstate or New Zealand.
We have a lot to offer because:	We supply a product which is in high demand and essential for Australia to keep its building boom going.
We need the Government to:	Be serious about securing logs that we need now and into the future, be upfront about the resource supply projections and constraint.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	<p>Link any government grants to guarantees of current levels of employment, improvements in training and strong workplace health and safety and communities.</p> <p>Support us and our workmates across the industry with practical money and training if we must leave the industry due to lack of supply.</p>

This submission is endorsed by the following CFMEU Manufacturing Divisions Members at our site:

Name

John McIntyre

Shane Polson

Keith Friend

Neill Thew

Scott Crampton

~~Stuart~~
Riley

Dan Hardin

Jon Webb

John Chalmers

Rodney Harris

Klayne Power

Jason Crane

Name

Leon Cullen

Geoff Rapier

Gy. P.M.

MA

Jacob Richardson

J. Bell

Oliver Scott

Officer

Alp Hyde

Amos

MICHEL BRADLEY

LES CULLEN

Sharon Mussen

GEOFF CALLAGHAN

Paul Rowland

Fran Filleray

Stephen O'NEIL

Michael Walsh

MARK Jeffery

Warnervale Frame & Truss Plant

We work at:	Bunnings Frame and Truss at Warnervale on the Central Coast.
The products that we produce include:	Frame and Truss structural timber for the building industry, largely for residential homes.
The timber industry is important to our community because:	It keeps timber manufacturing timber sites like ours in operation. There are not enough jobs in our community, manufacturing jobs like ours, that provide good full-time jobs are important for the Central Coast.
Stable and secure wood supply is important to our business because:	Without timber supply we cannot work, at all.
Wood supply in the last 18 months has been impacted by:	We are not sure of all the impacts. The bushfires have clearly had an impact and with strong demand we have had ongoing timber supply concerns.
The result has been:	People have lost work. Our casuals, many long-term, get sent home without pay and we just cannot produce the product to meet the demand.
We are worried about the future of the wood supply which underpins our jobs because:	We need secure timber supply to have secure jobs.
We need clarity about the future amount of wood that is going to be made available because:	To plan, to invest, to keep our jobs and to employ more people we need secure timber supply. We have the demand for our product, secure supply would see us expand, secure the current jobs, and probably employ more people.
We have a lot to offer because:	The building industry and housing is a strongly growing industry. Timber frame and truss is in high demand and critical to the industry. We understand structural timber is better for the environment than steel structures so it is an industry that should be promoted. We can grow and provide decent, secure, full time jobs. That what we need on the Central Coast.
We need the Government to:	Step in and ensure the frame and truss sector has a secure supply of timber.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	Has a plan for the industry that prioritises securing timber supply. A plan that understands that the industry is critical for our manufacturing and building industries.

This submission is endorsed by the following CFMEU Manufacturing Divisions Members at our site:

Name

ANDREW GORTON

Rick Delaney

Leni Amor

BRIAN PAUCIARI

DANIEL MCKEN

TREVOR ROSS

GRANT HAMM

DEAN VAUGHAN

Trent Sterkey

Rob Huthnance

Jayden Lloyd

Matthew Fulton

Alex Williams

JOSEPH COLIERO

Sweetmans Timber

We work at:	Sweetmans Timber in Millfield in the Hunter Region. A hardwood timber mill.
The products that we produce include:	A range of hardwood products cut for purposes such as flooring, structural timber for building use, pallets, and fencing.
The timber industry is important to our community because:	The timber industry is a big employer in our region. We need employment in our communities, we have high levels of unemployment and particularly high levels of youth unemployment. Our mill offers secure, full time jobs and employs several young people.
Stable and secure wood supply is important to our business because:	Without timber supply we do not have work. With secure timber supply we can look to get investment into the mill to have a safer and more productive mill.
Wood supply in the last 18 months has been impacted by:	The bushfires have impacted our supply. There has also been concerns about future supply.
The result has been:	We are concerned about how secure our jobs are. We have not seen the investment that is needed in our mill. We have demand for our product that we just cannot keep up with and that just does not make sense
We are worried about the future of the wood supply which underpins our jobs because:	Our mill has timber supply contracts that end in around 2023. This should be sorted so we have secure supply and secure jobs.
We need clarity about the future amount of wood that is going to be made available because:	For a lot of obvious reasons but for our mill it is important because we need investment into the mill to improve its safety and productivity this will not happen without secure timber supply.
We have a lot to offer because:	We really believe we can have a bright future. With supply and investment, we could meet our demand and supply the hardwood product our customers want. There are strong prospects for our mill to become a bigger employer in our region.
We need the Government to:	Have an industry plan that ensure we have secure timber supply and secure jobs in our communities.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	Has a plan for timber workers and our communities. We need secure, full time jobs that this industry can provide.

DENSE FENZER

CRAIG PUNCH

JEFF HOPKINS

JARRED BRIDGE

JOSH BERNES

BROCK WALLACE

SIMON A LANE

DANIEL WYBORN

TATE SEE

CHRIS HANSELL

Hurford Hardwood Kempsey

We work at:	Hurfords Kemspey
The products that we produce include:	Flooring and cut to order
The timber industry is important to our community because:	<ul style="list-style-type: none"> - Building products - Could not do without it. - Employment in regional area
Stable and secure wood supply is important to our business because:	<ul style="list-style-type: none"> - Keeps workflow flowing. - Keeping us employed
Wood supply in the last 18 months has been impacted by:	<ul style="list-style-type: none"> - Rain and floods - Fires - Trucks not being able to get through. - Boral Contract
The result has been:	<ul style="list-style-type: none"> - Redundancies - A lot of down time - Slow work processes - Quotas halved recently
We are worried about the future of the wood supply which underpins our jobs because:	If not logs, no work
We need clarity about the future amount of wood that is going to be made available because:	<ul style="list-style-type: none"> - Job security - Customer requirements
We have a lot to offer because:	We are one of the highest employers in the Kempsey area
We need the Government to:	<ul style="list-style-type: none"> - Make logs more accessible to loggers. - Not worry about Koalas so much. - Support our families. - More consultation with workers.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	<ul style="list-style-type: none"> - Is up to date and comprehensible. - [Contains] proper training courses for timber industry.

This submission is endorsed by the following CFMEU Manufacturing Divisions Members at our site:

Name

JOHN GUNST

Glen Baker

BLAKE COOPER

Ethan Cooper

Justin Secombe

JAMES Smith

J. Notaras & Sons Pty Ltd

We work at	Notaras
The products that we produce include:	Flooring
The timber industry is important to our community because:	<ul style="list-style-type: none"> - Keeps people in jobs. - Major employer. - Flow on money into the community.
Stable and secure wood supply is important to our business because:	If [we] do not have logs we cannot continue to work
Wood supply in the last 18 months has been impacted by:	Fires, floods, environmental activists
The result has been:	<ul style="list-style-type: none"> - Cut {to hours} temporarily. - Difficult to get certain types of timber
We are worried about the future of the wood supply which underpins our jobs because:	<ul style="list-style-type: none"> - Job security - Might need to move house to another area
We need clarity about the future amount of wood that is going to be made available because:	<ul style="list-style-type: none"> - Plan for the future. - Company will not invest in infrastructure
We have a lot to offer because:	<ul style="list-style-type: none"> - Wood is good. - Interconnectedness (profit= money in community)
We need the Government to:	<ul style="list-style-type: none"> - Give bigger pay rises. - Plant more trees. - Guarantee more logs. - Stop worrying about koalas
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	Offer Government jobs to people who lose jobs in the industry

This submission is endorsed by the following CFMEU Manufacturing Divisions Members at our site:

Name

Brad McLaren

Peter Carberry

DARYL FORDHAM

Steven McEnnally

Peter Harper

John Munn

Glenn Paulsen

Hyne Timber Tumbarumba

We work at:	Hyne Timber
The products that we produce include:	Framing timber used in construction.
The timber industry is important to our community because:	Hyne is the biggest employer in our town. Often several generations of the same family work at the mill.
Stable and secure wood supply is important to our business because:	Without a table wood supply, jobs will be lost and the impact on the town will be devastating.
Wood supply in the last 18 months has been impacted by:	The 2019-20 bushfires which wiped out about 30% of the softwood plantation supply.
The result has been:	A stressful time for our whole town. We lost houses (and we would have lost more). Once we were finally physically safe, we then have had the mental stress of worrying about the future and if we and our kids will have jobs
We are worried about the future of the wood supply which underpins our jobs because:	We are told that there is not enough wood for all the processors in the region to keep processing the same amounts without spending heaps on freight.
We need clarity about the future amount of wood that is going to be made available because:	Alternative wood supply options increase the cost of freight, and we need to Government to have a proper plan to address this
We have a lot to offer because:	We supply a product which is in high demand an essential for Australia to meet its future building needs
We need the Government to:	Help with the cost of freighting logs, have a real plan for future plantations, support our town.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	Secures jobs, secures towns like ours and, makes sure that the kids of Tumbarumba have a future

This submission is endorsed by the following CFMEU Manufacturing Divisions Members at our site:

Name

Joseph Ross

Alan Trench

John Mansfield

Nicole Wright

CHRIS SHORE

Keith James

Pranav Bhatt

Darren McPherson

Enzo Cepile

Scott Arnold

Name

Paul McCarthy

Elle Hamilton

Brianna Perinetti

Kylie Matthews

May Stephens

Katrina Saunders

GREG WALSH

PETER NAMHOR

William Matthews

Sharon Cochrane

Visy Pulp and Paper Tumut

We work at:	Visy Pulp and Paper Tumut
The products that we produce include:	Virgin Kraft Liner Paper, White Top Liner Paper and to some extent supply electricity to the grid.
The timber industry is important to our community because:	The Tumut region relies on the timber industry, 80-90% of the region's population are employed either directly or indirectly by the timber industry.
Stable and secure wood supply is important to our business because:	<p>Ultimately without it there would be hundreds if not thousands of job losses in the community.</p> <p>We would be an unable to consistently supply our customers' order requirements which would cause us to lose business, be unable to produce our products cost effectively and possibly shut down or close our business permanently, the roll-on effects would devastate the community.</p>
Wood supply in the last 18 months has been impacted by:	The 2019/20 bushfires have affected our supply and the quality of the timber coming into the mill.
The result has been:	A short term rush to recover and utilise as much burnt log as possible. In the long term, the log quality and availability will deteriorate and make it more costly to produce a quality product and the supply will decrease significantly for all manufacturers in the region
We are worried about the future of the wood supply which underpins our jobs because:	The amount of reliance in the region on the timber industry for business and jobs. If we are unable to secure and maintain supply of the timber most businesses will suffer or close due to the lack of money coming into the region. People will be forced to sell and move away to find work. Housing prices would plummet
We need clarity about the future amount of wood that is going to be made available because:	90% of our products are exported. This site is one of the largest container users in Australia. The downturn of this site would be devastating to the region and have wider impacts for the state.
We have a lot to offer because:	<p>We are a major supplier and competitor in the national and international Kraft paper supply chain. Visy donates to and supports the local communities.</p> <p>We are directly and indirectly a major employer in the region.</p>
We need the Government to:	Act now rather than when it is too late. Assist in regrowing our resources for our future. Assist in the transportation costs of shipping logs from unaffected areas. Support and retrain, if necessary, workers impacted by downturns, downsizing and colures due to supply issues.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	Consists of a plan to address and supply issues for all businesses. Links grants to outcomes to employment, training and HSE and communities.

This submission is endorsed by the following CFMEU Manufacturing Divisions Members at our site:

Name
Anthony Sutton
Florencio Dalisay
Mervyn Nelson
LEOMEL TORIO
CHRIS Oddy
Mark Acland
Michael Rouse
Jake Byrne
Jonty David
MORIO FERREIRA
J. Marefeldt
-FRETEN
R. Stuckey
Stevens Bye
Ryan Stewart
AS Hare
BRENDAN BAW
Dean Stokes
David Brown

Name

JARROD NEVILLE

Glen Barnes

David Croft

E-KAROUNA

J. Sutton

M. Graham

Name

C CARMODY

Jorge Diogo Alves Pereira

B.S. Owens

Scott French

Donna Dodd

Alysha Hutchins

Samuel Paschalis

Mitesh Chaudhary

PAUL SCHUBERT

Ben Richards

Mick Holleran

DARREN JAYNOY

Ramesh Ashokra

PAUL CARONNE

Tony Dean

Luke Hann

Name

Mitchell Harnack

Maze Harnig

Sujkar Bhowanibik

K.P. PATEL

KRIPAN . P

Kevin McGoold &

Gaut McKenty

DAVID DU RANDT

Frames and Trusses in Albion Park Rail

We work at:	Frames and Trusses in Albion Park Rail
The products that we produce include:	Frames and Trusses for residential homes and commercial offices around the state.
The timber industry is important to our community because:	We are crucial to the timber industry as we supply material and produce essential for the construction of new homes and estate. Our product has a flow on affect that creates jobs outside the timber industry such as in the commercial and residential construction industry.
Stable and secure wood supply is important to our business because:	We can supply the product to enable construction of new homes for the ever- increasing population in NSW. An unstable timber supply would see our product dry up and homes go unbuilt or experience extreme and unnecessary delays
Wood supply in the last 18 months has been impacted by:	The recent bushfires had a massive impact on the timber industry and highlighted how important it nis for the government to act on supporting the industry and ensuring supply does not drop to dangerous levels.
The result has been:	Slow timber supply which has resulted in employees losing jobs due to a downturn in work.
We are worried about the future of the wood supply which underpins our jobs because:	Our jobs are what enabled us to give our families a life. Its what pays our bills and allows us to care for our children. A lack of wood supply affects us and other workers within our field of work around the state.
We need clarity about the future amount of wood that is going to be made available because:	Our employer is finding it hard to commit to certain contracts and they cannot guarantee when or if we will get timber. Clarity on supply will erase these issues and we will be able to handle many more contracts and delivery jobs on time.
We have a lot to offer because:	We supply the materials and product required to build homes which also stimulates other industry therefore [and] jobs
We need the Government to:	Be forthcoming with milling contracts and secure the timber we need to sustain our industry and the others that rely on us.,
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	Supports workers and communities impacted by events such as bushfires which impacts the industry and a whole and supports businesses who must exit the industry due to lack of supply,

This submission is endorsed by the following CFMEU Manufacturing Divisions members at our site.

Name

Peter Errington

DARREN MYERS.

Robert Collins

Troy Burton

DWAYNE McWATTERS

Nathan Brooks

Paul Tootell

Jason Davis

Narooma Timber Mill

We work at:	Narooma Timber Mill
The products that we produce include:	Coil Pallet for NRP (Bluescope Steel), Posts and rails for (Southern Rural Traders) and many other products including some structural timber which we donate to the local community for men's shed, scout hall and other various people. We also sell wood chip and saw dust to various companies.
The timber industry is important to our community because:	Until recently it has been providing stable jobs in the area to 25 staff who live in the community and many with young families who spend wages in the area. It also provides many other contracting jobs to truck drivers, electricians, mechanics, and plenty more.
Stable and secure wood supply is important to our business because:	Stable and secure resources are important to the business for our future growth and to stay living in the area without these jobs many would have to relocate for other work.
Wood supply in the last 18 months has been impacted by:	Our timber supply has been affected by bush fires, floods, lack of access and red tape from governing bodies not allowing harvesters to clean up after such disasters yet more than happy for those people to risk their machinery and jobs to help the local community during the fires.
The result has been:	We have lost our night shift which has put 11 employees without a job and down to 2% available stock in our yard when it used to be around 90%.
We are worried about the future of the wood supply which underpins our jobs because:	Without timber most families will relocate homes to seek further employment which will affect other families and local businesses.
We need clarity about the future amount of wood that is going to be made available because:	It will give peace of mind to those directly affected and keep our small communities and other businesses in the area in operation whilst providing training and apprenticeships for locals.
We have a lot to offer because:	We have a lot to offer for people because we offer so much to the community such as apprenticeships, donations, some small fabrication jobs to help small businesses in the area and much more.
We need the Government to:	To find a way of improving the availability of logs in such times as opening other land for harvest and handing the affected areas back for regeneration etc.
We need to ensure that the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package:	-

Ben Nunn

Rod Pratt

Steve Juka

Ricky Halligan

Matt Moore

Matt Borchum

Luke Pryor

Ross Tornabene

Dan Sones

MARK WILKIN

Luke Nunn

Dave Kenny