



The Coalition's Policy for a Strong and Sustainable Forestry Industry

September 2013

Key Points

Our nation's forestry sector should be competitive and sustainable.

The forestry sector should be supported and appropriately regulated by the Commonwealth – it should not be vilified and undermined through Government policies.

The Coalition will revitalise the Australian forest industry.

We understand the vital position forestry has in many regional economies.

We understand the opportunities that exist for high quality, high value timber products, for a range of emerging cellulose based products and as the building material of the 21st century.

We understand the important role forestry has in managing and storing carbon dioxide (CO²).

The Coalition's first act will be to abolish the carbon tax, which is only hurting the forestry sector and costing jobs.

We will re-introduce amendments to the renewable energy regulations allowing appropriately scaled renewable energy initiatives using wood biomass, to benefit from energy initiatives available to other renewable energy sources.

We will also cut red tape by \$1 billion per year across the board. This will significantly reduce the regulatory burden on the forestry industry.

Within the first week of a Coalition we will suspend any further forest lock-ups.

The Coalition will maintain its support for long-term Regional Forest Agreements.

We will create a stronger economy that generates two million new jobs over the next decade. We will do so by abolishing unnecessary taxes (like the carbon tax), cutting red tape costs by \$1 billion a year, ending government waste, lowering the company tax rate, and providing incentives for individuals to achieve their potential.



Introduction

The Coalition knows the forestry industry makes an enormous contribution to the national economy, particularly in regional Australia.

Not only is the forest and forest products industry one of Australia's most significant manufacturing industries, it has a key role in managing and storing CO²:

"forests managed for production provide the greatest ongoing greenhouse gas benefits..."

*...The potential role of production forestry in mitigating climate change, though substantial, has been largely overlooked in recent Australian climate change policy."*¹

The Coalition will ensure Australia capitalises on the multiple benefits of a competitive, sustainable and vibrant forestry industry.

The industry has an annual turnover of \$22 billion and contributes around \$8 billion to Australia's gross domestic product and 7 per cent of manufacturing output.

More than 65,000 people are directly employed in the forestry logging and wood manufacturing sectors of the industry.

The forestry sector should be supported and appropriately regulated by the Commonwealth – it should not be vilified and undermined through Government policies.

The Coalition has always recognised and balanced the competing environmental, social and economic objectives of native forest management through the Regional Forest Agreements and the Tasmanian Community Forest Agreement.

The Coalition will support, not undermine, the strength of our forestry sector and we will encourage more investment and stronger jobs growth in the sector.

¹ <http://www.fao.org/forestry/34514-01419671083da7041ad0ca127ef409ccb.pdf>



The Plan

1. Abolish the Carbon Tax

The Coalition will take steps to abolish the carbon tax on day one.

The carbon tax is an unnecessary cost to our forestry sector. It forces every business and family to pay 10 per cent more in electricity prices and 9 per cent more in gas prices – and this was just in the first 12 months of the carbon tax.

No responsible, caring Government would support such an unnecessary and job destroying tax. It is a tax that only means higher operating costs for anyone who operates in the forestry sector or uses wood products.

The Coalition will abolish Labor's carbon tax, a tax that hits the pocket of every Australian forestry business and every family.

2. Provide Resource Security and a Stable Investment Environment for the Forest Industry

The Coalition will not support any further forest lock-ups.

The State of the Forest's Report 2012 states that:

*"When looking for ways to stimulate economic development, politicians and planners seldom see all the dimensions and potential of the forest sector. Forests are viewed as either a feature of the environment to be preserved or, in stark contrast, a source of land to aid the expansion of agriculture. A balance should be found in which forests contribute to achieving all these goals: sustainable forest management adds value to a forest by using forest products for energy, construction materials, packaging and a wide variety of other consumer products while preserving the pieces and functions of a healthy forested ecosystem. When sustainable forest management is practised, the values of the natural forest can largely be maintained."*²

The Coalition will maintain its support for long-term Regional Forest Agreements. We will establish a 20-year rolling life to each Regional Forest Agreement and provide resource security and a stable investment environment to the forest industry.

This will be achieved by extending Regional Forest Agreements for five years following the successful completion and implementation of each Regional Forest Agreements five year review.

The process will commence with the Tasmanian Regional Forest Agreement.

² State of the Forest's Report 2012 pp41 – 42.



3. Establish a National Bushfire Mitigation Programme

This Coalition will invest \$15 million over three years to implement a National Bushfire Mitigation Programme including long term bushfire mitigation strategies and better fuel reduction programmes.

4. Re-Introduce Wood Biomass and Renewable Energy Initiatives

The Coalition will introduce amendments to the renewable energy regulations allowing appropriately scaled renewable energy initiatives using wood biomass, to benefit from energy initiatives available to other renewable energy sources.

5. Review and Streamline Regulatory and Reporting Requirements Negatively Impacting the Forestry Industry

The Coalition has identified a number of “red tape busters” that will reduce the regulatory burden on the forestry industry including:

- redressing Labor’s climate change policy which discriminates against domestic forestry activities in preference for overseas credits; and
- reversing the exclusion of native forest sourced wood waste as an eligible source of energy for Renewable Energy Certificates.

We will also cut the cost of red tape compliance for businesses and the economy by at least \$1 billion per year.

6. Greater industry advice and consultation

The Coalition will establish an industry advisory council for the forestry sector. The council will be co-chaired by a respected industry expert and leader, as well as by the Minister for Agriculture, Fisheries and Forestry.

The advisory council will provide informative consultation and recommendations on proposed legislation or policies affecting the forestry sector. It will convene at least once every six months and the Minister will be required to attend at least two meetings of the council each year.

The Coalition is committed to informed, consultative decision-making. We will be a government that stands by our decisions – there will be no surprises and no broken promises.



The Choice

Australians have a choice between a Coalition government which understand that the forestry industry makes an enormous contribution to the national economy, particularly in regional Australia or a Labor government which has allowed waste and mismanagement to put the forestry industry at risk.

The Labor Government has undermined jobs and investment in the forestry industry by:

- locking up millions of hectares of forests resulting in thousands of workers losing their jobs and many regional communities facing devastation;
- failing to support the forestry industry as a key contributor to the nation's economy and a major employer in regional Australia;
- scrapping the dedicated Forestry Minister; and
- Labor's former deal with the Greens has resulted in the forestry industry facing an uncertain future.

The Labor Party has failed to stand up for the people they claim to represent – proud timber workers and their industry – not working with the Greens to destroy businesses and livelihoods. To even contemplate paying people not to work is nothing short of outrageous.

The Labor Greens alliance obviously does not understand the pivotal role the timber industry plays in harvesting and storing carbon.

The Intergovernmental Agreement merely documents Labor's capitulation to the Greens. This deal is not just a bad deal for forest workers and businesses, it is a bad deal for farmers, our mining industry, our furniture makers, our woodcraft sector, our wood design specialists and our wooden boat builders.

Cost

The Coalition's Policy for Forestry will invest \$15 million to make our forestry sector more productive and competitive.



Hope.
Reward.
Opportunity.



THE NATIONALS *for Regional Australia*

For further details of the Coalition's Plan go to
www.realsolutions.org.au