



**Position Paper**

# **Native Timber Harvesting in East Gippsland**

**August 2022**



# Acknowledgement of Country

We acknowledge the Gunaikurnai, Monero and Bidawel people as the Traditional Custodians of the land that encompasses East Gippsland Shire. We pay our respects to all Aboriginal and Torres Strait Islander people living in East Gippsland, their Elders past and present.



# Council's position

East Gippsland Shire Council supports a high quality, low volume native timber harvesting industry where our communities continue to thrive, forests have multiple uses and biodiversity is protected.

While recognising there are a wide range of views in relation to native timber harvesting, Council is concerned about the impact of the Victorian Government's decision to cease native timber harvesting by 2030 on businesses, workers and the communities of East Gippsland.

Council advocates that the practice of clear-fell native timber harvesting be replaced as soon as practical with a new approach to silviculture (utilising thinning and select harvest) that maintains or improves forest health and reduces vulnerability to the impacts of bushfire, while also providing sawlogs for timber processing and supports the use of forest resources by a range of other forest users, including tourism and recreation.



# Introduction

In response to the announcement of the Victorian Forestry Plan, and the plan to phase out native timber harvesting by the Victorian Government, Council has sought to better understand the issues, impacts and opportunities associated with this industry. While the Victorian Forestry Plan triggered this position paper, the native timber harvesting, and processing industry has been changing for decades.

In 2021 the East Gippsland community developed, and Council adopted the following Community Vision for 2040:

***In 2040 our people, place, environment, and economy will be connected, in balance and resilient. Our unique and diverse communities will be accessible, inclusive, well connected and safe. We will value and care for each other and our natural environment. Our economy will support existing and emerging industries by being agile, innovative, and sustainable.***

The vision recognises the central place of the natural environment of East Gippsland, our connectedness to it and our reliance on it economically. Balance, connectedness and change are inherent in the Vision.

In particular, the Community Vision includes the following aspiration **Our Environment will be managed and preserved for all generations** and in response Council has adopted a Strategic Objective as part of the Council Plan 2021-2025 as follows: Strategic Objective 3 - A natural environment that is managed and enhanced.

Similarly, the Community Vision includes the aspiration **Our Economy will be sustainable, innovative, and supportive of existing and emerging industries.** In response Council has adopted the following Strategic Objective: Strategic Objective 4 - A thriving and diverse economy that attracts investment and generates inclusive local employment.



# Role of Council

Council has a broad role and interest in the issues associated with native timber harvesting. The Local Government Act 2020 s.8(1) sets out that the role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

Section 9 of the Act sets out overarching governance principles and some that are relevant in this context include:

(b) priority is to be given to achieving the best outcomes for the municipal community, including future generations.

(c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

The Act also sets out that while Council has specific functions set out in legislation it also has a broad remit in line with the purpose and governance principles above. In addition to the advocacy role of Council, Council also delivers specific services that are relevant to this issue including:

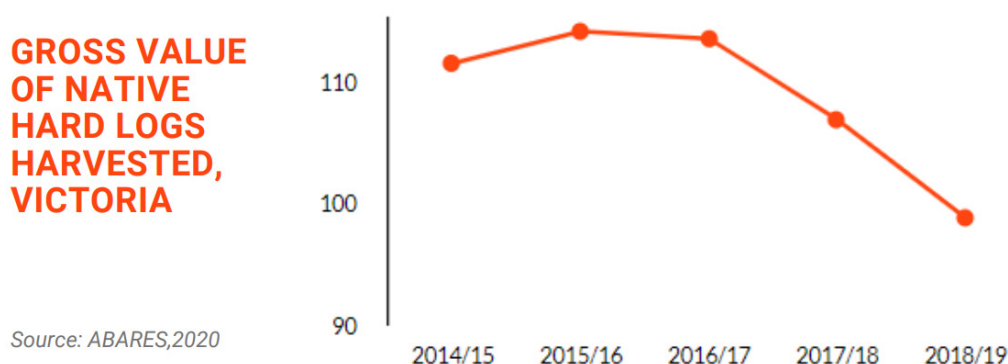
- 1.** Economic development leadership and support
- 2.** Land use planning, including in relation to plantations and for initiatives that may be proposed for employment growth
- 3.** Emergency management
- 4.** Roads and other infrastructure
- 5.** Community services that support wellbeing

# The native timber industry in East Gippsland

The native timber industry is an integral part of the history and identity of many East Gippsland communities, and continues to be in a number of communities.

As significant as the industry remains, it was once much larger in East Gippsland – in 2019 the Victorian Commissioner for Environmental Sustainability noted “There has been a gradual decline in total timber annual production from state forests over the past two decades, from 729,000 cubic metre in 1996–97 to 299,740 cubic metre in 2016–17”. This is a 59% decrease.

Recent changes are illustrated below (from ID Profile 2021):



VEAC 2017 Fibre and Wood Supply Assessment also concluded “Sustainable harvest levels have been reduced by more than 50 per cent over the past decade”. The Victorian Government also has a legislated obligation to provide a nominated volume of pulp logs to Australian Paper in Maryvale until 2030.

Native timber harvesting has been important as an employer particularly in remote areas of the Shire, where it is or has been one of the largest sources of employment. This makes some communities more vulnerable to change in the native timber industry, although many have been navigating the slow change for 30 years or more.

In 2022 the Gippsland Forestry Hub reported that forest products harvested from public land native forests regionally were directed as follows: 437,000 cubic metre to hardwood sawmills, 492,000 cubic metre was pulp and 103,000 cubic metre to woodchip mills (export).

Availability of suitable timber for harvesting has been impacted by several landscape scale bushfires since 2000, including the 2019/20 Black Summer fires. Climate change will increase the likelihood and impact of future landscape scale bushfires (Victoria’s Climate Science Report 2019).



The areas available for harvesting have also been reduced over decades as new information about our natural ecosystems and species has importantly led to areas being allocated for their protection. There is also increasing understanding of the impacts of bush fires, use and management in the supply of water and other ecosystem services.

In 2021 East Gippsland Shire Council and Wellington Shire Council commissioned ID Profile to undertake an economic analysis of the timber industry in the two municipalities and the impact of the ban on native timber harvesting. The analysis in this report was based on the 2018/19 year and the size of the industry in 2020/21 is reduced compared to 2018/19.

The estimated impact for the East Gippsland region if native logging ceased immediately would be substantial. ID (informed decisions) provided additional preliminary advice based on the 2020/21 year indicating a possible loss of 309 direct jobs (forestry and logging, wood product manufacturing and timber wholesale) and loss of \$99.1 M of sales in East Gippsland.

“Forestry and logging” was ranked the 7th sub-industry category (in East Gippsland) by export value and “sawmill product manufacturing” was ranked 10th.”

While timber harvesting practice continues to evolve, historical timber harvesting rates and approaches are seen as not sustainable, particularly in the context of climate change (and increasing risk of fire) and demand for increased protection of biodiversity values.

# Council's concern

**In response to both the long term changes in the native timber industry and the Victorian Government's 2019 Victorian Forestry Plan, Council is concerned:**

- 1.** For the prosperity and sustainability of our communities, particularly communities that have been reliant on native timber harvesting and processing for jobs, including Orbost, Swifts Creek, Nowa Nowa, Cann Valley, and Bendoc.
- 2.** For the future of private businesses and investment engaged in the timber industry.
- 3.** That without forest contractors (which will not be available as native timber harvesting is phased out) the availability of equipment and experienced forest operators to respond to bushfires will be reduced, meaning that alternate equipment and experience will need to be sourced.
- 4.** That those areas of particular biodiversity, historic or other value that have not been subject to recent intense fires and have not been subject to timber harvesting are protected (including in the period before 2030).
- 5.** That areas that have been harvested are not being adequately regenerated.
- 6.** While public land management and nature based tourism has the potential for significant growth and will be an important part of the future for our region, it will not fully replace the jobs currently provided by the native timber harvesting and processing. Appropriate work for existing forest workers needs to be identified.
- 7.** That while some jobs in forest management will need to be created to make up for the work currently completed by VicForests (eg track maintenance), in the absence of the private sector this will be entirely dependent on adequate public funding which has been difficult to secure in the past.
- 8.** That East Gippsland communities have not been treated with respect by the Victorian Government not adequately explaining the basis of its decision to phase out native timber harvesting. Not sharing this information so that everyone to better understand the decision makes it hard for community members to move on and engage in planning for the future.
- 9.** That the proposed transition to plantations for sawlog and pulp log supply will not be ready by 2030.
- 10.** The Victorian Government has not publicly canvassed and engaged a broad range of stakeholders about options that provide for enhanced environmental outcomes, improved fire resilience and timber production (albeit at a reduced level).



# Council's call to action

## **A vision for a sustainable native forest wood products sector in East Gippsland**

That the Victorian Government adopt a vision for a future native forest logging industry in East Gippsland, based on high value, low volume inputs, almost exclusively sourced from 'Coastal Silver-top ash' regrowth forest, being processed locally to provide quality timber products for further manufacturing.

## **Provide the information used to make the decision**

In fairness to the impacted communities and businesses the information used by the Victorian Government as the basis for the decision to phase out native timber harvest must be released publicly and explained to affected communities.

This central to evidence-based, fair and transparent policy making.

## **A new approach to silviculture**

Council advocates that the practice of clear-fell native timber harvesting be replaced with a new approach to silviculture that maintains or improves forest health and reduces vulnerability to the impacts of bushfire, while also providing sawlogs for timber processing and supports the use of forest resources by a range of other forest users, including tourism and recreation. Such an approach would utilise thinning and select harvest.

It is critical that any native timber harvesting, and more generally, forest management, is environmentally sustainable, protects the integrity of ecosystems and the special places and species of our forests, responds to a changing climate and complies with the law.

## **Harvested timber must be used for the highest value purpose**

Council calls on the Victorian Government to ensure that notwithstanding any existing supply agreements, that harvested material that is suitable for use as sawlogs is not directed lower value uses such as wood chip or use as pulp.

### **Inadequate timber resources in the absence of native timber harvesting**

Council is concerned by the delay in the establishment of new sources of timber as committed in the Victorian Forestry Plan and recognises that plantation timber supply will not be available in time to replace native harvesting completely by 2030 (refer to analysis of plantation supply by Gippsland Forestry Hub, 2022).

Further, both the Black Summer fires and COVID 19 has impacted the adequacy of timber supplies locally and globally, both in terms of available supply, supply chain limitations and local and global demand.

Council calls on the Victorian Government to demonstrate how timber resources will be provided for the local market and local timber producers before and after 2030.

In light of the supply challenges and the demand for hardwood sawlogs for a range of domestic uses, the Victorian Government should review the end date for native timber harvesting, currently set at 2030, subject to a new approach to silviculture being adopted as outlined above.

This would also enable time for the plantations to be established, supporting continued supply to the processors. Council believes there is also an opportunity to enhance the use of thinning, select harvest, and similar practices to both produce more resilience forests and maintain supply.

Future planning for plantations also needs to take into account the priority for use of suitable land for food production, noting there is the potential to integrate food production and fibre production in some circumstances.

Further, Council calls on the Victorian Government to review the current arrangements that see significant quantities of timber and wood chip exported for use overseas, while there are supply constraints locally to identify opportunities to address those constraints with material that is currently exported.

### **Role of forest contractors and funding required for forest management**

Council's recognises the important role forest contractors have and continue to play in the management of Victoria's forest estate. Council calls on the Victorian Government to demonstrate how it will ensure adequate resources, experience and equipment to manage Victoria's forest estate in the absence of native timber harvesting.

A range of activities, including forest road maintenance, are currently funded through the prices paid by the private sector for timber resources. In the absence of this Council notes that there will be a need for a major increase in funding to the Department of Environment, Land, Water and Planning to compensate. Further, the Black Summer fires demonstrated both the critical need for enhanced forest management, particularly in the context of climate change.

## Supporting business and community transition

The phase-out of native timber harvesting will have a major impact on those communities in East Gippsland that are dependent on timber harvesting and timber processing for jobs. Council welcomes the commitment to support the transition of impacted communities through the development of Local Development Strategies, however:

- This support should be extended to those communities that have been impacted by the slow decline in the native timber industry in East Gippsland, not just those communities with a current sawmill that will be impacted by the 2030 cessation of native timber harvesting. This includes communities such as Buchan and Cann River.
- Council notes that the existing statewide funding commitment under the Victorian Forestry Plan is unlikely to be sufficient and calls on the Victorian Government to ensure there is the funding to support both business and community transition, and to create new jobs which are at the heart of prosperous and sustainable regional communities.

## References

1. Victorian Forestry Plan, Victorian Government, 2019
2. East Gippsland Community Vision
3. Victorian Commissioner for Environmental Sustainability, 2019 "Victorian Government's action for long-term sustainability of Victoria's native timber forests"
4. VEAC 2017 Fibre and Wood Supply Assessment
5. "Economic analysis of the Timber Industry, Specialised industry sector analysis for the Wellington and East Gippsland regions" ID Profile, 2021
6. Victorias-Climate-Science-Report-2019.pdf (climatechange.vic.gov.au), Vic Climate Projections 2019 Regional Report - Gippsland\_20200219.pdf (climatechangeinaustralia.gov.au)
7. Gippsland Forestry Hub (2022) Investing in Gippsland's Sustainable Forestry Future
8. VicForests Annual Report 2021

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