2024 STATE ELECTION POLICY

Delivering essential timber supply chains to meet Queensland's housing and building needs

Building a stronger forest and timber industry

Timber Queensland is the peak state body representing the interests of the Queensland forest and timber industries supply chain; from forest growers, harvesters and haulers through to processers, treaters and sawmillers, as well as manufacturers and building fabricators, timber wholesalers and traders.

Timber Queensland is passionate and committed to working with government, stakeholders and industry to maximise the opportunities for sustained growth. We care about our industry, our people, our environment and our future.

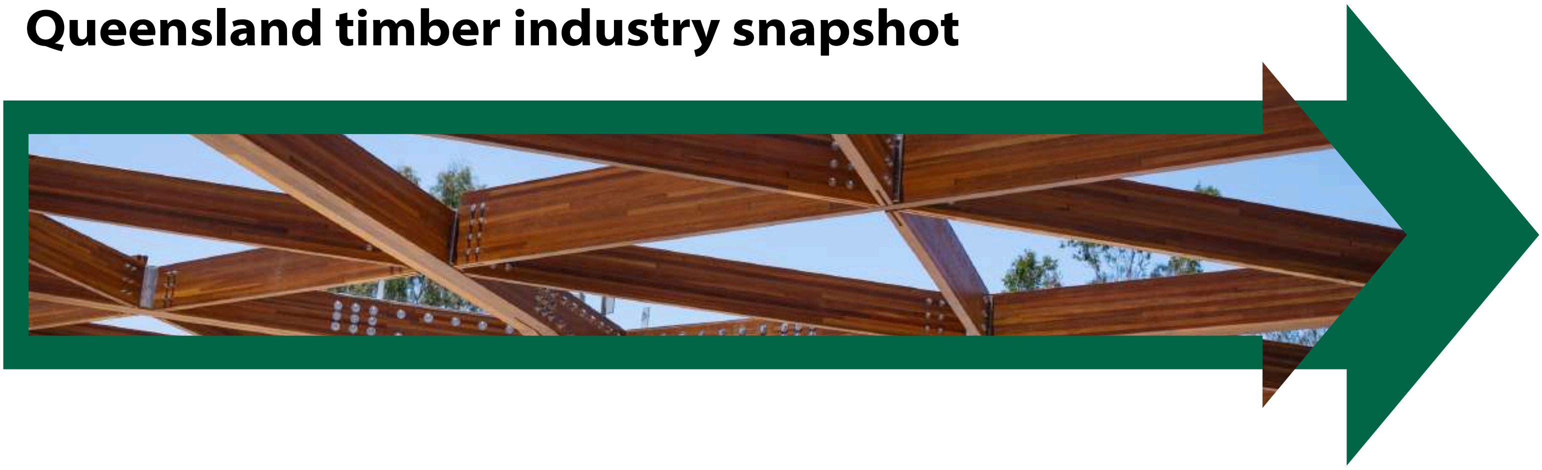
The Queensland forest and timber industry makes a significant economic contribution to the State, supporting around 25,000 direct and indirect jobs, as well as contributing almost $4 billion to the state economy. Many of these jobs are located in rural and regional areas across the State.

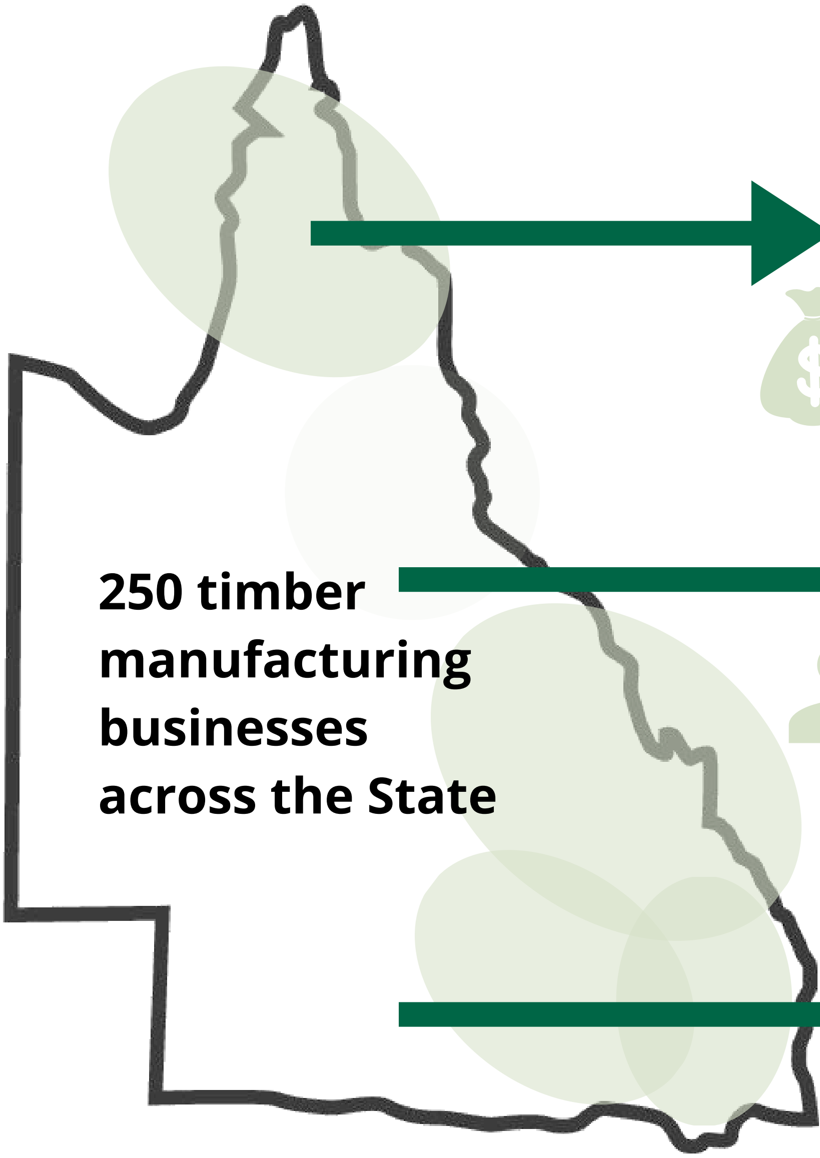
Government policy can play a major role in promoting the opportunities to further grow the value of the industry and production of essential timber materials to address future housing and building needs. This can be achieved by providing resource security to grow the available resource and facilitating investment to fully utilise this resource at internationally competitive scale.

The timber industry is renewable and is carbon friendly. Trees use the sun's energy to produce timber, rather than rely on fossil fuel inputs, and remove carbon emissions from the atmosphere in the same process. This makes timber a very environmentally friendly building material with very low carbon emissions.

The state's diverse forests provide a unique range of species and products, sourced from high-quality plantation grown softwoods including southern pines and australian araucaria™ and from well-managed native hardwood and cypress forests.

Queensland timber industry snapshot





$3.8 BILLION

economic contribution

23, 200 JOBS

250 timber manufacturing businesses across the State

70% REGIONAL

The majority of jobs are located in shaded regional areas (outside of Brisbane)

Jobs | Regional | Renewable | Carbon friendly| Innovative | Value added

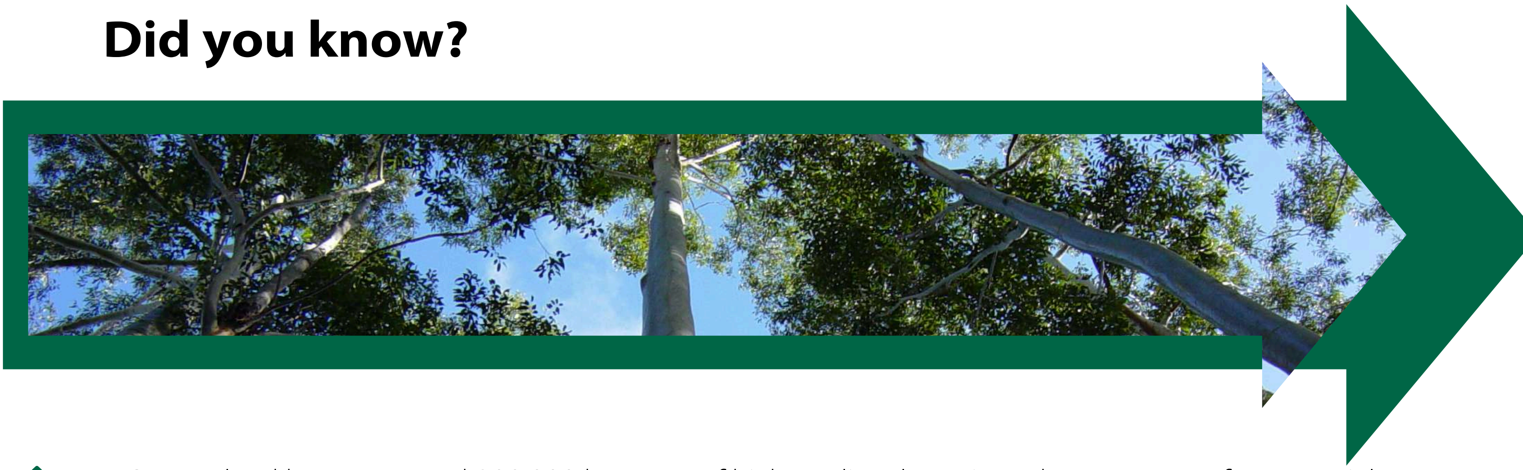
Timber demand is rising

The demand for timber is rising and projected to steadily grow into the future. Key economic, social and environmental drivers generating greater demand and interest in timber and forest products include:

- rising domestic and global demand for housing and building materials to support a growing world population;
- the low embodied energy and carbon sequestration benefits of timber compared with other building materials, with greater recognition of these benefits in public and private policies as part of carbon emissions reduction strategies;
- advances in wood processing technologies with engineered wood products and new applications in commercial and multi-rise construction, and cost-advantages in timber prefabrication systems;
- potential for forest biomass to be utilised for biochemical and bioenergy markets, adding value to waste streams or as a primary product in large global markets; and
- increasing recognition of the biophilic (i.e. nature connected design) aspects of natural materials such as timber used in buildings for health and community well-being benefits (e.g. reduced stress, improved learning outcomes).




Did you know?



Queensland boasts around 200,000 hectares of high quality plantations that are grown for essential building materials such as sawn timber framing and engineered wood products for both structural and appearance grade markets and other products including pallets and landscaping materials. Around 85-90% of houses rely on timber framing in their construction which is largely sourced from local plantations and sawmilling operations.

Queensland also represents the largest forested area in Australia, with 51 million hectares of native forest representing 30 per cent of total land in the state.

The timber industry's footprint is minimal, with selective harvesting on crown forest land representing less than 1/10th of one per cent of the total forest area (i.e. 38,000 hectares) and an approximate equal area accessed on private land. Timber production on crown land and on private forest land must be undertaken in accordance with regulated codes of forestry practice.

Timber Queensland advocates for stronger recognition of the importance of multiple-use native forests, which allow for a range of compatible and economically valuable land uses such as timber production while maintaining environmental values. Well-managed timber production in State forests provide an important return to the Government to help fund good forest management, including roads and infrastructure, fuel reduction activities to reduce bushfire risk, forest health monitoring, biodiversity protection and recreation (e.g. horse riding, hiking).

Research[1][2] has found that state forests in Queensland can provide superior long-term benefits than if they were managed as formal reserves, due to their adaptive management and contributions to the provision of biodiversity, recreation, timber production, fire prevention and lower emissions through the carbon captured in forests and in harvested wood products. Biodiversity values are managed in state forests and other crown land through codes of forest practice and other provisions for the protection of species such as koalas and gliders.

It is for these reasons that Timber Queensland does not support the exclusion or cessation of selective timber harvesting and sustainable wood production activities in state forests or other crown lands. It is time for government to move away from a binary approach of either production forests or protected areas in native forests. The assumption that harvesting timber is necessarily harmful to biodiversity is not correct and there is strong evidence that forests need to be actively managed for forest health and can generate other ecosystem services such as carbon, water and timber while also conserving biodiversity.

[1] Indufor & Natural Capital Economics 2022. Assessing the net benefits of multiple-use native forest management in Queensland. Report prepared for the South & Central Queensland Regional Forestry Hub with funding from the Australian Government, Department of Agriculture, Fisheries and Forestry. The study adopted an ecosystems approach, by incorporating regulating services such as biodiversity conservation and carbon sequestration, provisioning services such as timber and honey production and cultural services such as recreation and tourism.

[2] Venn TJ (2023). Reconciling timber harvesting, biodiversity conservation and carbon sequestration in Queensland, Australia. Forest Policy and Economics: 152.

Planning for the future

A committed plan is needed to capitalise on the significant growth potential of the forest and timber industry.

In order to build on the industry's strengths and maximise opportunities for growth, a committed and strategic plan for the Queensland timber industry is needed. The Queensland Government of the day needs to consult strategically with the industry on a dedicated plan, including regular liaison with relevant Ministers and Departments to facilitate actions from a whole of government perspective.

Timber Queensland is calling for a high-level Queensland Forest and Timber Industry consultative body with the Government, which can provide specific timber supply chain representation to develop and implement key initiatives and provide a mechanism for feedback into state programs and policies.

Timber Queensland (TQ) advocates a five-point plan that can address the fundamental investment needs of industry and the role Government can take in helping to unlock this potential.

The five key themes include:

- resource security for the native hardwood sector;
- new investment drivers for plantations and farm forestry;
- wood processing innovation and supply chain efficency;
- workforce development and training; and
- indigenous forestry opportunities.

Benefits to the State

Implementation of this plan can deliver significant benefits for the state, including:

- increasing our sovereign capability in the long-term supply of timber building materials essential for meeting growing population and housing demand;
- strengthening regional communities and job outcomes through the support of local timber businesses and suppliers and related skills training;
- assisting landowners and farmers with income diversification, climate resilience and agricultural productivity through the greater integration of trees on farms and management of native forests; and
- helping to meet lower emissions targets in the land based sector and built environment through carbon sequestration in forests and storage of carbon in harvested timber and wood products.

Housing and infrastructure needs

In 2024, both the Queensland Government and LNP Opposition announced ambitious housing targets to build one million new homes over the next two decades, equivalent to 45,000 homes per year.
In addition, Queensland has a large public infrastructure program including the requirements for the 2032 Brisbane Olympics and Paralympics Games.

Funding

In addition to key policy settings required to remove regulatory barriers and provide certainty for industry investment, Timber Queensland estimates that $200 million in support funding is required to boost future resources and timber supply chains to meet forecast housing and building needs. These funds would need to be delivered across a number of key programs for a steady increase in forest resources and associated processing and timber manufacturing innovation over time.

Broad funding would include:

- $40 million for education and extension on best practice forestry and uptake of sustainable certification schemes, for both planted forests and privately owned native forests (i.e. selective harvest with natural regeneration);
- $40 million for wood processing and timber manufacturing innovation to maximise resource recovery and timber supply chain efficiencies and related training initiatives; and
- $120 million for new plantation and farm forestry plantings that are well-integrated with carbon markets and other on-farm agricultural activities.

Five-point plan for growth

1. Resource Security for the Native Hardwood Sector

Queensland's native hardwood industry makes a significant contribution to the state's economy by providing durable and renewable timber products essential for housing and building construction. These products are used for decking, flooring, cladding, joists and structural beams and posts, as well as for furniture and cabinetry. Hardwood poles are also used for electricity poles to keep the power on across the Queensland network. The hardwood industry supports 6000 jobs across the state and contributes $700 million to the Queensland economy.

A fundamental issue confronting the native hardwood industry is a lack of long-term resource security and access to public and privately owned native forests for sustainable wood production. Presently, the native hardwood industry is being offered only two year contracts for wood supply from crown land from the end of 2024, while owners of private native forests are subject to sovereign risk from the prospect of possible Government changes to the *Vegetation Management Act 1999* (VMA) and the relevant timber harvesting code of practice.

This lack of resource security is putting at risk $140 million of planned investment in new plant and equipment and jeopardising 6000 jobs across the state.

TQ calls on government to:

- provide long-term wood supply contracts (i.e. up to 20 years) from state forest and other crown lands to provide the necessary resource security and confidence for industry investment, based on sustainable yield volumes;

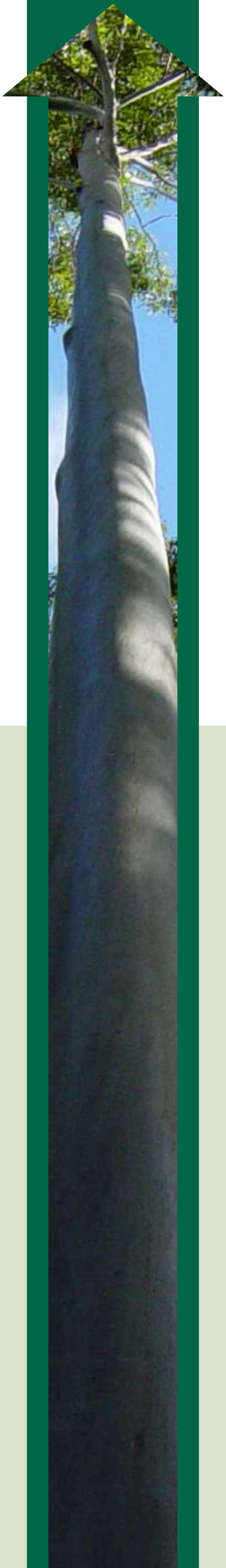
- ensure no conversion of state forests or other crown land to other land use tenures where they exclude selective timber harvesting and sustainable wood production from current or future activities;

- ensure the private native forest harvesting code under the VMA remains a practical tool for landowners to implement commercially viable forest management;

- develop and implement a long-term right to harvest for private forest owners (i.e. 20 years), subject to an agreed management plan or code of practice, through a new instrument known as a 'Category F' in the *Forestry Act 1959*;

- promote best practice forestry on private land through an education and extension program with landowners and farmers; and

- help curb native log exports through support for improved local timber manufacturing competitiveness and local wood processing requirements in state wood supply contracts.



Reinvesting in state forestry capacity

Queensland has an extensive area of state-owned native forests that are responsibly managed for timber production and other uses.

The Department of Agriculture and Fisheries is responsible for overseeing the selective harvesting and sale of timber from these forests, while safeguarding the environment, and supporting regional employment and economic growth.

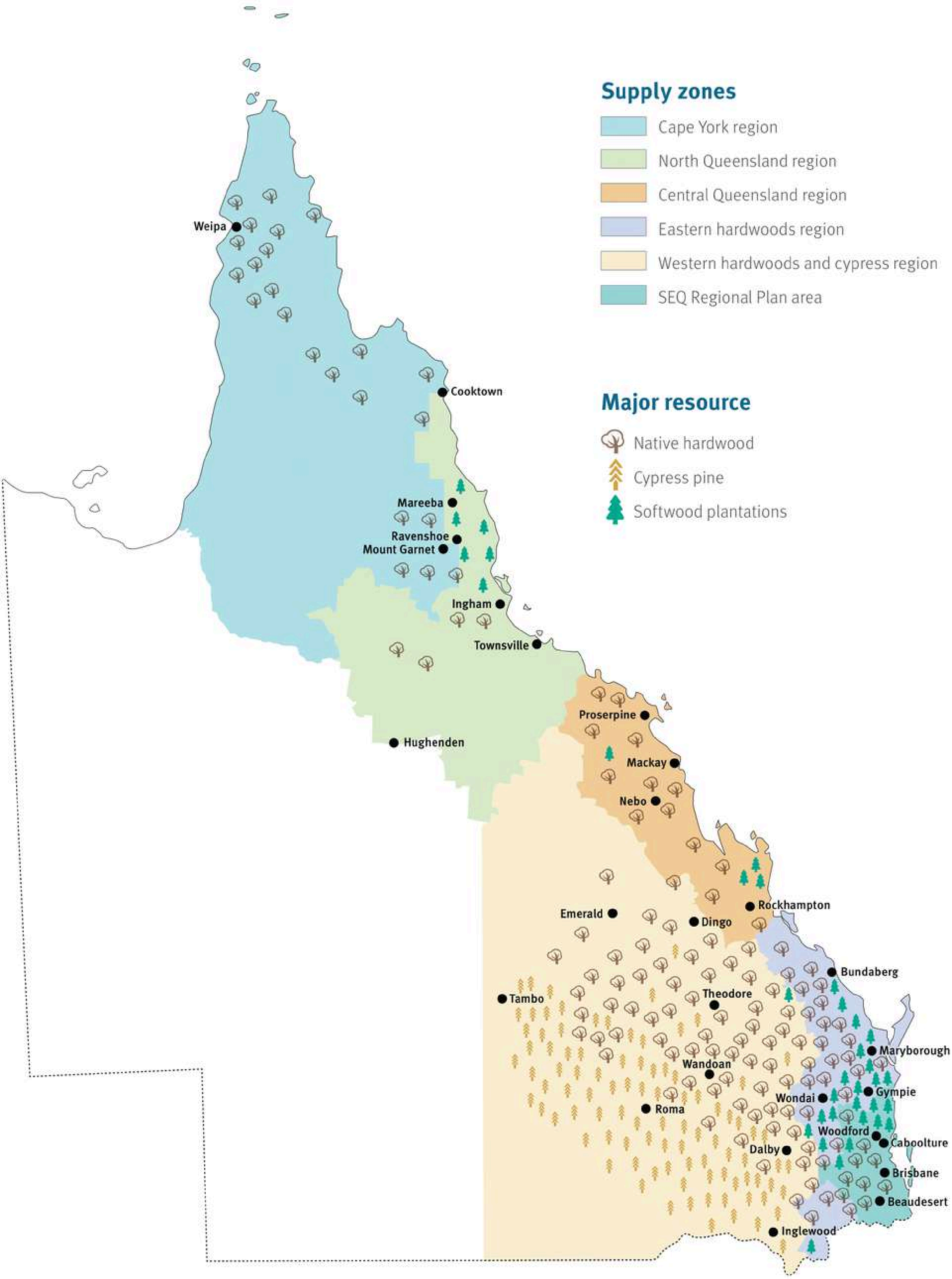
The Department manages timber sales from native hardwood and cypress wood supply zones and has a rich history of research into forest management (e.g. silviculture, biosecurity) and wood processing technologies at the Salisbury facility.

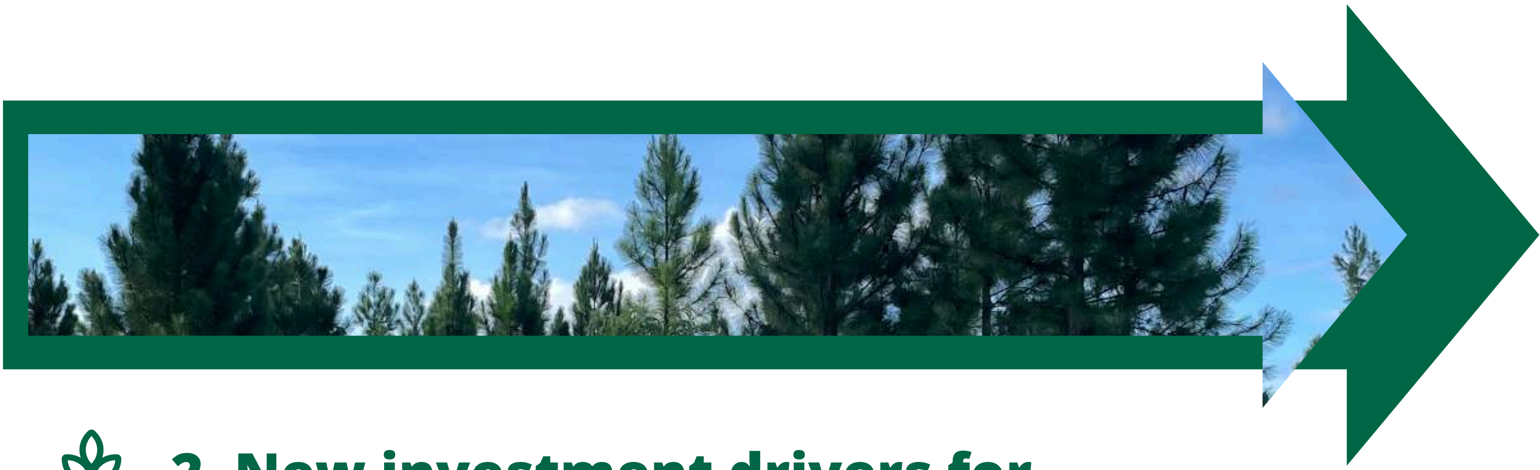
Given the growing demand for timber products and the critical supply from state-owned forests for sawlogs and poles, it is imperative that state forestry capacity is well resourced and enhanced into the future.

TQ calls on government to:

- ensure the returns to the State from the sale of timber are adequately reinvested in the operational and management functions of the Department to maintain and improve wood supply outcomes;
- maintain the strategic state research capacity in forestry and wood science technology and wood products research; and
- invest as a priority in improved forest inventory and sustainable yield estimation and modelling, to underpin longer-term wood supply projections and planning.

Major wood supply regions





2. New investment drivers for plantations and farm forestry

Queensland has an area of around 200,000 hectares of plantations that are grown for wood production. HQPlantations manages the largest area of plantations in the state with a softwood estate comprising 44,300 hectares of Araucaria and 148,000 hectares of Southern Pine. This softwood resource plays a critical role in the timber sawmilling and engineered wood product supply chain for the state.

However investment in new plantations in Queensland, and Australia more generally, has historically stalled since the early 1990s due to a number of investment challenges. These challenges have included the long time period until timber harvest returns (e.g. 25 to 30 years), a previous lack of revenues from co-benefits such as carbon sequestration and the cessation of previous large scale programs such as the Softwood Forestry Agreements between the Commonwealth and the states from the 1960s to the 1980s.

However, a number of new and significant investment drivers are emerging that can help establish new plantations and farm forestry plantings that can deliver multiple benefits for landholders and the state. These drivers include:

- the emergence of carbon markets for forest sequestration and related natural capital (e.g. biodiversity, nature repair); and
- opportunities for better integration and uptake of planted wood production trees with agricultural activities that can lift overall productivity, profitability and sustainability outcomes (i.e. agroforestry).

A key challenge for the timber and agricultural industry is the need for more education and extension on these opportunities that can translate into greater adoption.

Currently, the Queensland Land Restoration Fund (LRF) places a lower weighting (Tier 2) on projects that involve wood production trees and harvesting compared to other vegetation management methods such as environmental plantings (Tier 1). This is an impediment to new plantation and farm forestry plantings. Better access to the LRF could provide a significant boost for timber production and related environmental co-benefits such as carbon sequestration.

TQ calls on government to:

- give greater priority to the carbon benefits and environmental co-benefits from wood production tree planting activities in state carbon trading and incentive schemes such as the LRF and related schemes (e.g. Emissions Reduction Fund);
- support R&D and extension services to educate farmers about the benefits of better integrating forestry practices and planted forests with farming and grazing enterprises;
- protect the existing softwood plantation estate from state land use changes, acknowledging the significance of plantation timber to the state's housing and construction needs (i.e. no net loss from state infrastructure plans such as the Beerwah residential development proposal); and
- provide direct funding incentives and support for the establishment of new plantations on state or private land that aligns with industry needs and the goals of cooperating landowners and farmers.

3. Wood processing innovation and supply chain efficiency

The Queensland timber industry supply chain includes forest growing and harvest through to transport logistics, log processing, advanced timber and engineered wood product manufacturing and wholesale and retail trade. It extends into the building engineering and design industries and additional by-product industries such as bioenergy and further growth potential in high value biorefining.

Around 70 per cent of direct industry jobs are in sawmilling and wood and paper manufacturing, with over 250 timber manufacturing businesses across the state.

There are significant opportunities to improve the international competitiveness of the downstream wood processing and timber manufacturing sector in Queensland.

TQ calls on government to:

- support wood harvesting, processing and timber manufacturing supply chains through reducing red tape and input costs such as energy and improving key infrastructure such as effective access to road transport routes;
- deliver a local wood resource processing and innovation grant scheme to enhance competitiveness through improved resource recovery and innovation to maximise production from the available resource;
- implement a sustainable materials and local procurement policy for state infrastructure and housing projects which recognise the benefits of timber in the built environment; and
- promote greater utilisation of wood waste biomass for renewable energy and other circular economy uses, including the streamlining and implementation of End of Waste (EOW) codes for treated wood waste and reviewing existing hazardous waste regulation thresholds.

4. Workforce development and training

The forest and timber industry is continually adapting its growing, harvesting and processing operations and technologies to keep up with market demands. This creates a large demand for skilled workers along the whole supply chain.

However, given a general shortage of workers and a tight labour market in the Queensland economy, the forest and timber industry has experienced a number of challenges with respect to competing for labour with other large, high value industries such as mining and construction.

This places pressure on the timber industry for developing and implementing long-term recruitment, training and career retention pathways. Other specific challenges include its regional based nature, a lack of critical mass to retain industry specific registered training providers and an ageing workforce.

To overcome these challenges, the industry has responded through a number of initiatives. This has included the establishment by Timber Queensland of Canopy, a new forest and timber industry training and careers hub for promoting and growing a sustainable workforce. With support from the Workforce Connect Fund, this hub is focused on workforce attraction, retention and training activities with the support of an industry-wide steering committee. In addition, a Wide Bay Forest and Timber Industry Workforce Development Plan has been developed with the support of Jobs Queensland which identifies key actions to support longer-term outcomes.

TQ calls on government to:

- work with the Australian Government and state agencies to ensure industry training and skills needs are within funding scope of relevant programs;
- assist in the implementation of the Wide Bay workforce development plan with a view to applying the outcomes and lessons to other forest and timber regions; and
- support the ongoing implementation of Canopy as a state-wide industry led initiative for workforce development.

5. Indigenous forestry opportunities

Timber Queensland recognises the knowledge and practices of indigenous peoples in forest land management and their interests in economic self-determination and related enterprises. This includes caring for country to maintain healthy forests, biodiversity, soil and water resources, and fire management through cultural burning.

In Northern Australia, comprising northern Western Australia, north Queensland and the Northern Territory, 70 per cent of native forests and woodlands are either owned or co-managed by indigenous peoples. This represents a significant opportunity for indigenous people to work in partnership with industry regarding their interests in forest enterprises, including wood processing and timber production and environmental markets (e.g. carbon, biodiversity).

Similar indigenous opportunities exist in other parts of the state with existing forest or land with scope for new plantations and forest regeneration. Industry partnerships regarding indigenous forestry opportunities will require meaningful engagement models between industry, investors and indigenous peoples.[3]

TQ calls on government to:

- work with indigenous peoples and industry to support effective engagement, capacity building and knowledge sharing that can lead to beneficial economic, social and environmental outcomes from indigenous forestry activities;
- encourage and promote partnerships that drive business development and employment in forest management and related enterprises for the long term benefit of indigenous peoples and industry;
- expand indigenous ranger programs across crown forest land tenures, including multiple-use state forests managed for wood production and other cultural and environmental values; and
- support forestry education and extension services so that traditional owners and indigenous communities can better understand the extent of their forest resources and options for future use.

[3] Stephens, M., Woods, T., Brandt, C., Bristow, M., Annandale, M. 2020. Northern forestry and forest products situational analysis. Report for the Cooperative Research Centre for Developing Northern Australia, Project A.1.1718122.