



The Green Triangle Forest Industries Hub

2019

Industry Action Agenda



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Preface

The Green Triangle Forest Industries Hub (GTFIH) is an incredible example of industry coming together to collectively build and enhance the entire timber supply chain.

The Green Triangle spans the border between Victoria and South Australia. The GTFIH Action Agenda identifies the actions that need to be taken to secure the future of the region's forest industries. A strong and vibrant industry will provide economic and social benefits to communities through regional development, employment, carbon sequestration, provision of essential materials and recreation. Yet as positive as the future can be for forest industries, there are constraints that are already impacting the ability to grow value across the timber supply chain. By addressing these constraints Green Triangle forest industries can build prosperity of local communities, with jobs and training, better roads and smarter, more targeted investment.

This document sets out the first decade of commitments from the GTFIH. It is the first of three

10-year Action Agendas. Core to the future of the region is the capacity to plant more trees to

generate more fibre and greater value right along the timber supply chain. Therefore, the immediate priority is to plant an additional 200 million trees. This represents 20% of the Federal Government's total national commitment across 150 thousand hectares within the Green Triangle and \$1 billion of new investment in the region.

The next step is to seek feedback from a wide range of stakeholders. This will help GTFIH refine this plan and better articulate actions over the next 30 years.

The GTFIH is committed to working with the sector and diverse stakeholders to take this industry into the future, achieving long term social, economic and environmental benefits.

Foreword

GTFIH



The Green Triangle is unique in that it contains the breadth of the entire value chain – from seedling cultivation right through to final fibre processing. There is also depth to its value chain – from world leading, international corporations through to start-ups and micro businesses – all are looking for innovative solutions.

This Action Agenda sets out the Strategic Vision of the GTFIH and outlines the key actions that need to be undertaken to secure the long-term prosperity of the Green Triangle region. It is an important first step that acknowledges it is essential for forestry industries to work together and articulate what needs to be done to safeguard and build a sustainable future. Collaboration and cooperation both within the industry, and with a broader range of stakeholders, is crucial to our success as an industry and the growth of our region which relies on the economic, environmental and social benefits the forestry sector brings.



A handwritten signature in white ink on a green background. The signature is cursive and reads "Linda".

Linda Sewell
Chair
Green Triangle Forest Industries Hub

Ian McDonnell
Deputy Chair
Green Triangle Forest Industries Hub



Meet our Forestry Members

In early 2018, the CEOs of nine companies operating in the Green Triangle recognised that a unified approach to growing the regional forestry and wood fibre industry was required to strengthen it for future generations.

It was a unique collaboration representing a cross section of the industry – large and small companies, growers and processors, softwood and hardwood, Victoria and South Australia. Together, these entities represent about 90% of forest industries in the Green Triangle.

Later in 2018, the Federal Government announced its intention to fund defined regional forest industry hubs and launch the “Growing a better Australia” initiative – a billion trees for jobs and growth¹. This initiative is aimed at facilitating and stimulating growth in the sector in order to meet growing demand for wood fibre and combat climate change.

The network was successful in its application for funding and the GTFIH was created in April 2019.

“
A unified approach
to growing the
regional forestry
and wood fibre
industry.”





— Purpose

To grow a vibrant industry, sustainable for the future.



— Vision

To grow the forest estate by 200 million trees over the next decade, utilising every part of every tree we harvest.



— Strategy

To grow the right trees, in the right place, at the right scale, with no waste, to support a world leading, local processing and manufacturing industry.

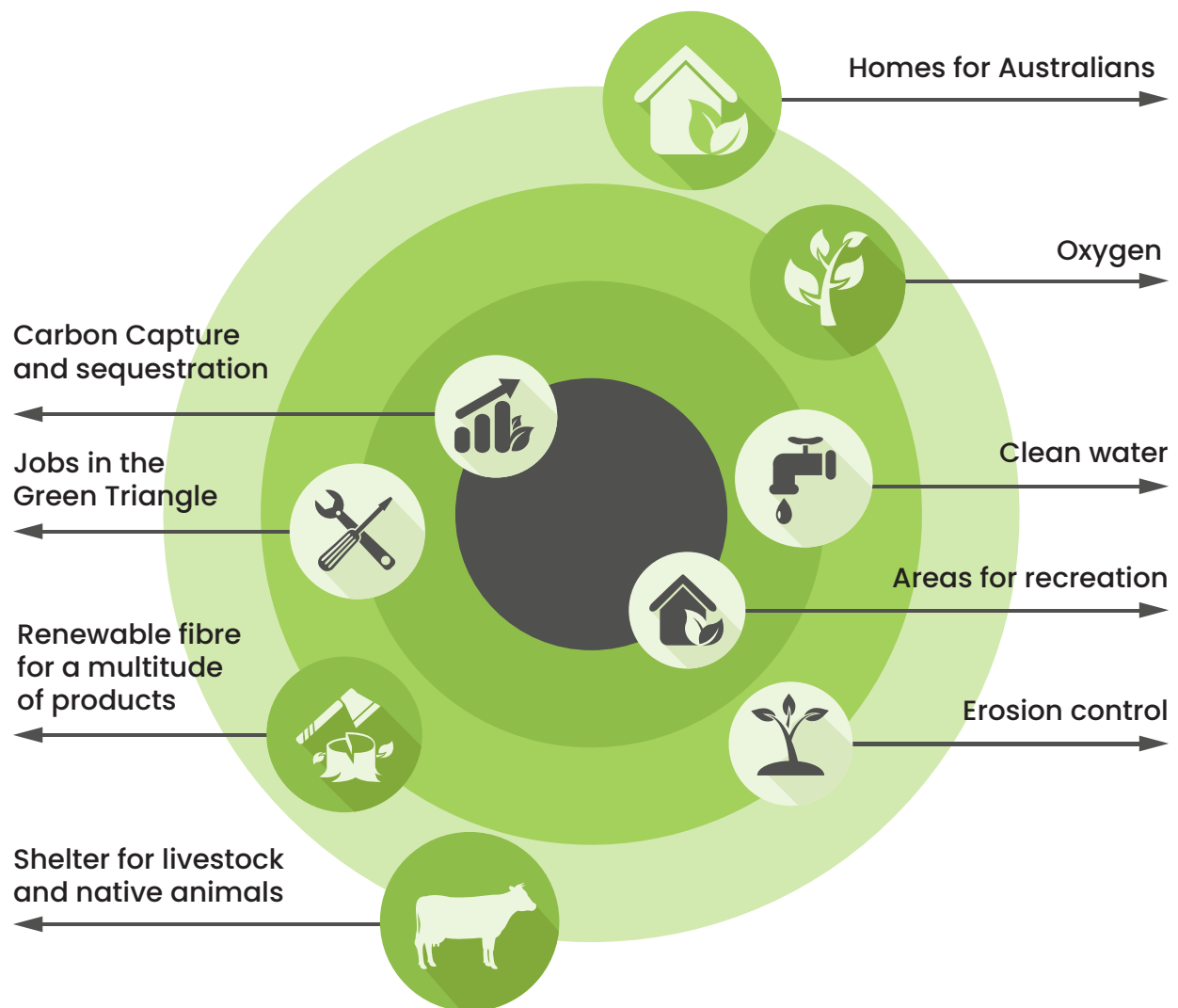
The Ultimate Renewable

Forests play an important role in keeping our air and water clean, providing renewable products for construction, securing thousands of jobs and providing beautiful spaces for us to enjoy.

It is a unique fact of forestry that the trees we enjoy and use today are the product of more than a century of commitment to this region. The trees are the legacy of many of our second, third and in some cases, fourth generation workforce. The industry relies on sound planning that anticipates evolving needs. Our approach is always long term and is critical to ensuring our children and grandchildren share in the same benefits that we enjoy today.



The benefits of forests





Addressing Climate Change

The GTFIH recognises it offers a climate change solution and has an opportunity to lead the way.

GTFIH is committed to working with each of the Forestry Hubs around Australia to collectively address climate change and drive sustainability within the industry.

Key Facts² //

01

If industry plants one billion trees over the next 10 years an additional 18 million tonnes of carbon dioxide will be sequestered per year by 2030.²

02

A timber frame house stores 7.5 tonnes of carbon while steel emits 2.9 tonnes.³

03

During peak growth (10–30 years) carbon sequestration is at its highest.⁴

04

Forest industries have potential to produce a proportion of Australia's renewable energy target of 26% to 28% below 2005 levels by 2030.⁵

05

The Australian forest industry, through carbon sequestration, offsets 3.5% of total human-induced greenhouse gas emissions.

(2) Department of Agriculture (2018) Growing a Better Australia – A Billion Trees for Jobs and Growth. Australian Government.

(3) TimberNSW (2018) Timber in the Carbon Economy. Available at: <https://timbernsw.com.au/timber-in-the-carbon-economy/>

(4) TimberNSW (2018) Timber in the Carbon Economy. Available at: <https://timbernsw.com.au/timber-in-the-carbon-economy/>

(5) Parliament of Australia. Renewable energy policy: retreat, renewal and revitalisation.

The Green Triangle supports a world class forest industry

The Green Triangle is a premier location for growing and processing wood fibre; the ultimate renewable.



The Green Triangle



Has some of Australia's best climate, topography and accessibility for plantations and wood fibre processing



Constitutes 17% of Australia's plantations, or 334,000 hectares



Supplies \$1.5 billion in forest industry economic output – 7% of the Green's Triangle's total economic output



Supports over 3,000 workers directly in the local region, and over 4,000 indirect jobs



Sees under 6% of its land used by plantations



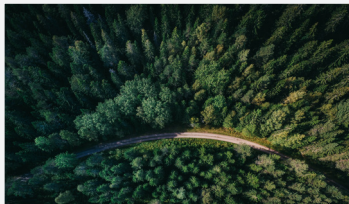
Around 5.8 million tonnes of carbon is sequestered in Green Triangle plantations

The last decade has seen the industry go from strength to strength, delivering increased output, sustaining local communities and supporting stable, long term employment in rural areas. It is one of the rare places in the world where all the ingredients of a successful industry can be found.



Mature

Its long history means the industry is stable and well invested with all needed assets to support growth. Critically, the industry holds unparalleled expertise with the growing and processing of Radiata Pine and Tasmanian Blue Gum.



Diverse

The industry spans the entire value chain in the Green Triangle. Its strength lies in the depth of its capabilities and its capacity to support the entire chain.



Renewable

The crux of the industry is the tree; a tree can be replanted and grown in the optimal conditions of the Green Triangle to support a cyclical, and thus sustainable, industry.



Highly desirable

Demand for wood fibre has increased and this will continue for reasons such as growing per capita use; desire for a versatile and environmentally friendly material; and diverse range of end uses owing to advances in technology and engineering.



Environmentally beneficial

Communities and governments are increasingly realising the inherent sustainability of the industry due to its natural, recyclable, renewable and biodegradable characteristics, and carbon sequestration abilities.



The opportunity and the challenge



Climate and topography make the Green Triangle a premier location for growing and processing wood fibre. It is one of the rare places in the world where all the ingredients of a successful forest industry can be found.

Growing wood fibre demand and product innovation presents an unprecedented opportunity for growth. Global demand for wood fibre is expected to quadruple by 2050³, driven by population growth, increased use and a growing awareness of the benefits of using wood fibre in an increasing range of applications.

However, access to crucial inputs such as land and water combined with policy uncertainty are impacting the industry's ability to meet the growth in demand for wood fibre.

The Green Triangle cannot afford to miss the significant opportunity available to the region. To do so would result in supply shortages, missed employment and economic growth in the region.

The Case For Action

Without action, there will be an overall reduction in the national plantation estate by 2050, having profound implications upstream and downstream of the industry, and for the broader community.

We have a critical opportunity now to build the region into a global "fibre bowl" and it is fundamental that we act now so this is not lost for the next generation.

Wood fibre is a necessity for our way of life.

The wood fibre grown is processed into a diverse range of products, with every member in the community reliant on this versatile, high quality and sustainable resource.

The Industry supports robust employment and income levels.

The Industry plays a critical role in the Green Triangle economy, generating significant output and providing its workers with more full-time jobs and higher incomes relative to other industries in the area.

Principles of the Action Agenda

The implementation of the GTFIH's Action Agenda will be informed by the following principles:



Workforce

The Industry's success is driven by its strong and safe **Workforce**.

A workforce that sees more full-time employment, and higher wages relative to others in the region.

Attracting, training and retaining the right people for tomorrow's world is critical for continued success.

Environmental

The Industry is committed to **Environmental** stewardship. Significant opportunities exist, particularly in the Industry's ability to help combat climate change through its role in the management of carbon. But the way must be carefully navigated with a strong, unified and loud voice.

Product

The Industry's **Product** is supported by a mature approach with unrivalled expertise, well established facilities and assets, and in high demand for its quality. We will utilise new thinking and innovation to maximise the value of wood fibre.

Community

The Industry is highly connected and visible with the local **Community**. We will proactively engage with stakeholders in decisions that affect them.



The GTFIH Agenda for Action

Plant: 200 million

— Additional trees in the ground, a little over 150,000 new hectares.

That will create: 3.6 million m³

— Additional output over and above current plans due to increased planting.

Requiring: \$1 billion

— Additional new investment in land and trees.

Needing: 10%

— Increase in productivity with a commitment to skill development and broad skill base.

That will drive: 100 million tonnes of CO₂ equivalent

— Additional sequestered over a rotation.

With a: Shift in prioritisation

— Increased local processing and manufacturing and a shift towards higher value products.

Through: 100% utilisation

— Of every part of every tree, resulting in 10% more product from a reduction in waste.

And a spend of: \$200–\$300 million in downstream investment

— Committed to improving local processing and manufacturing assets.

Four Pillars for a Sustainable Future

The GTFIH has identified four integrated Pillars that are critical to the Industry's future success and Agenda for Action.

These Pillars will ensure the industry has a sustainable future for generations to come.

Each Pillar is supported by a system of core actions that when completed, will enable the Industry to deliver its Vision.

**01**

More trees and more
local capacity

**02**

Developing local
people, providing skills
for the future

**03**

Engaging with and
respecting community
values

**04**

Stewardship for future
generations

Nine Core Actions

The Industry is excited to deliver against this Agenda with nine core actions that require immediate focus

These have been developed with the knowledge that:

01

Stakeholder and community engagement is critical.

02

More data is necessary to provide a robust evidence base for decision making.

03

The Industry has not been effective in the carbon debate, impacting return on investment.

04

One unified voice is necessary to enact change.

05

Plantation based product is the priority.



01



Supporting innovation across the timber supply chain

- a.) Remove regulatory barriers to secure and grow the estate base and prioritise the domestic market.
- b.) Commit \$240 million in additional capital investment in processing and manufacturing to support regional economic development.

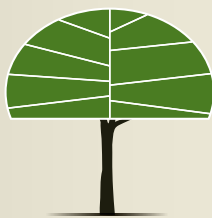
02



Developing our local people, providing skills for the future

- a.) Consistently implement and comply with the fatigue management guidelines by end 2020.
- b.) Develop and implement a collective industry internship program by 2021.
- c.) Identify new and emerging skills required by the industry over the next 10 years.

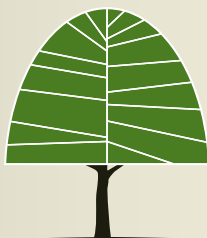
03



Community Support

- a.) Develop a stakeholder engagement strategy based on a unified message, nuanced for regions, context and need.
- b.) Develop a suit of engagement tools including the Green Triangle Forest Industries website: www.gtfigh.com.au

04



Stewardship for future generations

- a.) Develop a unified position and policy setting regarding the sustainability and carbon sequestration benefits of the forest industry and the Green Triangle.
- b.) Develop an Industry wide carbon model.



Implementation

By 1 July 2020 the GTFIH will engage in a consultative process to deliver the Action Agenda. Each action identified will have a clear reference as to who is responsible for achieving each target.

Reporting

The GTFIH will provide a biannual update to the Federal Government as to the progress of this Action Agenda and make this publicly available on its website www.gtfigh.com.au.

Engagement

The GTFIH is committed to collaborating and proactively communicating with all interested stakeholders including government, the community and other industries. GTFIH will consult widely so that it understands and responds to the needs of the Green Triangle region.





The Green Triangle Forest Industries Hub

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