



Media Release

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Plantation forestry is growing Australia's future

Australia's plantation forest industry is strongly positioned for growth, with increasing demand for timber and stable export prices, according to the National Association of Forest Industries (NAFI).

"The debate on MIS needs to be kept in perspective. The plantation industry is broader than simply the two companies we've been hearing about in the media recently and continues to operate and grow providing much needed employment and economic activity in rural and regional Australia," said NAFI CEO Allan Hansard.

"Plantation forestry is necessary to meet Australia's increasing demand for timber; the industry generates employment and investment in rural communities; and provides significant environmental benefits by sequestering 81 million tonnes of greenhouse gas from the atmosphere.

"Continued plantation expansion, and ensuring the replanting after harvest, is the only way to meet Australia's increasing demand for sustainably managed timber without increasing our reliance on imports. Australia's current account deficit in forest and wood products is already around \$2 billion and sadly a lot of this timber is coming from developing countries that don't have our high standards of sustainable forest management.

"Rural and regional communities benefit from the presence of the plantation industry which provides a diversified economic base that can reduce vulnerability to changes in other rural sectors such as agriculture. Plantation employment does not fluctuate due to climatic variations to the extent that agriculture does, meaning the industry can provide something of a safety net to many communities struggling with a down turn in agricultural markets, or other set-back such as drought conditions.

"Plantation forestry has already generated billions of dollars in investment in new plantations and down-stream processing infrastructure, resulting in thousands of jobs in rural communities. Further planned investment in down-stream processing, driven by continued plantation expansion, is set to reach \$7 billion, generating 6000 new jobs, and contributing nearly \$400 million to gross domestic product (GDP) over 2009-10.

"As well as contributing significantly to the economy, plantation forestry is Australia's only carbon positive industry, and has the capacity to sequester around 81 million tonnes of greenhouse gas from the atmosphere every year. In addition to the forests being carbon sinks, the products produced from them continue to store carbon, and the bioenergy produced from wood waste can significantly reduce Australia's reliance on fossil fuels.

"It should be remembered that while the issues with Timbercorp and Great Southern are being worked through, the trees are still growing and increasing in value and forestry remains a sound

industry. The likelihood is that these forests will be taken over by other forestry companies and will be able to continue contributing to the economic and environmental benefits of the plantation industry," Mr Hansard said.

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