



Media Release

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Timber industry set to generate employment with infrastructure-led recovery

Plantation forestry expansion is driving a massive increase in investment in the timber processing industry with infrastructure and development proposals worth around \$7 billion of new capacity set to generate around 6,000 jobs, according to the National Association of Forest Industries (NAFI).

“Plantation forestry funded by managed investment schemes (MIS) contributes significantly to the broader economy and is a valuable industry for many rural and regional communities, building infrastructure, and stimulating a range of local economic activity, broader than just planting, maintenance and harvesting opportunities,” said NAFI CEO Allan Hansard.

“Importantly, the plantation forest industry drives investment in value adding down-stream processing providing much needed diversity in economic activity and employment opportunities in rural and regional Australia.

“Sawmills, panel production facilities and pulp mills provide value-adding downstream processing for the domestic and export markets, contributing an estimated \$390 million to gross domestic product (GDP) over 2009-10.

“Timber processing is a very long term industry, heavily dependent on a secure, consistent flow of high quality wood resource of the right specification over a long period. Plantations established 10 to 30 years ago are currently being harvested and ongoing investment in increased domestic processing capacity is highly dependent on consistent ongoing planting levels.

“Private investment is vital for continued plantation expansion and replanting. Plantation establishment is currently at around 80,000 hectares plantations each year which is consistent with the targets in the Government’s Plantations 2020 Vision to create a national plantation estate of about 3 million hectares by 2020, and will ensure increased investment in the processing industry.

“As we’ve seen by the considerable investment in processing industry development and expansion following the recent growth in hardwood plantations, forestry investment projects contribute significantly more than the establishment of a plantation.

“Value-adding downstream processing industry that has developed around private investment driven plantation forestry expansion has become vital to regional communities, building infrastructure and providing much needed employment in areas that may be suffering the effects of unprecedented drought conditions and the global financial downturn.

“There are currently 17 proposed new processing facilities, at various stages of planning and development which include six sawmills, three pulp and paper mills, four woodchip and export

facilities, two engineered wood product mills, and investment in the harvest and haulage sector. The total of current industry development proposals will add around \$7 billion worth of new capacity to the industry and generate around 6,000 jobs.

“All of these factors need to be taken into consideration when assessing the contribution of forestry investment projects to the forest industries, the rural community and the national economy,” Mr Hansard said.

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