



**GUY BARNET MP**

Minister for Resources

## Speech to Symposium on the University of Tasmania's Northern Transformation Project

Monday, 20 March 2017

It is fantastic to be here today to open this Symposium on the Tasmanian timber industry's potential contribution to the Northern Transformation building process.

Thank you to the University of Tasmania for hosting this important discussion.

The Tasmanian Government is proud to be contributing:

- o \$75 million to the Northern Transformation Program, which will be vital in growing our North and North West regions.
- o \$90 million through our Northern Cities Major Development Initiative, which is driven by the Office of the Coordinator General and will bring crucial investment into Launceston and Burnie, driving economic growth.

The Initiative will align workforce upskilling with local industry needs, foster innovation and entrepreneurship as well as revitalise northern cities, promoting them as vibrant places to live and work in.

There are significant opportunities for the forest and forest products sector to both contribute and benefit from these investments.

As many here would already know, forestry has been part of the warp and weft of Tasmanian communities since the earliest days of European settlement.

Unlike other parts of the world we have not destroyed our forest cover - we still have almost two thirds of the forest cover which existed at European settlement and half of our entire island remains forested.

Half of that forest – almost 1.8 million hectares – is protected in reserves. That includes more than 1 million hectares of old growth forest.

Not only that, Tasmania has some of the best managed forestry estates in the world.

Our world-leading forest management system is underpinned by our equally world-leading system of parks and reserves.

We can be proud of our world-class forestry industry, of our unique and beautiful speciality timbers—Huon pine, King Billy, celery top and others—and renowned timber boat building and fine furniture sector—all part of the Tasmanian brand.

Not only that, but the wood and wood products sector is situated at the leading edge of innovation globally with exciting new products such as Cross Laminated Timber, often called the engineered wood of the future, or even the ground-breaking Cyrene pilot plant at Norske Skog near New Norfolk where a wood-based chemical is being developed that could be used as a replacement for the petroleum-based chemicals currently used.

The new National Institute for Forest Products Innovation hub being established in Launceston is another example of the exciting future opening up for wood and wood products.

The Centre will support the forest industry transition into a smarter, higher value focused industry, one that will boost opportunities for jobs and growth in the forest and forest products sector.

Wood is good. Of that, I have no doubt and would like to see this positive message spread and promoted widely within Tasmania and beyond.

Here in Tasmania, the forestry sector is experiencing strong growth and industry production and productivity is increasing at an impressive rate.

In 2015-16 total wood production in Tasmania totalled over 4.4 million tonnes, which is the best performance since 2010-11.

Not coincidentally exports have continued to rise with 3.4 million tonnes of wood products exported from Tasmania in 2015-16. This represents a 22 per cent increase in exports from 2014-15 and a 120 per cent increase from export levels since 2012-13.

In November, SmartFibre announced a joint venture with SFM to deliver Tasmania's first native forest exports carrying full Forest Stewardship Council certification, all from private land.

The SmartFibre PureForest project is on top of a \$1.3 million investment by Neville Smith Forest Products in a new pellet plant at Mowbray, as well as a garden stake line at Southwood, to extract higher values from native forest residues.

The value-adding and expansion program is expected to create more than 30 additional jobs across the company and in associated forest management and harvesting operations.

Increasing confidence within the private sector to invest in this way is encouraging to see and I intend to see continuing opportunities provided to this important sector to grow, invest and create jobs in Tasmania.

As Minister for Resources one of my early actions has been to oversee the delivery of the 'Wood and Fibre Processing Innovation Program', with thirteen successful projects receiving grant funds of approximately \$1.25 million for a total project value of more than \$7 million.

The most recent estimates of employment numbers from the ABS indicate that employment in the industry is now approximately 3 600 people.

This is a significant improvement from the low of approximately 2 700 people in 2013 when the last comprehensive survey of forest industry participation was undertaken.

Exciting initiatives are also emerging in the forest industry such as Forico's investigation of pellet manufacture for export markets, which shows how far new market opportunities have come in a very short space of time.

In this year's State Budget, the Government has committed up to \$500 000 to co-invest in strategic marketing initiatives with industry.

The Tasmanian Government will shortly launch a Strategic Growth Plan for the Tasmanian Forests, Fine Timber and Wood Fibre Industry along with the State's first ever Wood Encouragement Policy.

The Wood Encouragement Policy, announced in the 2016/17 Budget, is designed to encourage the use of sustainable timber and timber products in Government projects.

The Policy will promote a shift towards viewing wood as a first choice for construction, interior design and daily living.

It draws on positive international momentum, and the ground breaking work done at a local government level, initiated by Latrobe Council in Victoria and which has now spread to 12 Council Areas and two Municipal Associations.

Importantly, the Policy will be the first of its kind adopted by an Australian state and if the concept is embraced by other states, it will be an important driver for increased wood use across the country.

Whilst I am attending this forum as the as the Minister responsible for Forestry I am also proud to be Minister for Building and Construction.

A number of recent Hodgman Liberal Government commitments to economic growth in the building sector will also encourage use of local timber, further growing opportunities for the Tasmanian timber industry.

These include:

- o \$60 Million investment in affordable housing;
- o \$7 Million for Police Housing in our regional areas and, of course;
- o The continuation of the \$20,000 home building grant.

The Government's \$90 Million investment in Northern Major Cities Projects, including a \$75 Million investment with the University to relocate schools, that I mentioned previously, also includes a commitment to use timber construction methods, which builds on the National Construction Code change to allow timber in Mid-rise buildings.

The change to the National Construction Code in May 2016 was heavily supported by Tasmania and will allow for timber products to be utilised in more construction projects, in taller buildings and in innovative ways that will provide more opportunity for our local industry.

Since being announced, the Government have worked with Industry to encourage understanding of this change as it another way the Government is encouraging innovation in both the building and forest industries.

Through the increased use of timber we can create a sustainable future and support Tasmanian families and jobs, especially in regional communities.

The Government recognises the significant contribution that sustainable, renewable timber use can make to climate change mitigation.

Responsibly sourced wood is sustainable, low carbon (in many cases it is a carbon sink), low energy, attractive, high performance and economical.

Wood is unique in that it sequesters (stores) carbon and in most cases has low embodied and maintenance energy and low carbon emissions associated with its production, relative to alternative products.

Wood can also bring many other benefits like increased speed of construction, reduced occupational health and safety risk, reduced waste, reduced traffic to/from site and high thermal insulation properties, allowing buildings to consume less energy.

The University of Tasmania, is showing great leadership supporting the Tasmanian Forest Industry through research, teaching and through the direct use of wood in the Northern Transformation Project. These efforts are strongly aligned with the objectives of Government to enable growth in the Forest Industry.

The opportunity to see a major investment such as the Inveresk campus buildings underpin significant opportunities for the Industry to significantly advance the use of wood in new buildings is tremendously exciting and an example of this Government, the University and the Timber Industry working together to deliver great things for Tasmania and the future of wood.

I wish to conclude with a brief reminder that tomorrow, 21 March, is International Day of the Forests (IDF).

IDF was proclaimed by the United Nations General Assembly in 2012 and aims to celebrate and raise awareness of the importance of all types of forests.

On each IDF, countries are encouraged to undertake local, national and international efforts to organize activities involving forests and trees, such as tree planting campaigns.

The theme for each International Day of Forests is chosen by the Collaborative Partnership on Forests with the theme for 2017 being Forests and Energy.

So, whether it is the development of pellet mills that I spoke about earlier, more value-added manufactured timber, or simply enjoying the warmth of fire on a cold night, I think we are on the right path to using our forest resources smartly and efficiently.

I encourage you all to get involved with any IDF activities within your region and appreciate the contribution that our forests make economically, socially and environmentally to our State.

Thank you all for coming along today, this symposium will no doubt facilitate important and innovative conversations.

Thank you again to the University of Tasmania for putting this event together.