

## **Forest Industry Association Northern Territory's Submission to the Territory Economic Reconstruction Commission**

The Forest Industry Association Northern Territory (FIANT) is pleased to present this submission to the Territory Economic Reconstruction Commission on how the forestry industry can play a central role in driving economic growth in the NT.

Currently the industry makes a significant contribution to the NT, the figures below provide a snapshot of the value that forestry adds to the economy:

- The industry in the NT has a gross value in excess of \$10 Billion.
- \$115\* million worth of products are harvested per annum.
- 170 full time equivalent staff are employed in the sector.
- 42,000 hectares of plantations and significant tracts of native forests are managed by the industry.

\* denotes 10 year rolling average production figures.

Forestry in the Territory has enormous growth potential that will provide significant economic and enduring community benefits to Territorians. The Commission is in a unique position to work with FIANT to help fully develop a world leading forestry industry.

The NT has large and widely available land suitable to forestry plantations, the climatic and soil conditions suit a range of forest plantations and our prime location enables the industry to easily export to the world. Demand for forestry products from Asia and the rest of the world will only continue to grow, the NT can position itself as a market leader in providing responsible and sustainable timber.

The industry has drawn upon its extensive knowledge and years of experience from operating in the NT to identify six issues that once addressed, will drive job creation and economic growth into the future. It is proposed that FIANT and The Commission work together to achieve the following for the Territory:

### **1. Federal Government funding to support a Forestry Hub for the Northern Territory.**

Establishing a forestry hub in the Northern Territory is essential to fully growing the local industry. Once established the hub will undertake research, attract investment and advocate on behalf of the industry. A key, founding priority of the hub will be to equip a taskforce to analyse the factors that have been limiting productivity and efficiency in the sector. The hub will act as a centre of excellence providing detailed information to investors and growers about the industry, conditions and crops.



The Federal government has provided funding for eight industry hubs, committed funding for one hub, leaving only four remaining in Australia out of a proposed 13. An industry hub is essential to propel the local industry, the hub will greatly assist the Territory to secure investment and make informed decisions regarding plantations. The initial investment in the hub will generate considerable return through investment and job creation.

**2. All NT plantation timbers to be recognised in national carbon trading markets.**

The recognition of all NT plantation timbers in national carbon trading markets and therefore the trading of carbon credits will significantly increase the productivity and viability of the NT industry. The ability of NT plantations to generate additional income from trading carbon credits will drive global investment into the Territory. In addition, such a policy will assist producers in generating cashflow, they will not have to wait until harvest to realise income.

Currently, only land that has previously been cleared but is now used for a plantation is eligible to trade carbon credits. Due to the unique environment and nature of land use in the Territory, it is vital that all plantations in the Territory are eligible to access carbon trading markets.

**3. A Forest Policy and Development Manager to be employed to assist the industry to grow and foster employment opportunities across the Territory.**

The funding of this position will provide a high return on investment, the role will raise the profile of forestry in the NT and assist in attracting considerable investment. In this critical stage of the industry, a policy and development manager is required to create and advocate for consistent legislation that balances the interests of all investors and stakeholders. Potential investors into the Territory need a development manager to smoothly guide them through the process of undertaking business in the region. The manager will also be an important point of call for producers to share their policy requirements and issues.

**4. Development of an Indigenous forestry education and training program to assist in facilitating community industry development.**

Indigenous forestry education and training programs are fundamental to the success of the forestry industry in the NT. 18.7 million hectares of land in the NT is under Indigenous ownership or management, forestry education has an important role to play in generating understanding and realising the opportunities the forestry industry has to offer. The programs could pave the way for partnerships with Indigenous owners and forestry companies to develop and grow the economy of remote communities in the Territory. Training programs offer the exciting opportunity of generating considerable employment possibilities for indigenous jobseekers in areas with low job opportunities.

**5. Forestry to be included in primary and secondary education in NT schools.**

FIANT strongly believes that the community should be engaged and supportive of forestry activities in the NT. One key opportunity to generate positive engagement is to include forestry in the curriculum of primary and secondary students in NT schools. Inclusion of forestry issues in the





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curriculum will allow students to understand the environmental, social and economic benefits of the industry. Furthermore, secondary education in forestry is likely to lead to interest in the industry and a potentially skilled labour pool for plantations to utilise.

**6. Fleming and Cadell Roads in the Douglas Daly, to be sealed to ensure a guaranteed supply of timber to markets for all-year access.**

The Douglas Daly is home to approximately 19,000 hectares of forestry plantations which is serviced by the Fleming and Cadell Roads which are unsealed. Every wet season the roads become difficult to use and are sometimes flooded. The poor-quality roads present major issues for producers who need to guarantee continuity of supply to markets throughout the year. In order to improve the attractiveness of the NT's exports and to guarantee jobs, the Fleming and Cadell Roads need to be sealed. Producers and the NT economy cannot afford to decline orders simply due to poor quality infrastructure. A better road network will not only get products to market but further attract investment to the Douglas Daly region.

COVID-19 has caused enormous damage not only to the Territory economy but also to Australia and the rest of the world. The Commission needs to use this unique opportunity to rebuild and strengthen the economy to create a stronger and more prosperous society. The forestry industry can be at the corner stone of The Commission's plans to kick start growth in the Territory.

It should be clear that acting upon the six key industry issues will have an enormous benefit to the NT economy and society. Gearing the economy up to be focused on forestry will not require a large financial commitment or costly political change. It simply requires targeted investment and intelligent policy making.

Forestry offers a long term, sustainable and 'green' answer to the economic dilemma that the NT faces itself in. Unlike other high profile boom-and-bust projects, forestry generates long term job opportunities that will benefit Territorians into the future. Forestry is already a proven and viable industry in the NT, with the right economic and legislative approach forestry can be at the centre of the NT's new economy.

The Commission in partnership with FIANNT can literally and figuratively grow the NT economy back to life.

To discuss how FIANNT can further contribute to the NT economy do not hesitate to contact Paul Burke, CEO FIANNT on 0479 051 440 or via [ceo@ntfarmers.org.au](mailto:ceo@ntfarmers.org.au)

