

Private Forestry Guidance Materials

Information Sheet 10: Gippsland Forestry Hub

About the Hub

The Gippsland Regional Forestry Hub is one of 11 similar organisations funded by the Australian Government to provide it with advice on supporting growth in the forest and wood products sector in key regions. The Gippsland Forestry Hub is in eastern Victoria, extending about 450 km from the eastern outskirts of Melbourne to the New South Wales border. The region is home to significant areas of public native forests and softwood plantations and a small but important hardwood plantation resource. The Gippsland economy has a significant reliance on the forest and wood products sector. The sector is currently going through a major transition with the planned cessation of native forest harvesting by 2024. Plantation expansion presents an important opportunity to assist that transition.

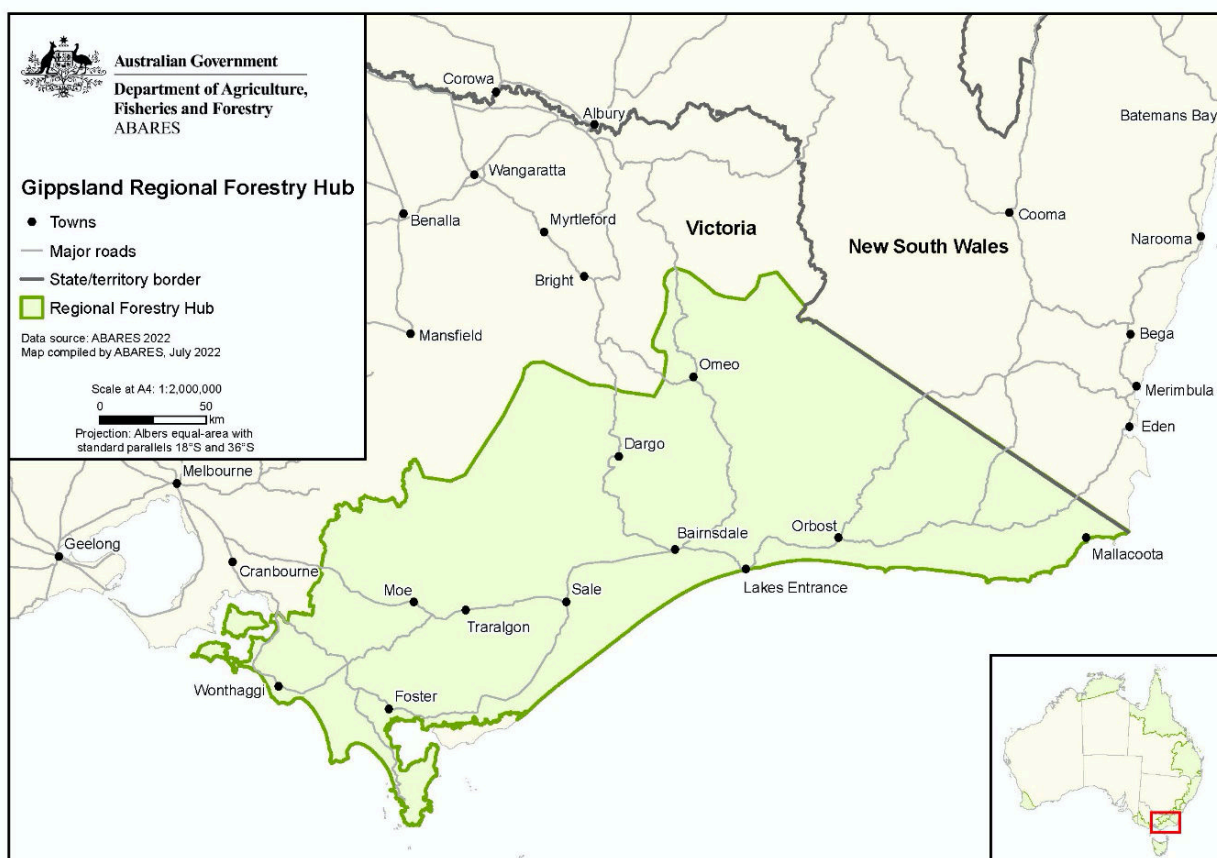


Figure 1: The Gippsland Forestry Hub location.

Land use in Gippsland is dominated by forestry, agriculture and conservation. There are also significant areas dedicated to intensive non-agricultural land-use, including coal mining, power production and transmission, and other utilities, specifically water supply.

Although predominantly a primary production and industrial region, Gippsland's urban and semi-urban footprint is expanding with the eastern push of outer-metropolitan Melbourne into the region, as well as increasing lifestyle migration to south and west Gippsland.

Industry overview

The Gippsland region has a long history of forest management and timber production. The most common land use by area in Gippsland is production forestry, which occupies 14,300 km² (34%) of the Latrobe-Gippsland region (ABARES, 2016). Production forestry includes management of public native forests and privately owned plantations (softwood and hardwood) across the region, primarily for timber production as well as a range of other complementary uses, particularly recreation.

The industry plays a major economic role in the region, with total forest industry employment for Gippsland at 2,751 people in 2017, representing 2.5% of total employment in the region.

The forest estate

Gippsland is dominated by natural and planted forests, with about 90,000 ha of production forest plantations (ABARES, 2020) and 2.7 million ha of native forests (ABARES, 2016).

Native forests are managed for either multiple use (including production forestry) or conservation. About 232,000 hectares of native forest are privately owned; the remainder is on public land. Timber production from native forests is primarily undertaken by State-owned VicForests for the public land estate. There is a small amount of private native forest harvesting. The Victorian Government has announced the cessation of timber harvesting on public native forest from 2030, with a significant reduction in 2024, which will have a significant impact on future wood production.

Plantation forests are managed predominantly for industrial scale timber production and are mostly privately owned. More than 90% of the plantation area in Gippsland is owned and managed by Hancock Victoria Plantations. Plantations primarily include softwoods (*Pinus radiata*) and hardwoods (*Eucalyptus globulus* and *E. nitens*). There is also a smaller area of hardwood plantations managed with the objective of long-rotation saw log production. This is mostly privately owned although some has been established by the State Government in recent years as well. Consistent with other major plantation growing regions in Australia, the area of plantation forests in Gippsland has declined in recent years, particularly with reversion of ex-managed investment scheme (MIS) hardwood plantations and clearing of small-scale private softwood blocks.

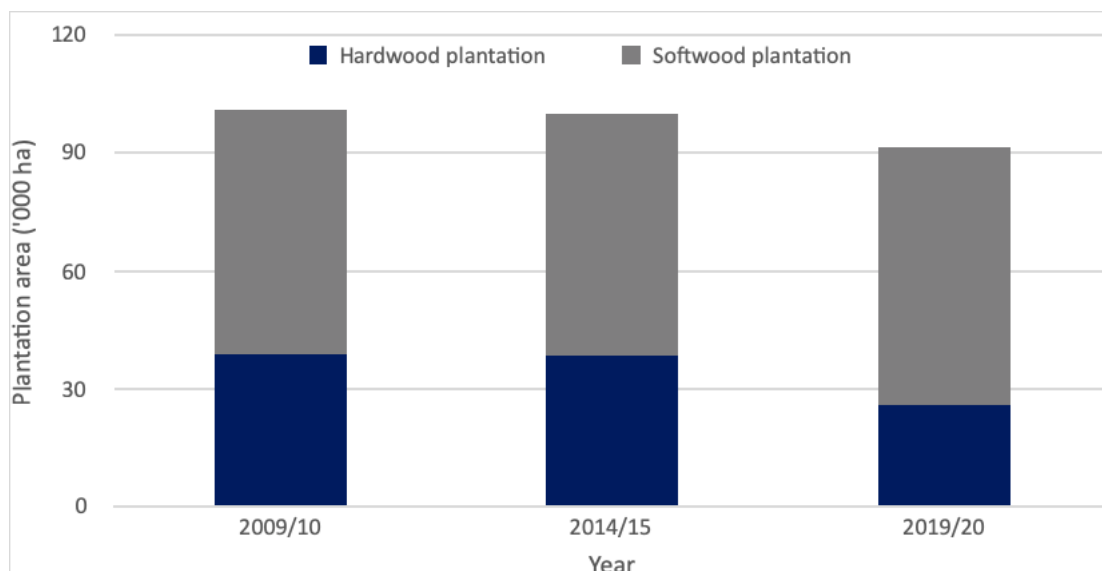


Figure 3: Gippsland Forestry Hub changes in plantation area, 2009/10 - 2019/20. (Source: ABARES)

Markets and products

Log volumes

The cessation of native forest harvesting will substantially reduce indicative log harvest levels from the region, although hardwood and softwood plantation harvest volumes are expected to remain stable. A critical challenge for Gippsland is the mismatch between future demand and future fibre supply. This issue will be considerably exacerbated by the Victorian Government's decision to cease public native forest timber production by 2024. The Victorian Government has announced a program to support an ambitious plantation expansion program in the region, which is aimed to assist in bridging that supply gap.

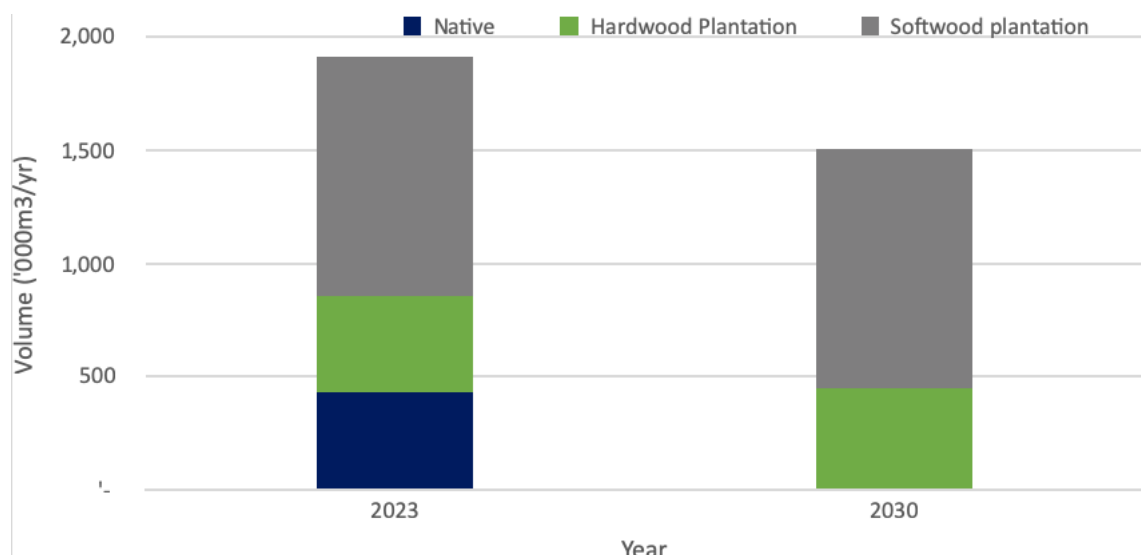


Figure 4: Current and future indicative log harvest levels for Gippsland.

Markets

Timber processing in the region is dominated by three facilities. There are also a number of smaller Gippsland processors that source fibre from the region. In addition, there is a small proportion of fibre exported out of the region to Geelong (Midway) and AKD (Colac).

Processor	Fibre type	Description
OPAL Australian Paper, Maryvale	Softwood and hardwood plantation and native forest	Significant producer of paper and packaging materials for Australian and export markets.
AKD Softwoods, Yarram	Softwood plantation	Medium-scale softwood sawmill producing non-structural timber.
Australian Sustainable Hardwoods, Heyfield	Native forest, softwood and hardwood plantation	Medium-scale native forest timber sawmill which is currently refocusing on manufacturing and downstream adding and identifying alternative sources of fibre.
Fennings Timbers, Bairnsdale	Native forest	Medium-scale native forest timber sawmill.
Jelfor Timbers, Traralgon	Softwood plantation	Production of softwood treated pine products for landscape and agricultural markets.
Alberton Timber, Alberton	Softwood plantation	Production of softwood treated pine products for landscape and agricultural markets.
Radial Timber, Yarram	Native forest, hardwood plantation	Boutique hardwood sawmill focused on niche architectural and external durable timber markets.
Other processors	Various	Various small processing facilities producing a range of products from a range of private and public fibre resources.

Opportunities for independent growers

Small-scale independent forestry has been an important part of the industry in Gippsland over a long time. Under the State Government's Victorian Forestry Plan, VicForests is delivering a farm forestry program in Gippsland. The program is intended to support the establishment of plantations on farms, in order to expand and diversify the state's timber resources. It is focused on short and long rotation plantations of both hardwood and softwood species and is expected to consist of three main planting methods:

- Woodlots – small scale plantations, generally 5 – 20 ha
- Shelterbelts – strips of trees strategically planted to shelter livestock, crops and pastures from the elements, as well as timber production
- Wide spaced plantings – trees planted several metres apart to enable effective grazing of livestock or growth of crops, as well as timber production.

The Gippsland Agroforestry Network has been operating since the 1990s and is made up of farmers, foresters, business people, investors, researchers and people interested in producing, converting and marketing farm-grown timber. The group is associated with Forestry Australia, a national body representing productive tree growing. It services all of Gippsland.

Establishing new plantations

Local government authorities must be notified about the establishment of new plantations in Victoria. Forestry in Victoria is overseen by a significant body of legislation, although the Victorian planning scheme states that forestry plantations are 'permit exempt' provided they comply with the Code for any commercial plantations in excess of five hectares. The Victorian Planning Provisions include a series of overlays, some of which can have significant impact on forestry plantation operations. Overlays often require permits for specific actions.

Victoria's Code of Practice for Timber Production (2014) (the Code) applies to timber production (harvesting) from all forest types on all tenures and provides for regulation by local government, subject to the relevant Victorian Planning Provisions.

In relation to new plantations, the Code requires that plantations on private land are designed, managed and operated in accordance with the Code and that local government is appropriately informed of any new plantation development on private land by lodgement of either a Plantation Development Notice or a planning permit in accordance with the Code.

More information

<https://gippslandforestryhub.com.au/>



Australian Government
Department of Agriculture,
Fisheries and Forestry