Forestry in the Green Triangle
Economic + Employment Contributions

Green Triangle Regional Plantation Committee
Economic and Employment Contributions of the Forest Industry to the Green Triangle Region

The Green Triangle Region of south-eastern South Australia and Victoria’s south-west is home to almost 20% of the nation’s plantation estate, with almost 300,000 hectares of Pine (Pinus radiata) and Blue Gum (Eucalyptus globulus) plantations.

Once harvested, approximately four million tonnes of wood is delivered to processing plants each year, and converted to sawn timber, panel products, laminated veneer lumber, pulp logs, wood chips and garden mulch.

While a majority of processing is undertaken in South Australia, significant facilities are also located in Dartmoor, Portland and Colac. The processed output generates approximately 5-6 million tonnes of freight which is then transported by road across the region for domestic consumption, predominantly in Melbourne and Adelaide.

A further 1.2 million tonnes of wood chip is also exported annually to international markets via the Port of Portland.

Economic Significance of the Timber Industry

The Green Triangle Regional Plantation Committee and ForestrySA commissioned Econsearch Pty Ltd to assess the current relevance and significance of the forestry, timber and paper industry as at 2003/04 by collating data from the plantation forestry and timber processing firms across the Green Triangle Region.

The findings were supplemented by additional information from a variety of other sources including the Australian Bureau of Statistics, Australian Taxation Office, and the Department of Employment and Workplace Relations.

The results have confirmed that forestry and processing contributed over $778 million to the Green Triangle gross regional product both directly and indirectly in 2003/04. This is equivalent to 16 per cent of the total economy of the region, and 30 per cent of total primary industry production.

In addition, forestry and processing is responsible for 12 per cent of the total jobs in the Green Triangle region, and about 23% of all employment in the region’s primary industries.

Directly and indirectly the industry employs 8,765, of which approximately 830 are in the forestry sector, with flow-on indirect employment totalling almost 4,600 jobs.

Future Directions

The future for the sector remains highly optimistic. While the area under pine has been increasing by 100-200 hectares per annum, the Blue Gum plantations are expanding at an annual rate of 5-10,000 ha. This rate is expected to continue until harvesting commences and sites are replanted.

Further economic contribution will flow from the harvesting of the Blue Gum plantations, which will add another 3 million tonnes to annual production from about 2010.

The value of this output will be influenced by its end processing point, with several major proposals in the pipeline.

In December 2004, the Infrastructure Project Group P/L announced plans for a thermo-chemical-mechanical pulp mill at Heywood to utilise the Blue Gum wood chips.

Almost 12 months later, the group also announced plans for a similar development for a pulp mill north of Mount Gambier, in the Penola/Kalangadoo area. If constructed, each mill would have annual intakes of 750,000 tonnes of wood chip producing 350,000 tonnes of air dried pulp for export.
Future Directions continued...

Other wood processing facilities have been mooted for the Green Triangle region. Babcock and Brown together with Green Triangle Forest Products has announced a proposal to build a biofuel cogeneration plant at Dartmoor; ARC International is evaluating another pulp mill in the Portland area and Lignor Ltd is considering the development of a stranded lumber facility, also in the Portland area.

If one or more of these proposals is realised, the increased economic and employment benefits for the region will be extremely significant.

Workforce training, education and skills

An industry survey of workforce and training needs for the next five years has commenced and is likely to identify opportunities for new and continuing jobs following the commencement of the Blue Gum harvesting and processing across the Green Triangle region.

The Forestry Industry Training Network (FITNET) and its partners have been actively promoting these opportunities, along with skill and training requirements.

Among the opportunities is a VET in Schools program for secondary students which features about 20 days of on-the-job training with co-operating timber industry organisations and businesses.

Higher level education is also provided by Southern Cross University which offers forestry degrees through its Mount Gambier campus.

About the Green Triangle Regional Plantation Committee

The Green Triangle Regional Plantation Committee brings together a range of stakeholders and interested parties (growers, processors, State and Local Government, natural resource managers, farm foresters, and consultants) in the plantation sector from across the region. Together they work on issues addressing planning, infrastructure, education, training and promotion of forest-based industries and associated enterprises.

The Green Triangle Regional Plantation Committee vision is to support and encourage: A sustainable forestry sector providing long-term economic, environmental and social benefits to the Green Triangle region by providing a forum for co-operation between forest industry stakeholders in order to promote and facilitate sustainable development of the forest industry.

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