

Central West Forestry Hub

Presentation to Oberon Council



| CENTRAL WEST NSW
FORESTRY HUB

23/10/2023

What is the Hub?



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- The Central West Forestry Hub was established in 2020 with funding from the Commonwealth Government. There are 11 Forestry Hubs around Australia.
- Our purpose is to provide the Commonwealth Government with strategic planning, technical assessments and analysis that aims to support growth in the Forest Industries in the regions, specifically to:
 - Analyze the constraints on productivity and efficiency
 - Identify opportunities for future investment
 - Support business cases for investment in new infrastructure that can benefit the forest industry
 - Determine the potential for future plantation expansion within the Hub region

What is the Hub?



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- The Hub is funded until Mid 2025 with a possible (announced and in the forward estimates but not yet contracted) extension to mid 2027.
- The Hub is an Incorporated Association and The Fifth Estate (Craig Taylor and Heath Molden) is contracted as manager.
- Governed by a Committee with an Oberon Council representative along with growers and manufacturers.
- The Hub is not permitted to use Commonwealth Government funds to:
 - Provide advice to individual companies.
 - Undertake and advertising or promotion.
 - Advocate or lobby.
 - Provide direct extension services to landowners.

Central West Forestry Hub Area



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- Covers the pine plantation areas in the Central West.
- Some plantations in Lithgow, Bathurst, Blaney and Cabonne Shires.
- But centered on Oberon where all of the timber processing located except for AAM (Raglan).





- Resource projects:
 - Mapping of details of the public (FCNSW) and private plantations
 - Opportunities for increasing productivity, utilisation and recovery of harvested products (i.e. doing more with what we have)
 - Plantation potential of “plantable land” for wood and for Carbon.
 - Tool to assist landowners understand the financial potential of plantations on their land.



- Infrastructure projects:
 - Audit of bushfire prevention, detection, suppression, management capability and training.
 - Potential for catastrophic loss: Results say relatively low unlike Snowy Valleys in January 2020.
 - Feasibility of reopening the Oberon to Tarana rail spur.
 - Future road infrastructure needs to the industry (current)
 - What is required to make the Duckmaloi and Jenolan Caves Roads fit for purpose (current).



- Carbon/climate change projects:
 - Carbon Footprint of the entire Central West Forestry industry, from seedlings to the end of life of the manufactured products.
 - In 2021 the Central West Forestry industry sequestered 1,100,787 t CO₂e more than it emitted.
 - An offset for the emissions from 63,000 Australians homes, or more than twenty-five times the homes in the Oberon LGA.
- Socio-economic impact of the softwood plantation industry in the Central West NSW Forestry Hub region
 - Incorporated a detailed look at the Oberon LGA



- The Hub engaged BDO and The University of Canberra to report on the socio-economic contribution of the forestry industry in the Central West.
- Relied on two primary information sources:
 - Collection of industry financial performance in the 2021-22 financial year, and
 - The 2022-23 regional wellbeing survey.
- The study contained a section that specifically analysed the industry's impact in the Oberon LGA.



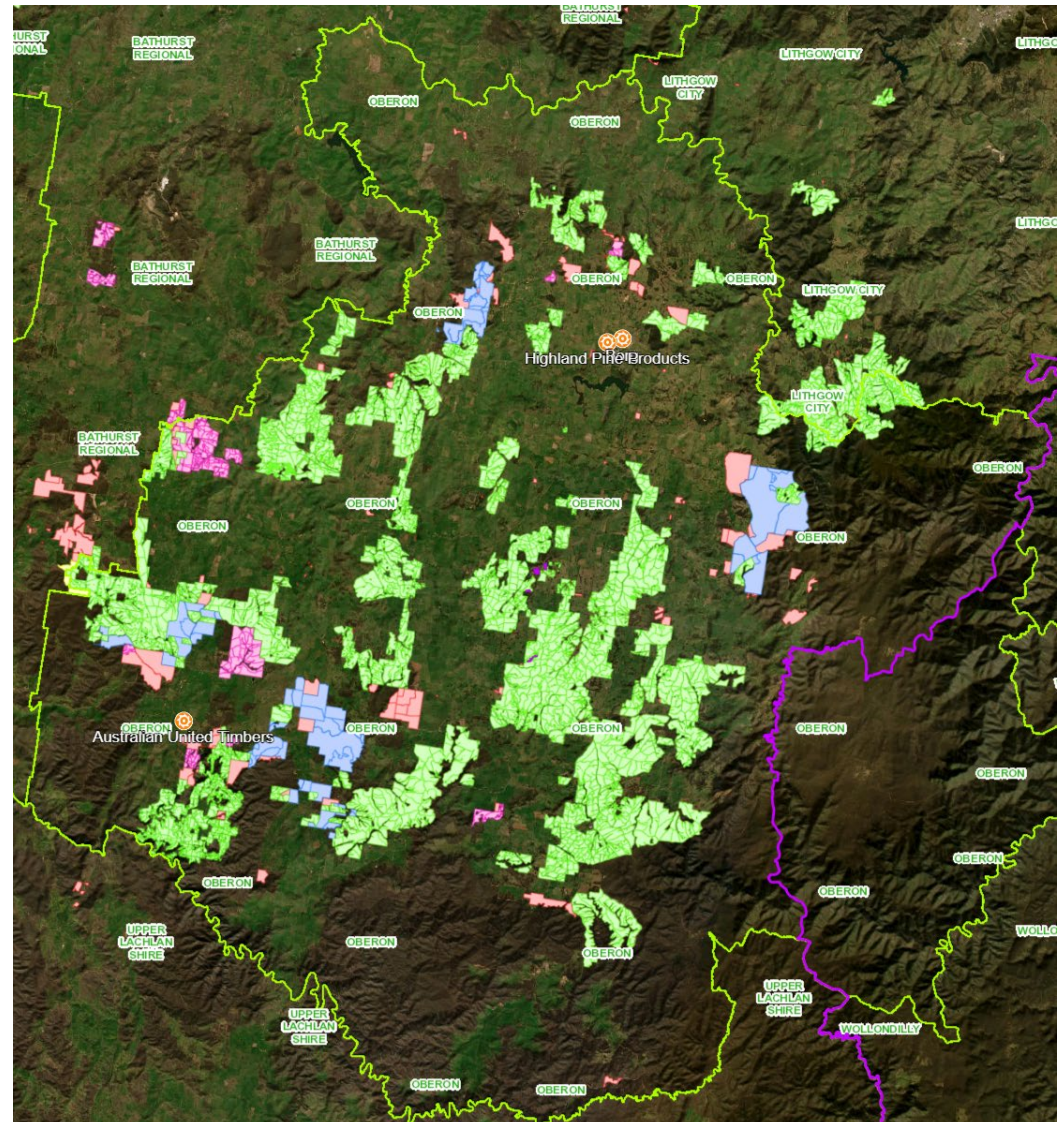
- Plantation area
- Jobs
- Household income
- Gross Regional Product
- Capital expenditure
- Community perceptions

Oberon Specific Information

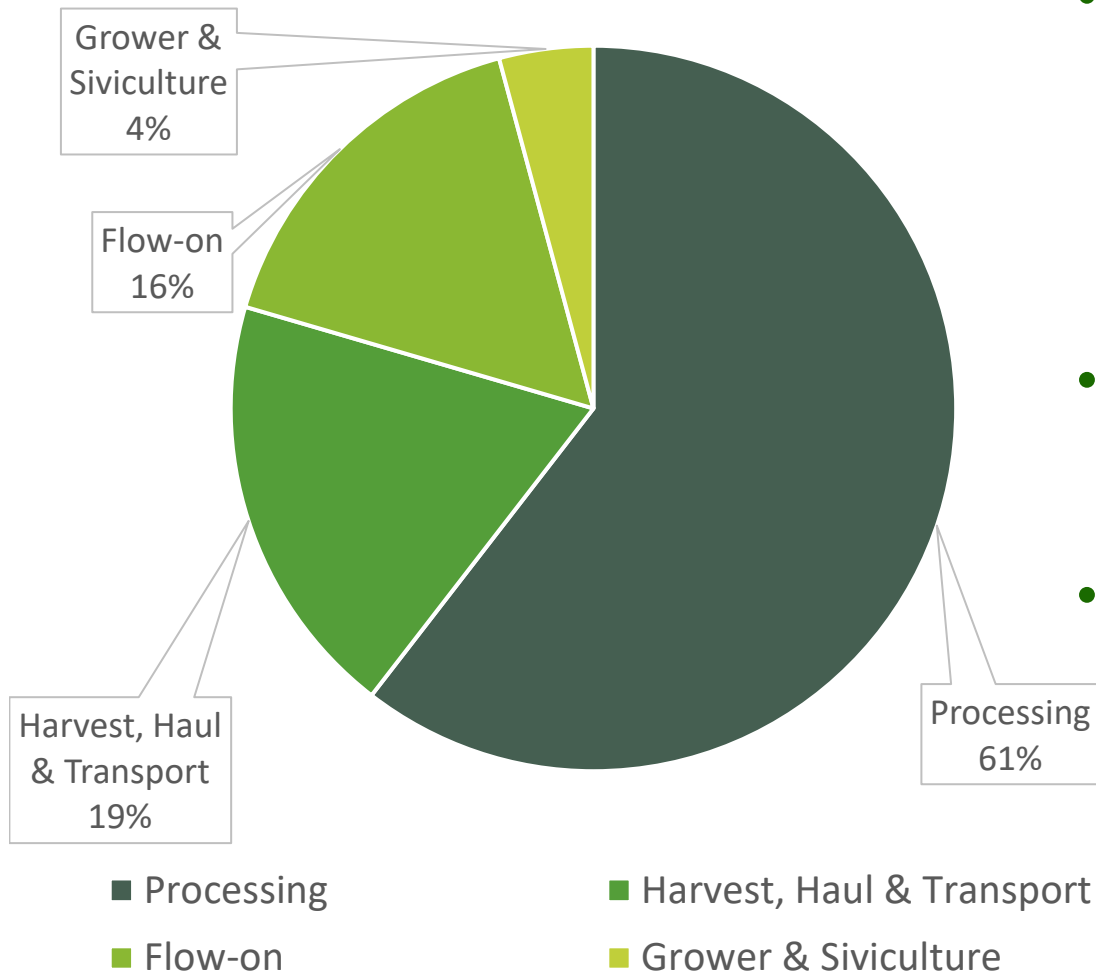


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- The processing facilities in Oberon are supported by more than 90,000 hectares of plantation, 50,000 of which is within the Oberon LGA.
- This represents 14% of the land area within the Oberon LGA ... which is significant.



Forestry Jobs in Oberon



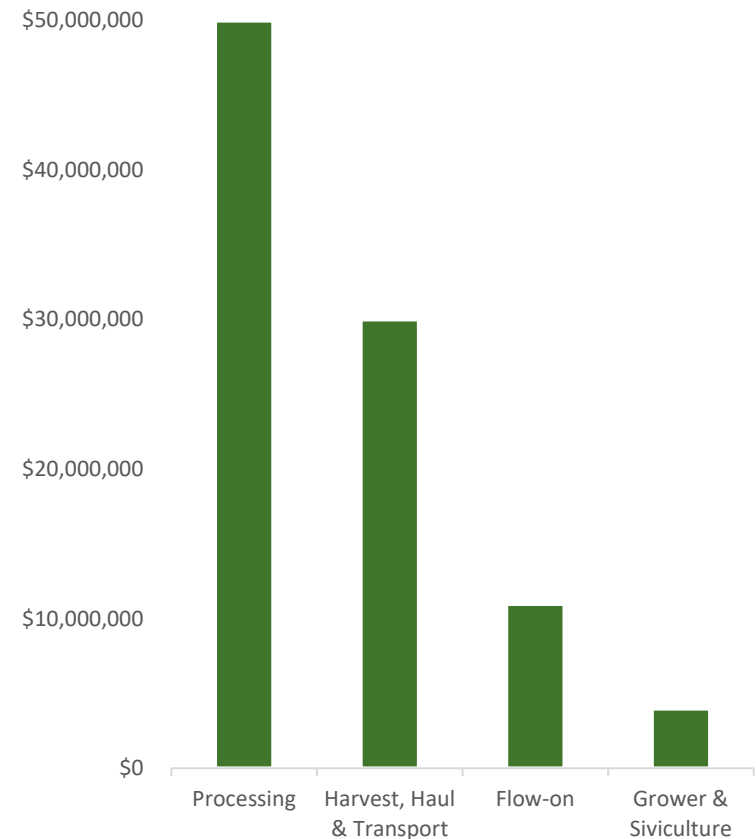
- In total there are 835 people employed in Oberon by the forest industry.
- This represents 36% of all jobs in Oberon.
- Excludes Capex jobs

Household income



- \$78 million paid in wages; \$1.5 million per week.
- An average Oberon resident working in the forestry industry will take home 34% more in wages than the median Oberon income.
- The industry is always seeking to grow the employment pool.

Forest Industry contribution to income in the Oberon LGA



Gross Regional Product



- The industry in Oberon is responsible for \$188 million in Gross Regional Product.
- For an Oberon forestry industry employee, \$269,000 in GRP is generated; this is 2.26 times the GRP per employee in 2016.
- Current output is 2.7 times greater than the average GRP per Australian worker.



- Capex is lumpy but the average between 2017 and 2022 is:
- \$14.1 million in GRP for Oberon.
- 106 jobs.
- \$8.8 million in household income.
- This is **in addition** to the other data.
- Capex continues - major upgrade at HPP almost complete.

Community Perceptions of Forestry



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- The regional well being survey captured nearly 1000 people in the Central West, and over 100 in Oberon.

88% feel their community is a good place to live.

66% believe their local economy is getting better

90% view Forestry as an important industry in Oberon

76% believe they have good access to nature recreation



- The economic and social impacts of the Forest industry are beyond significant in the Oberon LGA.
- Data in the report shows that the Oberon community overwhelmingly supports an ongoing forestry industry.

Questions



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Socio-economic benefits of the Softwood Plantation Industry in the Oberon LGA for the 2021-22 year

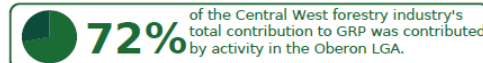
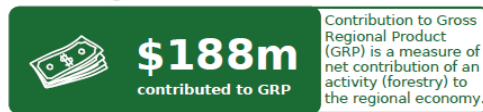


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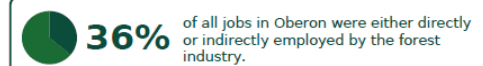
Contribution of the Operation of the Softwood Plantation Industry to Oberon

These indicators include direct activity of forest industry businesses from growing to processing including flow-on effects in other sectors of the economy through purchases of inputs and employment in the Oberon LGA for the 2021-22 financial year.

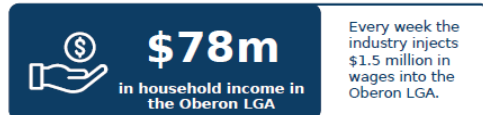
Gross Regional Product (GRP)



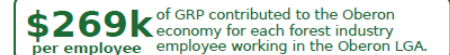
Employment



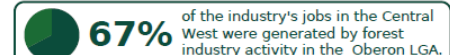
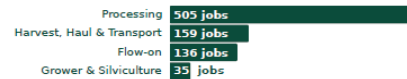
Household Income



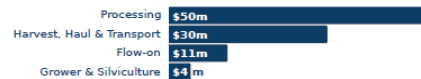
Contribution to total GRP in Oberon, by sector



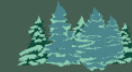
Contribution to total employment in Oberon, by sector



Contribution to total household income in Oberon, by sector



Growing, processing and expenditure



52,000
hectares
of softwood
plantations in the
Oberon LGA.



\$432m
output
of revenue
generated in the
Oberon LGA.



\$370m
spent
in the
Oberon LGA

Community perceptions



76% of Oberon residents believe they have good access to nature recreation areas. 70% believe the quality of these areas is good.



90% of Oberon residents view forestry as an important industry to Oberon, equal to agriculture.



88% of Oberon residents feel that their community is a great place to live.



66% of Oberon residents feel that the local economy is getting better. (Central West NSW region only 46%).

Additional contribution of capital expenditure



The capital expenditure in 2021/22 is additional to the GRP, employment and household income data reported for the industry's operations.