

FORESTRY TRANSITION PROGRAM

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May 2023 Update for Timber Businesses

Overview

- We are continuing to support the transition of the native timber industry while protecting as many jobs as possible.
- Applications for Sawmill Voluntary Transition Packages will open in July 2023, with the first payments expected later in 2023. The packages will be modelled on the Opt-out Scheme.
- Harvest and haulage workers will be offered alternative work in forest and land management, enabling them to continue to work in the forests and contribute to bushfire risk reduction.
- A Supply Chain Resilience Package will help manufacturers of native timber products to make business decisions.
- Support continues for timber businesses seeking to transition from native timber to plantation fibre or other work.

Key Contacts

Business Transition Support Officers:

- **Gippsland — Andrew van der Kaap 0417 992 636**
- **North-East Victoria — Kara Zdrzalka (Hinton) 0417 483 803**

Native timber sawmill employers can also call: **Forestry Transition Team on 1800 318 182**

Native timber workers and families should contact ForestWorks (including for job, skills and training support):
Worker Support Service 1800 177 001

Opal Maryvale Mill workers and families should contact ForestWorks: **Opal Worker Support Service 1800 177 001**

Native timber downstream impacted supply chain manufacturers should contact:
Business Victoria on 13 22 15 or business.vic.gov.au/timber-supply-chain

Free mental health support is available for any native timber worker, business owner, contractor or family member:
Call 000 for immediate assistance or 1800 318 182 for advice on services in your area.

Frequently Asked Questions (FAQ): Sawmills

What are Sawmill Voluntary Transition Packages?

These packages will compensate sawmills for contracted timber that will not be delivered in 2023-24 or until the end of any agreement.

It will provide a payment for businesses as compensation for having to cease purchasing Victorian native timber early.

When will it be available?

Applications will open in July 2023 and it is expected the first payments will be made later in the year.

Will each mill get the same amount?

The cost of individual packages will vary, depending on the details of their specific timber sale agreements.

Who is eligible?

Sawmill businesses that did not apply for or were not successful under the current Opt-out Scheme and who will stop taking Victorian native timber before existing contracts or licences expire.

Will the amount available under this program be the same as through the Opt-out Scheme?

The packages will be broadly consistent with what was offered through the Opt-out Scheme.

Do sawmills have to take the package?

No sawmill is required to participate in the scheme but the benefit is access compensation for having to cease taking Victorian native timber before 1 January 2024.

Sawmills continued

How much will each sawmill get?

Packages will be based on:

- compensation for the volume on existing contracts that will not be delivered
- compensation towards non-fully depreciated plant and equipment that is made redundant
- payment towards sawmill site rehabilitation
- reimbursement of employee statutory redundancy entitlements.

The pricing of timber will be based on guidance provided by a third-party independent industry expert. This guidance informed the pricing of timber for Opt-out Scheme payments.

The cost of individual packages will vary, depending on the details of their specific timber sale agreement or forest produce licence.

What other support is available for sawmills that chose not to access packages?

Sawmills may remain eligible for sawmill site rehabilitation payments, redundant plant and equipment compensation (for non-fully depreciated equipment) as well as for the Victorian Timber Innovation Fund.

Can sawmills make workers redundant before finalising a Sawmill Voluntary Transition Package?

Yes. Redundancies are a commercial business decision for the employer. Any worker who is made redundant because of the transition away from native timber harvesting can access the Worker Support Program.

When do Timber Sales Agreements cease?

This differs depending on the details of each sawmill's Timber Sales Agreement. In most cases, these cease on 30 June 2024.

What happens to the Timber Sales Process 2024-30?

The Timber Sales Process will not proceed. Large-scale commercial native timber harvesting in State Forests will end before 1 January 2024. VicForests will not issue sales contracts for supply after 31 December 2023.

Harvest and Haulage Contractors

Will harvest and haulage workers continue to get stand-down payments?

All those currently receiving payments will continue to do so. This includes harvest and haulage contractors who receive stand-down payments from VicForests for any period of inactivity within their contracted period.

Harvest and haulage contractors will be offered alternative work in forest and land management to secure their critical skills, experience and specialised equipment for use in bushfire prevention, response and recovery.

What sort of work will be available to harvest and haulage workers?

Harvest and haulage contractors will be engaged in the delivery of:

- strategic fuel breaks
- ongoing recovery works on public land
- the treatment of hazardous trees in the preparation of planned burns and along critical firefighting roads and tracks.

Will contractors who don't secure ongoing DEECA work get an exit payment?

All harvest and haulage contractors will continue to be engaged under Government contracts until they expire.

Contractors will be offered alternative work in forest and land management to secure their critical skills, experience and specialised equipment for use in bushfire prevention, response and recovery.

If an employee of a harvest and haulage contractor business is made redundant as a result of inactivity, they will be eligible for worker support services and payments.

Who will manage ongoing contracts?

For the time being, VicForests will manage existing contracts and work closely with DEECA to deliver land management services.

Can contractors undertake other work while receiving stand down payments?

As long as harvest and haulage operators can meet their contractual obligations with Government, other work can be carried out if the business has capacity to do so.