

Aust Forest Products & Industry Issues Paper – ‘Meeting Future Market Demand’

Alex Arbuthnot , May 12, 2015

The Paper will focus on how the forest product sector can capitalise on opportunities and challenges.

Foreword by Richard Colbeck (Parliamentary Sec Agric) and Rob de Fegely, Chair Forest Advisory Council (FIAC)

- Forest Products yield \$2 billion of exports & \$20 billion of manufacturing sales in 2014 & \$4.6 billion of imported products entered Aust. (inc 11% from previous year)
- The PM “wants the timber industry to have a vigorous and dynamic future”
- Note – 2012-13 – 23 million cm³ logs harvested - 19 million plantation & 4 million from native forests

Comments and Summary

1. Issue - Markets/ Trends

- Vision - need to become a ‘ value adding exporter’
- Aust demand and global demand is growing (Aust. demand to grow by 43% by 2040)

Questions (3-6) – value adding products – unique Aust. native hardwood timbers.

2. Issue – emerging markets

- International growth in engineered wood products(EWPs – laminated timbers & veneers)
- Use of forest residues as feedstock for liquid biofuels is an emerging technology and must be a real opportunity for Aust. and for my region of Gippsland.

Qs – (7-9) – barriers ‘lock up’ perceptions of public forests and the need for community to understand ‘multiple benefits ‘ and co-existence – of environmental and production outcomes (the successful Landcare model)

3. Issue – Forest Resources

- Aust. has 2 million hectares of industrial plantations – half are softwood and hardwood plantations are increasing.

Qs – (10-12) – demand ! – need for security of tenure and long term leases on public land

4. Issue –Innovation – R&D

- R&D – Qs (13-15) – need for more R using gene modification technology and benefits for growth/production - I understand Sth America have Euc species reaching sawlogs in 10 years.

5. Issue – Consumer & Community engagement - this is our greatest challenge and also our greatest opportunity .

- Idealism and urban populism is retarding opportunities for this nation to:
 - Become nationally sustainable in timber products – (reducing imports)
 - Growing value add timber product exports.
- Opportunity to progress.
 - BMP and international certification to underpin increase in ‘ multiple- use public native forests.
 - To achieve carbon neutral outcomes and carbon storage.
 - The “ Wood. Naturally Better” consumer program- a joint initiative with Forest Products Aust. & Planet Ark is to be applauded.
 - Bi- partisan partnerships within Governments is also a positive step.

Qs (16-18) – successful PR programs and good news stories.

6. Issue – Strengthen regions

- Integrated industry benefits to regional growth an opportunity.
 - A need to focus timber products as an essential part of regional growth.
 - Timber production manufacturing centres are often ‘State of Art ‘should be promoted as value centres with tourism information and facilities. Note Arbuthnot’s redgum sawmill at Koondrook on the Murray River in northern Victoria has successfully integrated their 125 year timber centre with the region’s growing tourism industry. Gippsland would have at least 3 mills that be part of the regions tourism.
 - Establishing Industry or Forestry hubs /clusters can assist in this development.
- Biomass uses and promoting the role of timber products in carbon storage and trees in carbon sequestration should assist in regions elevating this industry.
 - Note Gippsland has a real opportunity to re- vegetate large areas of the Strzelecki Range (now considered to steep for conventional farming) to forests which can be used for timber production, carbon sinks and biodiversity – a win win outcome. A regional project with industry, urban and environmental support will allow the Gippsland region to value you add its food, agribus, tourism and energy industries.

Qs (19-21) – integrated outcomes boost regional growth.

7. Issue – infrastructure

- Connecting regional roads are essential infrastructure for this industry.

- Roads can also be used by tourism and other regional industries.

Qs (22-23) – infrastructure – roads are essential for regional development.

8. Issue – skills & training

- Skills required for industries that are globally competitive must be available in our regional institutions.
 - Skills required must cover new technologies.
 - Including BMP – landuse and catchment management.
- Opportunity – to include indigenous training in forest and forest product management.
 - For example – Barmah Forest on Murray River -covered by state parks in NSW & Vic and by Yorta Yorta land rights could be a national example with training in land and forest management including redgum forest products providing integrated benefits to the communities.
 - Forest management should also include improved fire management policies. The destruction of quality timber by wild fires is a national calamity.

This Paper provides an opportunity for a new direction for Australian forest products.