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Mixed signals for Australia’s forest industry

Australia’s forest industry has experienced significant changes, with more logs sourced from hardwood plantations than native forests for woodchip exports and sawnwood manufactures facing increased competition from imports, according to the Australian Forest and Wood Products Statistics, released today by ABARES.

ABARES Acting Deputy Executive Director, Terry Sheales, said there were mixed signals for the industry in the 2009-10 financial year with softwood log harvest up, housing starts increasing, broadleaved plantation harvest remaining constant, a further decline in broadleaved native log harvest and woodchips exports.

“In a difficult export market for woodchips, logs sourced for woodchip exports from native forests fell 28 per cent to 3 million cubic metres, while hardwood plantation woodchip logs harvested remained relatively constant at just under 4 million cubic metres in 2009-10,” Dr Sheales said.

“Most of the decline was in the Tasmania, where native logs harvested for woodchip exports have dropped by almost 50 per cent over the past two years.

“Paper and paperboard production fell by 3.1 per cent in 2009-10, as increased production of packaging paper was offset by a 31 per cent decline in printing and writing paper following mill closures in Tasmania.”

While the domestic softwood sawnwood industry recovered strongly in the financial year 2009-10, it faces tougher times as house starts fell in the September and December quarters of 2010, especially in rain and flood-affected Queensland, while sawnwood imports from Europe continued to increase.

There were some positive signs for exports, however, with the value of Australia’s forest product exports in the September and December quarters of 2010 increasing by 19 per cent compared to the same period in 2009, suggesting recovery in some overseas markets.

Exports of packaging paper, woodchips and roundwood all increased.

“Future challenges for Australia’s forest industry include the rising Australian dollar, which is making imports more competitive in a slowing housing market,” Dr Sheales said.

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