

Questions for consideration

Vision and objectives

1. What should the vision be for the forest products sector in the coming decades?

That public and private forest is sustainably managed for multiple uses, providing a wide range of products (recreation, water, habitat, timber, fibre and energy) and employment for rural and regional Australia.

2. What specific objectives should underpin this vision?

We should follow the European example of multiple use management and deliver a range of products/services from all forests depending on the primary goal for a particular area. Fires, flora and fauna don't recognise boundaries and neither should management. A conservation area could still produce forest products but at a lower level of impact with the aim of maintaining the health and diversity of the area as well as supporting the management of the area.

Issue 1: Market trends and pressures

3. What forest products does Australia have a local and/or international competitive advantage in producing?

Most of the forests in our region are degraded and will not be able to meet current demand into the future. By sustainably managing our forests we can meet this demand for high quality hardwood products as well as exporting our (declining) expertise in sustainable forest management. Primarily quality hardwood timber products with fibre and wood pellets produced from residues/thinnings are the most likely.

4. What is the potential demand for forest products in the coming decades?

Furniture and veneer quality timber will be in high demand from an increasing affluent China and other developing Asian countries. Rising gas prices will increase the demand for heating alternatives such as wood pellets.

5. How can Australia best position itself for this demand, both nationally and internationally?

Firstly support the development of harvesting systems and management expertise that allows low impact harvesting. This will help reduce public concern about forest harvesting and maximise long term quality of forest products. Support regional industries to install value adding for forest products. This will improve their viability and create local jobs. Integrate forest and fire management so utilisation can be used to reduce fire hazards instead of burning. This would increase the amount of resource available for utilisation and reduce fire management costs. Encourage public facilities to use bioenergy for heating to help create demand for wood based fuels (chips/pellets).

6. What are the other drivers or disruptions that will potentially affect supply and/or demand?

Climate change has the potential to dramatically affect the way forests are managed. Carbon sequestration could be a major factor in determining how forest are managed and deliver potential addition income/costs. Fire management, storm damage and water production impacts will become increasing import part of forest management.

Issue 2: Emerging uses and markets

7. Which emerging forest products have the greatest potential for Australia?

Carbon sequestration and wood pellets/energy chips

8. What are some of the barriers to the development and/or uptake of these emerging forest products in Australia?

Lack of a local carbon market and demand for wood pellets are the primary barriers.

9. What opportunities exist to better utilise wood resources?

The integration of fire hazard reduction and utilisation is a significant opportunity for Australia. It works successfully in the USA and there is no reason why it couldn't work here.

Issue 3: Forest resources

10. What is required to ensure the plantation estate is able to meet future demand for forest products?

Establishing plantations for a single product and a long distance from markets has resulted in many failures. Producing a range of products and having a local market/processor would help ensure their viability.

11. What is required to ensure the native forest estate is able to meet future demand for forest products?

Why is native forest harvesting accepted in Europe and not here? We need to gain the trust of the public by delivering low impact harvesting. This will gain the "public licence" needed to further develop the public forest estate.

12. What opportunities are there to increase wood supply from farm forestry, private native forestry and Indigenous owned and managed lands?

As above, the planning barriers currently in place that are supported by a mistrusting public make it too difficult for individuals or managers to do.

Issue 4: Innovation, research and development

13. What are the future research and development needs for Australia's forest products sector, and which of these needs are specific to strengths and opportunities in the Australian context?

Development of low impact harvesting systems is essential to deliver wider acceptance and access to forest resources. This would increase our strength as a supplier of quality hardwood products and create opportunities to export this expertise to other countries in our region. Research into integration fuel management is needed to deliver lower cost and more effective fire hazard reduction. This would be a major opportunity within Australia but also overseas as the impact of climate change produces more wildfires globally. As one of the most fire prone countries in the world, Australia should be a world leader in fire management technology. Integral with this is the development of a market for the material produced. Bioenergy is a logical use and research into development and marketing is needed.

14. What are the current inhibitors to private sector investment in research, development and extension and what role, if any, does the Australian Government potentially have in addressing these?

The main inhibitor is the unwillingness of state and federal government agencies to use or support such innovation. Public facilities are still being built that use fossil fuel for heating. Fire agencies and land managers will not support trials of mechanical harvesting systems. Agencies and departments are risk adverse so even if an innovation can deliver substantial reduction in cost or risk they are still reluctant to adopt it. Federal government funding of trials would help but even just promoting or endorsing such innovations would be of considerable assistance

15. How can the framework for coordinating Australian forestry research and development be strengthened?

More support for the forestry CRC would be a good place to start.

Issue 5: Consumer and community engagement

16. How can domestic and international consumers be better engaged on the environmental, economic and social credentials of Australian forest products?

Building trust with the community from the ground up is important. If the harvesting supplies a local processor or heats a local hospital rather than a large processor in a capital city then the community is more likely to support it and this will flow on to the wider community. The same applies to harvesting operations. While large clear-fell operations are economically and silviculturally sound, they can have a very high price if it leads to a loss of public acceptance and reduction in available harvesting area.

17. How important are consumer awareness programs to the future prosperity of the sector?

Consumer awareness is vital if forest products are to be supported by the community. Understanding how forest products are produced and the silviculture process is equally important and needs to be part of the message.

18. Can forest certification be better leveraged to achieve stronger demand and better prices for Australian forest products and, if so, how?

Consumers are prepared to pay more for certified products if they have confidence in the production and certification process. It needs to be backed with an awareness campaign to achieve this.

Issue 6: Strengthened regional approaches

19. How could forestry hubs better utilise resources and promote greater efficiencies and innovation?

Hubs are a good idea because they allow small, one off or seasonal quantities of produce to be pooled into a more marketable resource. They would also provide quality control and reliability of supply for forest products making investment in systems that use these products more attractive. This particularly applies to the bioenergy market.

20. What have been the barriers to the establishment and efficient operation of forestry hubs to date, and what might be the role of the Australian Government in addressing these?

The lack of consistent forest policy and leadership from Federal and state governments is a consequence of the lack of support in the community for a forest industry. The lack of community support for the industry is the primary barrier to development of forestry hubs. The industry needs to regain the trust and support of the general public before it can develop. Supporting or re-establishing dedicated forestry departments with the role of developing and managing forestry would be the main role government could play. Without the strong focus and leadership that a dedicated department would provide it seems unlikely hubs would be developed.

21. If additional forestry hubs are to be established, where would they best be located?

Initially they should be developed in regions/locations with an existing industry base. Areas with a significant forest resource and previous history of forestry, e.g. Ballarat, could also be targeted with the view of developing emerging markets such as bioenergy. According to LPG Australia, we use approximately 1,373 ML of LPG per annum for traditional heating uses (non-automotive) much of which could easily and economically be replaced with bioenergy (wood chips/pellets). This represents a potential market of 2.5 million tonne of wood

Issue 7: Infrastructure

22. What infrastructure will be required to respond to future demand for Australian forest products?

Rising fuel costs will make long haul road transport uneconomic for low value products such as woodchips. Increased investment in the rail transport networks is essential to meet potential future markets. Distributed bioenergy plants could deliver base load electricity into the existing grid but to compete with coal fired electricity they would need to have a heat market as well. The development of district heating systems in nearby communities would provide that market.

23. What can be done to ensure better recognition and understanding of the sector's infrastructure needs?

Establishing demonstration sites is an excellent way of achieving an understanding of both the needs and potential of the sector amongst politicians and the public. See is believing and an operating system will provide policy makers and potential investors the data and assurance they need to make decisions for the future.

Issue 8: Industry skills and training

24. What are the skills and training needs of the sector over the coming decades, and where are the current gaps?

The lack of experienced foresters is a significant issue for any future development.

25. Are Vocational Education and Training and university training providers well-positioned to meet the future skills and training needs of the sector?

While not knowing the current state of sector, there are only a small number of training providers and the courses they provide appear to be largely theory based. The lack of trainers with industry experience and opportunities for field experience for students seems to be a problem.

26. What improvements are required at an enterprise level to support the recruitment, development and retention of the sector's current and future workforce?

The industry as a whole needs to take an active role in training and provide a career path for either a high school student or existing field employee. This could take the form of an apprentice or cadetship style of training where the industry selects and supports a trainee to undertake relevant training as part of their employment. Over time a person with the aptitude and ability could achieve the equivalent of a degree in forestry or similar while also gaining vital field experience in their normal employment. The timber industry as a whole would be much better off with employees and managers who have both the technical knowledge that training can provide and the field experience that only hands on work can achieve.
