

# Questions for consideration

## Issue 1: Market trends and pressures

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

- Tasmania's strength is it has an ideal climate and soils for the production of tall standing trees in wet and dry eucalypt forests. Tasmanian hardwood sawlogs and special species timbers are highly sought after for their physical properties particularly in the higher ends of the market.
  - The production of high quality sawlogs and peeler billets results in the unavoidable production of significant quantities of lower quality residues that are currently primarily exported as woodchips.
  - A current challenge faced by Tasmanian producers is the additional cost (compared to mainland competitors) of getting products to their final markets.
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6. *What are the other drivers or disruptions that will potentially affect supply and/or demand?*

- The key drivers that affect supply include: reliable access to sufficient sustainably managed resource; industry skills and capability to extract and process the resource; the necessary infrastructure to get the resource to market; and sufficient financial return and confidence to justify investment.
  - Drivers for demand include: customer awareness of product availability and attributes; meeting current and future customer expectations in relation to price and sustainability (including avoiding sourcing from contentious areas); and the availability and perceived merits of alternatives.
  - Failure to recognise and address any of these factors can disrupt supply and/or demand.
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## Issue 2: Emerging uses and markets

9. *What opportunities exist to better utilise wood resources?*

- Improving recovery of saleable product along the length of the supply chain: from the coupe to the retailer
  - Value-adding to lower value products – preferably within Tasmania – include through creation of engineered wood production industries.
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## Issue 3: Forest resources

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

- Need another 10 years of investment in eucalypt plantation establishment and management for solid wood products to ensure ongoing rotations, both to provide consistent wood supply and steady employment that retains required industry skills.
- To achieve a high-end product requires significant upfront capital investment with returns being realised many years later.
- Therefore special financial vehicles and appropriate tax treatment are required that recognise and encourage the significant investment incurred before any revenue is generated.

- This could include special purpose financial vehicles could be developed to allow forest managers and customers to equally invest thus ensuring demand as well as supply.
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*11. What is required to ensure the native forest estate is able to meet future demand for forest products?*

- Ongoing secure and sustainable access is required.
- The forests need to be managed sustainably; and be recognised as being managed sustainably.
- Harvesting of these forests needs to be broadly supported and accepted by customers and the community.
- There needs to be sufficient scale of activity to be efficient, economically viable and to have adequate market presence.
- An agreed long term strategy is needed to underpin investment, particularly in value adding products and facilities.
- See also the answer to Q6.

## 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?*

- We need to better communicate how we are managing our forests sustainably, including through third party endorsement of our practices through certification and partnerships with organisations such as Planet Ark.
- This communication needs to be built on a foundation of market research that identifies the current levels of understanding among consumers and the areas of concern to them.
- In addition, we also we need to actively and continuously engage with communities to identify and address their emerging concerns if we are to maintain and enhance community acceptance of what we do and how we do it.
- We cannot expect to reduce contention and increase community acceptance by simply telling –we need to be seen to be listening and responding appropriately.

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

- Consumer awareness programs are fundamental to ensuring an ongoing market for Australian wood products.
  - These campaigns need to recognise and address the concerns that some people may have about the perceived sustainability of timber produced in Australian forests.
  - They also need to focus on the attractiveness, usefulness and environmental benefits of Australian grown and manufactured wood products.
  - Australian wood products need to be seen as the desirable first choice over less sustainably produced imported wood products or other alternatives with higher environmental impacts.
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18. *Can forest certification be better leveraged to achieve stronger demand and better prices for Australian forest products and, if so, how?*

- Awareness and knowledge are key to the success of forest certification schemes.
  - Products bearing the certified logo are actively sought in the wholesale and retail chains as a mark of verification of a sustainably produced product.
  - Key challenges in Australia include that certification logos are not necessarily indicative of origin, for example many FSC certified products in retail outlets do not indicate country of origin of the product. A consumer buying a certified outdoor setting largely has no idea where the product is Australian sourced and/or made or imported from overseas.
  - Partnering of the ‘Australian made/grown’ labels with certification logos is one potential mechanism of achieving stronger demand for Australian forest products.
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## Issue 7: Infrastructure

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

- Forest growers and processors in Tasmania require cost effective infrastructure to maximise the value received from all forest products.
  - This includes providing access to markets for all products and associated residues either through export facilities for residues, or preferably through downstream on-island processing alternatives that deliver greater value for the low-end products.
  - Suitable transport infrastructure is also needed to transport product to either export or domestic users - be it rail, road, ports/ships etc.
  - Currently, the lack of cost-effective market access for residues is a particular issue in the south of Tasmania.
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## 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 industry has an aging workforce – with the potential to lose significant skills if not replaced/renewed.
  - Encouraging new entrants to the industry requires increased confidence in the ongoing viability and attractiveness of the industry.
  - Most operations working in the forestry sector in Tasmania are small scale making it more difficult to be competitive in national and international markets
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