



PRIVATE FORESTS
TASMANIA

SUMMARY
Private Forestry Forum
3rd July 2019 - Devonport Surf Lifesaving Club

**MARKET OPPORTUNITIES FOR THE
NORTHERN TASMANIA PRIVATE FOREST SECTOR**

The venue (Devonport Surf Lifesaving Club - modern, bright and with a great outlook) reflected the tone of the first Northern Private Forestry Forum, facilitated by Private Forests Tasmania (PFT).

The 75 attendees had varied interests and included:

- Politicians;
- Farmers, foresters and general landowners;
- Forestry companies; and
- Timber processors.

Penny Wells, PFT's CEO, opened by introducing everyone to the evening and to the Hon. Guy Barnett Minister for Resources, Minister for Primary Industries and Water, Minister for Energy, Minister for Veteran's Affairs.

The Minister started by saying it was "*great to be back*" as the recently reappointed Minister for Resources that includes forestry within his portfolio. He continued to talk about the huge increase in forestry production since 2013 culminating in 5.8 million tonnes in 2018 with the private sector producing the majority; and although there are challenges following the bushfires and recent toughening in some markets there is definite positive activity.

The Minister reiterated that "*wood is ultimate renewable*" and that "*wood is good*".

Martin Moroni, Manager Resource Development PFT, as the evening's MC introduced the 1st panel of forestry and allied professionals:

- Darren Herd, Forico Pty Limited;
- Heath Blair, Reliance Forest Fibre;
- Stephen Rymer, PF Olsen (Aus) Pty Ltd;
- Phil Lloyd, Timberlink Australia; and
- Paul Heubner, Pentarch Forestry.

Each panel member briefly described their company's **Opportunities in the Current Buoyant Market** for Northern Tasmania, which was followed by an interactive session with questions from the audience

The panel and audience discussed a variety of issues, including:

- The reasons behind the recent market readjustment i.e. price drop for export logs - Japan market is down, Malaysia & China have a backlog of product at the moment and the US-China trade tensions are not helping;

- Although the export log market is particularly tough at the moment the consensus was that it should improve in 3-6 months, and with a growing population both nationally and internationally, increased demand for wood products is expected to be ongoing into the longer term;
- The export market readjustment has meant species are reassigned and preferred for differing products;
- Alternate species are being considered, including Forico mentioning the possible hybrids of *Pinus attenuata* with *Pinus radiata* identified as a *promising new species option for inland South Island sites* in NZ that may be suitable in Tas;
- Establishing and restocking farm forestry sites is encouraged (joint ventures and other opportunities are currently available from 1 company and others are indicating they too will have share farming, joint ventures or similar arrangements available soon);
- Pruning is generally not carried-out by large properties and industrial growers selling into the fibre market, but smaller growers may find more viable niche markets and greater returns for their pruned timber;
- Bigger trees are not always better, product markets dictate prices; and
- The Minister commented that *“in a carbon constrained world Tasmania is well-placed”*.

Overall, the 1st panel was spirited and highly informative, keeping the MC active, while well-mediated, throughout.

After the first panel session a 45 minute intermission provided opportunity for networking and informal discussions between attendees, panel members and representatives from a range of forestry related companies, while everyone availed themselves of refreshments and food made available at the venue.

The 2nd panel continued with agroforestry and **New Market Opportunities**. Again, the evening’s MC started-off by introducing the panel of forestry and allied professionals:

- Andrew Exton, Koppers Wood Products Pty Ltd;
- Andrew Wye, Patriarch and Sons Pty Ltd & Wood Based Products;
- Chris Skeels-Piggins, CLTP Tasmania; and
- Dr Martin Moroni, Private Forests Tasmania.

The MC, Martin Moroni, doubled-up as speaker to talk, initially, about the results of PFT’s collaboration with CSIRO & UTas to investigate the agricultural production and financial gains from treed shelterbelts on farms. In general the results show:

- An increase in agricultural yields despite trees occupying area on properties;
- Reduced evaporation, therefore more available moisture and efficient water use;
- The combined outputs of amenity, timber, and arable & livestock production were modelled and indicated significant gains. For example a 300% increase in Lucerne hay yield and 30% increase in pasture growth in sheltered Tasmanian paddocks.

Basically, the treed shelterbelt landscapes are more productive and provide landowners with greater returns and a more diversified income (for more information see <https://www.pft.tas.gov.au/publications/agroforestry>).

Martin regained his MC position and opened-up for questions from the audience and discussions between panel members, including:

- Updates from CLTP Tasmania and Patriarch & Sons processing facilities installation;
- CLTP Tasmania will use *Eucalyptus nitens* for cross-laminated timber products and the first panel should be produced next week, with structural testing for 6 months and introduction of panels into the market in New Year 2020;
- Patriarch & Sons will use *E. nitens* and native forest timbers in their Bell Bay rotary peeler veneer (RPV) mill with boards being made in Sarawak, East Malaysia and exported to Japan. There is a shortage of the necessary skills in Tasmania but the mills development is predicted to progress from: green to dry panels and maybe to laminated veneer lumber (LVL);
- Andrew Exton explained that Koppers, at present, solely use preferred native timbers from STT, but they would like to source from private properties as well. Research has been done to use plantation timbers and *E. nitens* is possible if it is accepted by TasNetworks, possibly within 1 year? *E. nitens* also performs well for hop/netting poles due to good preservative characteristics but fencing timbers have been difficult, probably due to marketing; and
- Forest certification was discussed as being important for the entire industry and smaller forest growers can gain certification via several forest management companies or by developing a group certification scheme - a model template for group schemes is available from PFT.

Salient points from the evening's discussions, formal and informal:

- "wood is good";
- Markets, particularly the export log market, are tough at the moment but should improve in 3-6 months;
- diversity of species, products and markets are important;
- Koppers, Patriarch and CLTP Tasmania will be providing vital new in-state timber processing options for both plantation and native forest timbers now and in the near future; and
- Treed shelterbelt landscapes are more productive.

The evening finished with more refreshments and an extended opportunity for networking with a very diverse group of forestry associates and allies.

Overall, the evening was positive, lively and informative.

NB - thanks must go to the staff at the **Devonport Surf Lifesaving Club**, their efforts made the evening go very smoothly.