WESTERN AUSTRALIAN

TIMBER UTILIZATION AND MARKETING

TASK FORCE

Interim Report

1983

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INTRODUCTION

1. On 15 June 1983 the Premier and Minister for Forests invited the Forest Products Association to appoint industry representatives to a Task Force comprising members of the timber industry and the Forests Department.

   Subsequently further invitations to appoint representatives were extended to, and accepted by, Housing Industry Association, Furniture Guild and residue using companies.

2. The terms of reference of the Task Force are :

   2.1 Produce a timber industry marketing plan designed to identify all markets, potential markets and customers with some indication of their needs and expectations.

   2.2 To identify local resources which would be used to supply those markets.

   2.3 To indicate the likely manufacturing processes and overall economics to grow the resources and supply the markets.

   2.4 To propose research and product development requirements to service the marketing plan.

3. The Task Force has been set up and has met four times. The composition of the Task Force is given in Appendix I.

4. At the first meeting held on 22 August 1983, three groups were formed to examine the following areas, viz.,

   Sawmilling (hardwood and softwood)
   Other Processing (panel products, woodchips, etc.)
   Timber Users (furniture, housing, etc.)

   It was agreed that each group should approach the terms of reference from the point of view of self interest as this provides the motivation most likely to produce practical results.

   Each group has produced a separate interim statement.

   The need for a separate fourth group to consider forest resource aspects is now recognised.

5. This report relates to issues on which there was apparent accord in the group interim statements. Further deliberations of the Task Force will give priority to areas where a degree of discord has been expressed.

6. The forest resource available for production comprises :

   * mature hardwood;

   * regrowth hardwood;

   * plantation grown pine.

   Mature hardwood sawlogs have been the basis of the hardwood sawmilling industry since its inception over 100 years ago. The volume of mature hardwood remaining totals about 126 million cubic metres of which 105 million cubic metres (83%) is currently unsuitable for sawmilling. The 21 million cubic metres of sawlog quality hardwood will be depleted over the next 50 years if the programme of cutting given in the General Working Plan No. 87 is followed.

   Regrowth hardwood regenerated as a result of cutting mature trees, will in due course become a major source of hardwood logs. For some time into the future this regrowth hardwood will consist mainly of small diameter material which, under current technology, is of limited use for sawmilling.

   Pine sawlogs will become available in increasing quantities from developing plantations over the next thirty years.

7. Thinning of all immature production forests is essential to promote the growth of sawlogs. Inevitably a high proportion of the volume produced from such thinnings is below sawlog standard. Economic forest management requires a market for this class of material. Local markets are too small to absorb it.

   Consequently, exports and also imports have a strong influence upon local trade and are therefore being considered by the task force.

IDENTIFICATION OF NEEDS

The following recommendations relate to those topics on which there is general accord. Even at this early stage of the Task Force deliberations, it is apparent that the most pressing needs are :

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1. Resource Statement

To prepare a detailed forest resource statement to provide the basis for all planning.

Both hardwood and softwood inventory data at present available from Forests Department sources are deficient in log size class and log quality information.

The forest based industries require more detailed resource data for planning purposes.

The need for improved forest utilization demands much better resource information.

2. Jarrah Thinning

To promote growth on potential sawlogs by thinning regrowth jarrah forests.

More than half of the total wood resource on production forest areas is jarrah.

Approximately 20% of the total jarrah resource on production forests meet current sawlog standards. These sawlogs are part of the original forest and will be depleted within 50 years in accordance with the programmed reduction.

Early implementation of silvicultural thinning is necessary to improve availability of mill logs in the next century.

No commercial jarrah thinning has been done to date.

Commercial thinning operations in karri and pine forests are proceeding satisfactorily.

3. Jarrah Thinning Markets

To develop markets for the commercial sale of the products of jarrah thinnings.

Commercial markets for the sale of products from jarrah thinnings have yet to be established. There are established markets for small dimension karri and pine logs.

The lack of thinning in the jarrah forest over many years needs to be redressed.

Present local markets are unlikely to provide outlets for all the material from the initial thinning.

Overseas markets have potential for expansion but prices may not cover the full cost of thinning, production, distribution and royalty.

The cost of silvicultural thinning to increase forest productivity can be justified economically.

4. Timber Processing

To develop improved processing techniques, particularly seasoning, for timber from Western Australian hardwood and softwood forests.

W.A. Hardwoods are difficult to season. Future hardwood logs will be small and because of growth stresses, timber from them will be even more difficult to season. The continued viability of the industry depends on improved techniques.

There will be a high proportion of young fast grown softwood timber in the sawlog resource available for the developing softwood industry.

The West Australian softwood resource contains a much higher proportion of Pinus pinaster than in other Australian States.

Development of advanced techniques in processing and seasoning have the potential to increase the proportion of higher value timber products.

To ensure economic stability of the wood using industries.

As advanced technology requires considerable investment, the sawmilling industry needs a legal basis for extended security of tenure on its raw materials. The chip wood industry already has this.

5. Timber Markets

To develop new markets and expand established markets.

All forest based industries and activities should be market orientated. Planning based on sound market data is essential.

The unique characters of local timbers should be widely promoted.

The pressure from non-timber substitutes is increasing.

Pine has the potential to replace hardwood in utility timber markets. It has already made inroads in some uses.

Large volumes of forest residues are currently available but not utilized. Markets need to be created and economic processing and extraction techniques developed.

6. Timber Manufacturing

To expand the State's value added timber manufacturing industries.

Jarrah is now more readily available for value added manufacture.

Jarrah is a highly valued cabinet timber when properly seasoned and prepared.

Jarrah is suitable for high quality finishing and available in sufficient quantity to support a manufacturing industry. Other Western Australian species have the potential for development.

Western Australia is the only source of commercial jarrah timber.

7. Research

To direct and fund market orientated forest and timber utilization research.

Three areas of research needs are recognised :

Forest Research -

* There is a need for basic and applied forest research to include studies which will improve knowledge of each forest species and forest productivity.

Utilization Research -

* The programme of seasoning research is in urgent need of expansion. A comprehensive programme is required to include hardwood regrowth thinnings.

* Research into processing of immature hardwoods and softwoods is required to develop marketable products.

Market Research -

* The importance of market research is emphasised.

* It is essential to have reliable data for forward planning.

F.J. Campbell

CHAIRMAN

A P P E N D I X   I

NAME	DEPUTY	ORGANISATION	REPRESENTATION
Campbell F J		Forests Dept.	Forests Dept. (Chairman)
Bunning R G		Bunning Bros.	Forest Products Assoc.
Kelly G W	O'Brien B A	Forest Products Association	Forest Products Assoc. (Observer)
Krans C		Bunning Bros.	Forest Products Assoc.
Nathan C		Whittakers Ltd	Forest Products Assoc.
Oldham J A		WA Chip & Pulp	Forest Products Assoc.
Shepherdson R A		Adwood WA	Forest Products Assoc.
Gosatti D		Inglewood Products Group	Guild of Furniture Manufacturers
Gosatti D	Wooldridge P J	ELKA Furnishing Co	Guild of Furniture Manufacturers
McInnes R		Cullity Timbers	Housing Industry Assoc.
Cullity D M	Kirk R	Westralian Forest Industries	panel products
Campbell J B		Forests Dept.	Forests Dept. (Group Leader)
Hill A R		Forests Dept.	Forests Dept. (Information)
Sclater J B		Forests Dept.	Forests Dept. (Harvesting)
Shedley P N		Forests Dept.	Forests Dept. (Marketing)
Siemon G R		Forests Dept.	Forests Dept. (Research)
Williamson J		Forests Dept.	Forests Dept. (Resource)
White B J	Rayner M	Forests Dept.	Forests Dept. (Secretary)