NORTHERN FORESTRY & FOREST PRODUCTS INDUSTRY SITUATION ANALYSIS

Australian Government

Department of Industry, Innovation and Science

Business Cooperative Research Centres Program

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GOVERNMENT OF WESTERN AUSTRALIA

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CRCNA

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TIMBER QUEENSLAND

We build Queensland

Aims & methodology

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- strategic study into challenges and opportunities for forest and timber industry in Northern Australia

- literature review
- regional workshops with stakeholders: Cairns, Nhulunbuy, Darwin, Kununurra
- expert consultations (research partners, industry, practitioners)
- Stage 1 report → Stage 2 report → Final report (end of 2019)
- inform future R&D, investment and policy
- ongoing **Industry Development Alliance**

Project partners

Research partners

• Timber Queensland	(Qld)
• University of Sunshine Coast	(Qld)
• Queensland Department of Agriculture & Fisheries	(Qld)
• NT Department of Primary Industry and Resources	(NT)

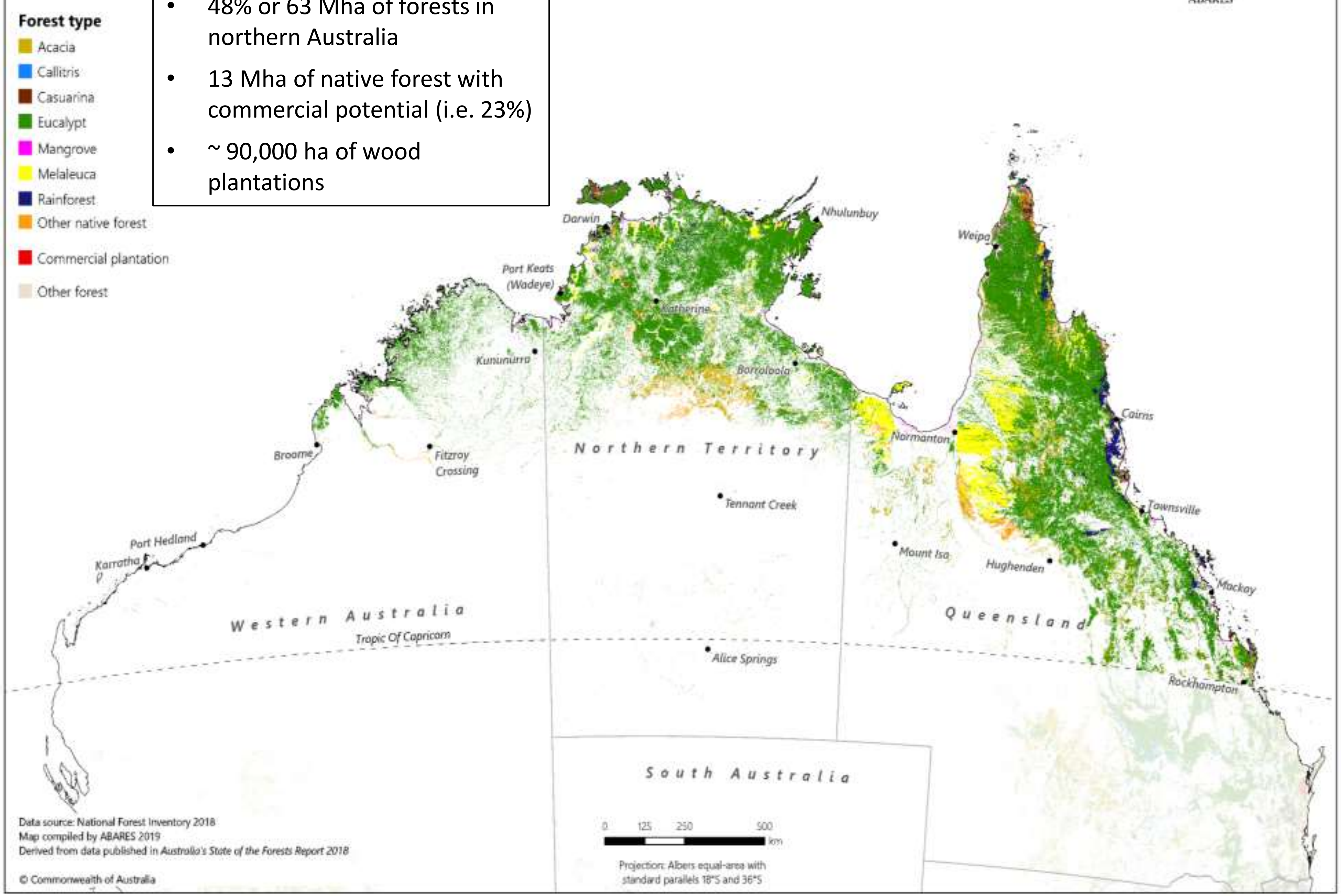
Funding co-contributors

• Simms Group	(Qld)
• DTM Timber /Branch 95	(Qld)
• HQPlantations	(Qld)
• NT Department of Primary Industries and Resources	(NT)
• Midway	(NT)
• Plantation Management Partners	(NT)
• Quintis	(WA)
• Alpha Santanol	(WA)
• Forest Products Commission Western Australia	(WA)

NORTHERN FORESTRY & FOREST PRODUCTS INDUSTRY SITUATION ANALYSIS

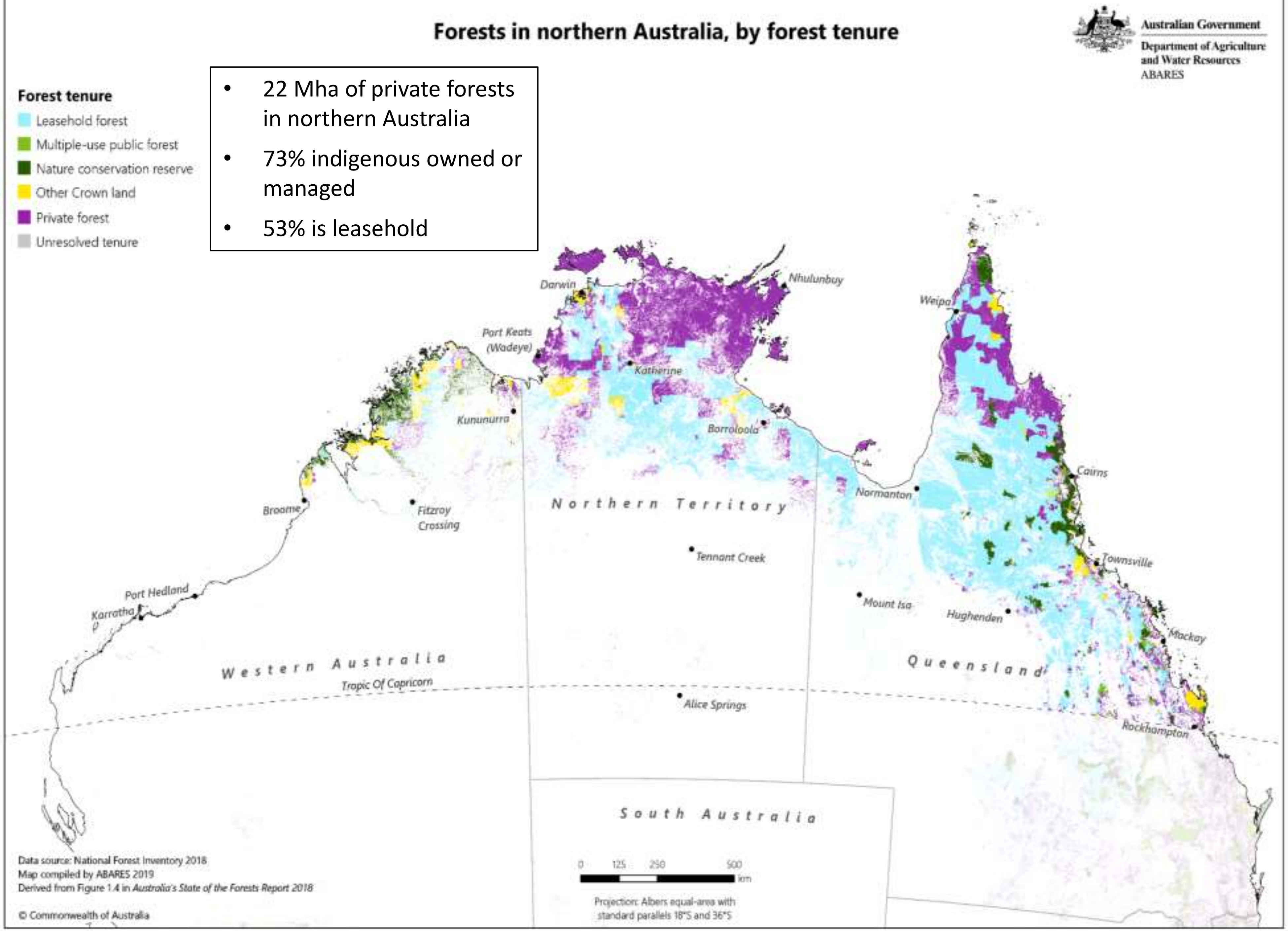
Forests in northern Australia, by forest type

- 48% or 63 Mha of forests in northern Australia
- 13 Mha of native forest with commercial potential (i.e. 23%)
- ~ 90,000 ha of wood plantations



Forests in northern Australia, by forest tenure

- 22 Mha of private forests in northern Australia
- 73% indigenous owned or managed
- 53% is leasehold



Major themes

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Challenges

- despite broad forest areas, remoteness and climatic extremes have limited industry potential
- industry still small-scale, geographically fragmented and diverse

But opportunities in specific regions and sectors

- good underlying demand for forest products and projected to grow

Sector	Regions
Hardwood fibre plantations (i.e. pulpwood or bioenergy)	Tiwi Islands
African mahogany (exotic hardwood) plantations for sawn product/EWPs	Ord River, Douglas Daly, Katherine
Pine sawlog plantations (e.g. framing)	Far North Queensland
Sandalwood plantations for pharmaceutical/fragrance markets	Ord River, Douglas Daly, Katherine
Native forest (eucalypt) for sawlogs (high durability, appearance grade)	Cape York East Arnhem Land Far North Queensland

SWOT analyses

- for each key region and for Northern Australia

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NORTHERN AUSTRALIA

Northern Australia, as defined by the tropic of Capricorn in Queensland and Western Australia and all of the Northern Territory, encompasses 52.7% of Australia's land mass, accounts for 5.5% of the Australian population and includes approximately 25% of the national indigenous population.

Strengths

- Broad areas of native forest with commercial potential
- Strong desire by traditional owners to manage their land and resources
- Supply local markets that are distant from other sources of building materials

Weaknesses

- Remote locations with lack of infrastructure
- Inconsistent (highly seasonal) rainfall
- Limited forestry skills amongst land owners

Opportunities

- Specific areas of land available for plantation expansion
- Mining land rehabilitation
- Development of sandalwood, hardwood pulp fibre, and softwood plantations

Threats

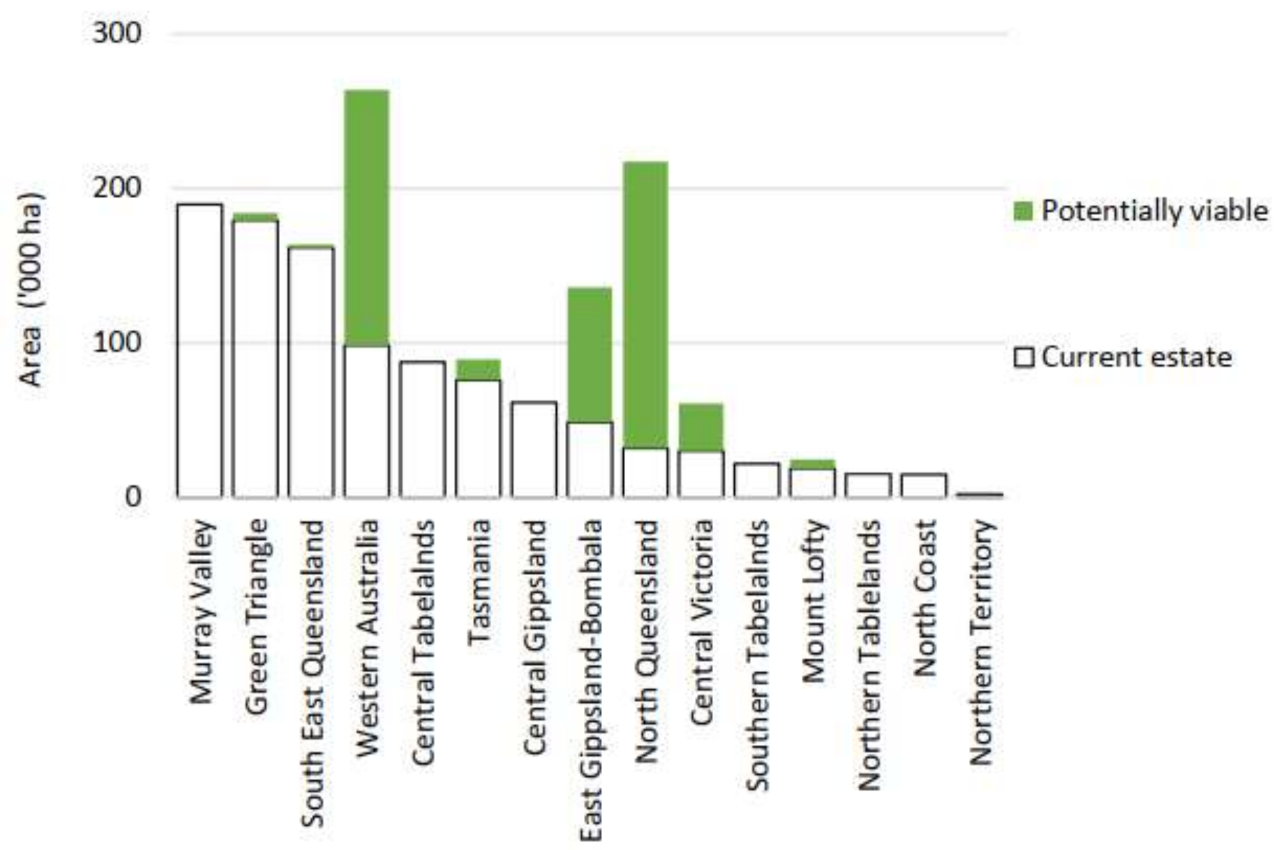
- Lack of collaboration between Government, Traditional Owners, Pastoralists and Miners
- Climatic factors (tropical cyclones; fires)
- Lack of long-term resource security from native forests
- Pests and disease




Integrated pine supply chain

- well-established
- Cairns and eastern seaboard markets
- pine framing and landscaping timber
- $50 million in output pa
- 1500 direct and indirect jobs in Northern Queensland

Pine plantation expansion: potential



Note: Potential softwood plantation estate refers to potentially economically viable agricultural land. Estimates of economic viability are based on average milldoor log prices from ABARES 2016–17 GVP survey, ABARES yield models, and an assumed transport distance of 75 kilometres from forest to mill.

Source: Whittle and Downham 2019 (ABARES).

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TIWI
FORESTS
Welcome to
YAPILIKA
Forestry Centre


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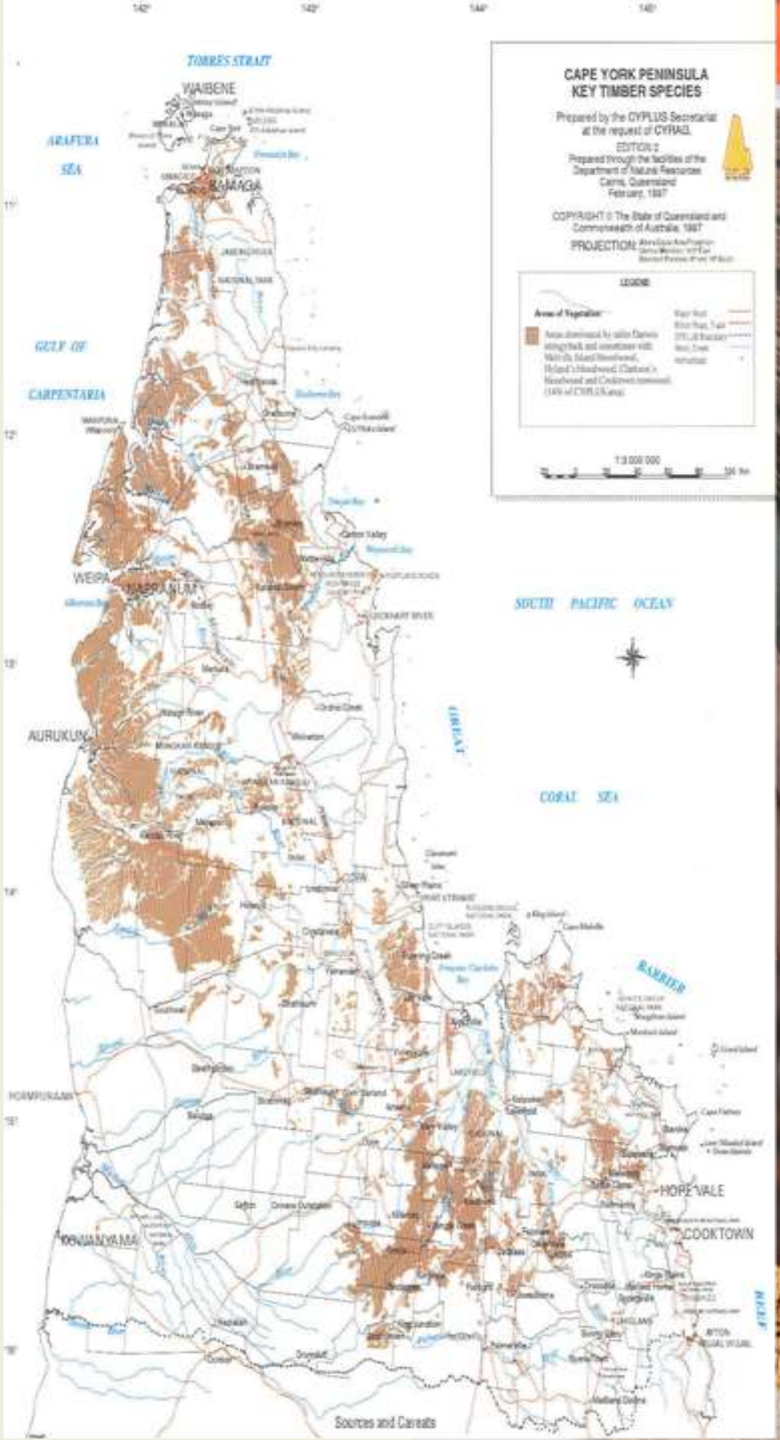
Handling


CAPE YORK PENINSULA
KEY TIMBER SPECIES
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EDITION 2
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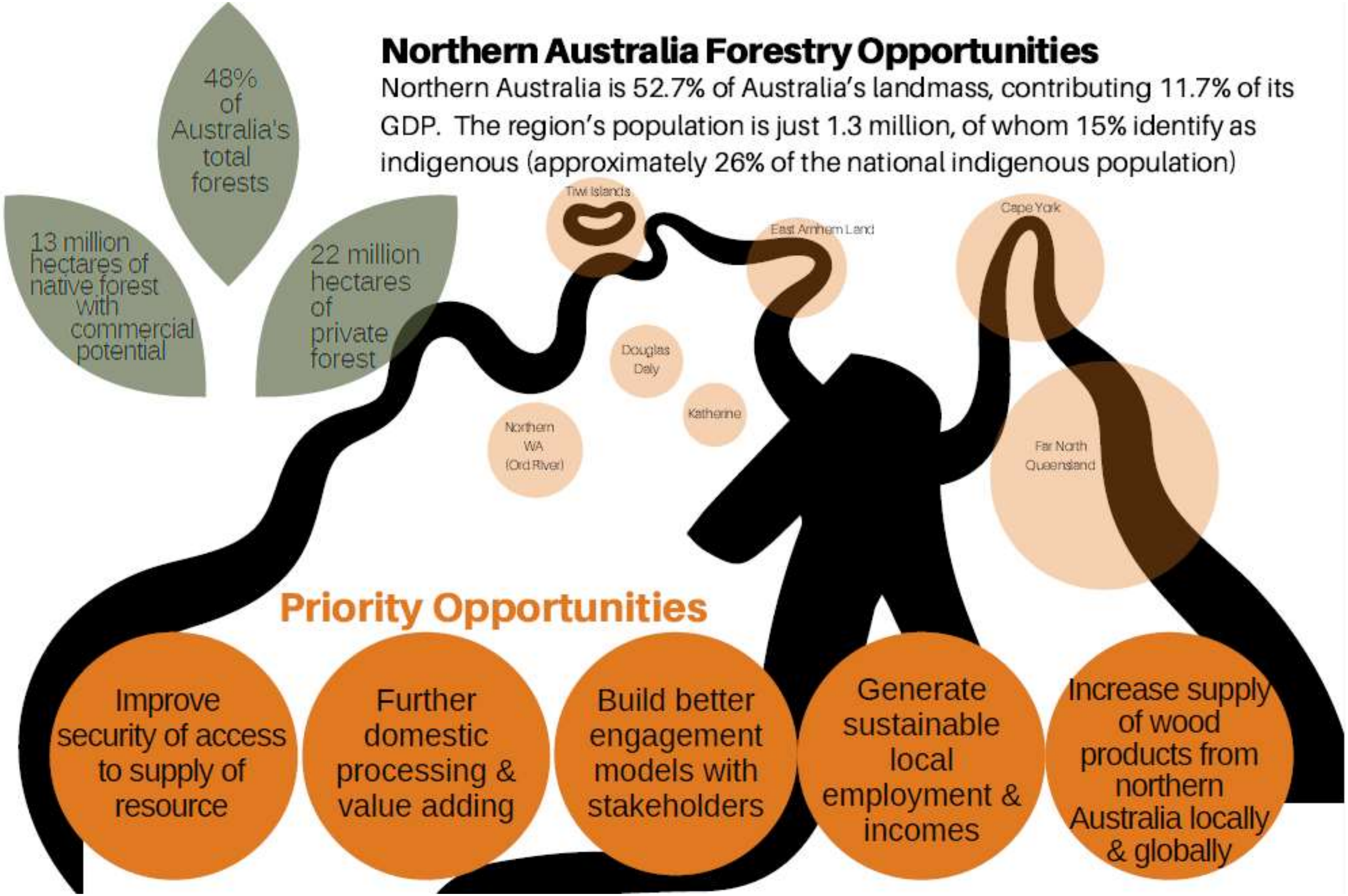
PROJECTION
LEGEND
1:3 000 000
TORRES STRAIT
ARAFURA SEA
GULF OF CARPENTARIA
SOUTH PACIFIC OCEAN
CORAL SEA
BARRIER
REEF
WEIPA
NAPRANUM
AURUKUN
HOPE VALE
COOKTOWN
KOWANYAMA
Sources and Caveats

Key opportunities and needs

Opportunities	Needs	Category
Expansion of downstream processing & value adding	Security of access to supply of resource – for investment Effective engagement models, particularly with indigenous owners Climatic risks management and related financial mechanisms	Regulatory (Crown land) and Development (Private Native Forestry, Plantations) Development Research, Development, Market
Mine site revegetation	Species suitability and silvicultural information	Research, Development
Expansion of silvopastoral systems	Information on costs and benefits Extension	Research, Development
Sustainable local employment	Training and skills	Development
Carbon markets	Removal of the ERF 600mm 'water rule' Native forestry harvest eligibility	Regulatory
Expansion of resource supply chains	Infrastructure mapping Forest inventory and silviculture End-use market information Water access	Research, Development

An emerging roadmap for industry



Actions for Outcomes

- Deliver clear and 'investible' resource security for native forests and plantations
- Reduce regulatory burden for downstream processing in regions, including biomass energy options
- Identify key infrastructure to develop local wood product supply chains in northern Australian regions

- Expand plantation development into suitable regions
- Extend silvicultural knowledge for native forests and plantations
- Reduce commercial impact of climate and weather-related risks
- Develop silvopastoral opportunities
- Leverage existing mine site rehabilitation activities

- Targeted training and forestry extension
- Improve market information to enhance access and encourage acceptance in external markets
- Establish nationwide and export market connections

Overarching Needs

Improved stakeholder engagement and participation, to identify all needs, opportunities and knowledge

Improved carbon accounting research and rules for native forests and plantations

Ongoing forest inventory and silvicultural information, especially for native forests

Next steps

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Industry Development Alliance

- project partners have established an alliance which includes a number of relevant state departments, industry bodies and companies
- alliance aims to work with relevant key influencers on priority actions, including:

  1. identification of new research and development proposals, arising from this analysis
  2. targeted briefings at key policy forums and meetings
  3. greater industry collaboration and partnerships in northern Australia

     e.g. conferences, field trips, demonstration trials, investment proposals, projects