Forest Wood Products Australia Limited

FORWOOD

Publication date: January 2013

Greetings from the Chairman and CEO

Welcoming the first issue of ForWood

Following in quick succession from the inaugural issue of the Australian Forest Growers Journal, we are pleased to present the first issue of ForWood.

Each issue over 2013 will bring you up to date on the latest in our research and development, market access, industry promotion and other activities that are helping to grow a sustainable, profitable, forest and wood products industry in Australia.

The industry's forests are back and with the drive and new ideas introduced by the last generation of growers, they are set to make a significant contribution to the Australian economy for decades to come.

A quick look at Forestry's four year old website and visitor numbers (www.forestry.gov.au) will show you the level of interest in forests and forestry that is out there in the community.

In this inaugural issue we start with Mike Harrison, a CRC for Forestry graduate who has taken up the Research and Development Manager position at Hancock Victoria, as he takes on the challenge of managing the company's extensive plantation estate.

We hope you enjoy the first issue of ForWood and welcome your feedback.

Warwick Anderson

Chairman, Director

LATEST NEWS

Forth performance review

An independent review of FORTH, chaired and directed by Bill Ferguson, has been completed and the report released.

The review was undertaken to assess the performance, effectiveness and efficiency of FORTH's activities to date and to provide recommendations to the Forestry Industry Engagement Committee (FIEC) and the Forestry Industry Leadership Group (FILG) on the future of FORTH.

The review found that FORTH has been successful in delivering its Strategic Development Plan, has met the needs of its members and has been effective in its operations. It has also been efficient in its use of resources, although some of the expected, arising from FORTH, have not been realised. The review made a number of recommendations, including:

- Extension of FORTH's activities for another year and consideration of its future by the FIEC and FILG, with a view to establishing a more permanent arrangement
- Continued consultation with other stakeholders to develop the next Strategic Development Plan for FORTH

Implementation of the recommendations is underway. Listening to stakeholders is a key part of FORTH's activities.

For more information on the review, see the Forestry Australia website.

The full report is available online.

INDUSTRY OPINION

Cause or effect - what lies behind declining funds for forestry R&D?

By Tim Brown

Tim is the Executive Director of the Australian Forest Growers Board and Chief Executive Officer of Forest Wood Products Australia.

The provision of accurate and timely research (R&D) to the Australian forest and wood products industry is critical to its success. Yet the industry's investment in R&D is declining.

Why is this occurring? Is it because of the industry's structure, or a decline in the R & D sector or both?

Over the past 15 years there has been a significant decline in the level of investment in R&D in the forest industry. The Australian Forest Growers Board (AFGB) has estimated that the industry's investment in R&D (both public and private expenditure) will fall more than 50% over the period from 1997 to 2012. Over the same period, the value of the industry has grown by around 50%, so the decline in R&D investment as a proportion of industry value is even greater.

The causes, drivers, flow-on effects, have all been identified. I have had a front-row seat for much of this discussion, and I have been involved in a number of the reviews and studies that have been undertaken.

The industry's structure is clearly a factor in the decline. Its many businesses are small and fragmented and often poorly connected to the R&D sector. Many of the businesses that have been established as a result of investments in the past have been sold to investors who have little knowledge of the industry.

But the R&D sector is also to blame. Its inability to articulate the industry's R&D needs in a way that is relevant to industry has been a key factor in the decline in investment.

Researching returns

Historically, the Australian forest industry has been reasonably effective. FORTH, the Australian Forest Growers Board and Plantations 2020 have all been established to address the issues identified in the various reviews and studies. The industry has also established a number of successful cooperative research centres (CRCs) for its sectors (Timber). So, perhaps, the R & D has been established but is not working as it should?

Maybe the problem is not with the industry. Maybe, the real question is whether the R & D is there at all?

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Maximising the benefits

The AFGB has estimated that the Australian forest industry delivers around $24 billion to the Australian economy and employs around 120,000 people. Around 50% of the industry's value is delivered by the sawmilling sector, 30% by the pulp and paper sector and 20% by the wood products sector.

Maximising the benefits of this investment and how it effectively can it improve the industry's performance is the subject of a study that is being undertaken by the CRC for Forestry. The study is looking at the economic benefits that have been delivered by R&D investments in the past and is using this information to develop a model that can be used to predict the benefits that could potentially be delivered by future R&D investments.

The interim document, developed and produced by CRCNF, looking at the first two years of the project, is now available and can be downloaded from the CRC's website. The study is due to be completed in 2013 and will be used to develop the R&D investment strategy for the forest industry. Watch this space for more details.

INDUSTRY PROMOTION

Two bids for exciting sea-fliers

To help to boost the use of wood in recreational and commercial applications, FWPA has been working with the Australian Forest Growers Board (AFGB) to develop a timber boat design competition. The competition is open to students and professionals and will be run in two categories, with a winner in each category receiving a cash prize and the opportunity to build the boat.

The competition is being run by Australian Wooden Boat Festival (AWBF) and is supported by Australian Forest Growers (AFG), Australian Maritime College (AMC), Australian Wooden Boat Festival (AWBF), Australian Wooden Boat Industry Group (AWBIG), Australian Wooden Boat Society (AWBS), Tasmanian Timber Promotion Board (TTPB), Timber Queensland, Victorian Association for Forest Industries (VAFI) and Western Australian Forest Products Association (WAFPA).

The competition is open to professional boat builders, designers and students. Entries will be judged by a panel of industry experts and the winners announced at the Australian Wooden Boat Festival in March 2013.

The two categories are:

- Professional Category - Construction Only
- Student Category - Design and Construction

Further details, and rules for competitors and entry forms are available on the competition website.

Entries should submit concepts, including detailed boat construction drawings, by 1 December 2012.

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- Chinese Industrial Design
- Chinese Industrial Design
- Chinese Construction & Material professionals

A more ambitious, targeting the 'one-stop-shop' for every international timber buyer, is the Timber Trade Portal (TTP) which is being developed by Timber Queensland, with support from FWPA and other industry partners.

An important initiative on the Wood Promotion program is the re-establishment of the Australian Timber Design Awards (ATDA). Originally established in 1999, the ATDA was run for a number of years before being discontinued. The new ATDA will be run in 2013 and will be open to all timber products, including engineered timber products, and will be run in two categories, Residential and Non-Residential.

Launching the ATDA will be a major marketing campaign to promote the awards and encourage entries. Details of the awards will be announced in the near future.

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Wood: Naturally Better ™ - promoting the benefits of wood products

The Wood: Naturally Better ™ campaign, launched in 2009, has been running in the Perth and Gold Coast markets.

The campaign promotes the environmental benefits of wood products and the sustainability of the forest industry.

The 4th annual FPC Awards, Pride Magazine Green Award Design Competition and Australian Timber Design Awards (ATDA) are also being run in conjunction with the campaign.

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