




Statistics and Economics Program



ABARES Draft Work Program
22 May, 2018



**Forest & Wood
Products Australia**

ABARES Draft Work Program



Australian forest and wood products statistics

March and June quarters 2017

Research by the Australian Bureau of Agricultural and Resource Economics and Sciences

November 2017

Agenda

- Outcomes from current contract
- Draft ABARES Program
- Other projects opportunities
- Open discussion on project priorities



ABARES/FWPA Relationship

Programs

5 Impacting decision making and industry capability

On-line and traditional approaches to capturing and disseminating:

- accurate
- timely
- relevant information

Outcomes

E Increased Capability

We will impact decision making by providing readily accessible information that assists industry participants to:

- adapt to changes in the business environment
- achieve better commercial outcomes.

Government/Industry User Pays

In developing an effective work program consideration needs to be given to the challenging question of who should pay

The rule of thumb applied is that **government** needs data and information to support such activities as:

- The national accounts
- International Treaty obligations (Montreal Protocol)
- Regional Forest Agreement processes

While **industry's** information needs range from

- Micro operational information
- To higher level market information to support longer term strategic thinking and investment
- To socio economic and environmental data which supports the industry social licence

Main areas of focus

In developing the previous commercial arrangements with ABARES the focus has been on key areas where government and industry have overlapping interests.

- 1. Wood Products Statistics and Modelling**
- 2. Resource Availability and Wood Flows**
- 3. Processing Capability**

The current work program uses a similar structure

Contractual arrangement provides stability for both parties

- Continuity of data and updating of periodic reports
- Continuity of government capacity allocated to our industry

Achievements 2015-2018

1) Wood Products Statistics and Modelling

Forest and Wood Products Statistics

Accelerated Log production Data

Handling and Shipping Costs

2) Resource Availability and Wood Flows

Plantation Statistics Report

Plantation Log Supply 2015-2059

Plantation land use change assessment

Residues – market trends and emerging products

3) Processing Capability

Qtrly Softwood Production/Sales Forecasting

Price Elasticities Study

Proposed Program 2018-2021

- 1) Wood Products Statistics and Modelling
 - 1.1 Forest and Wood Products Statistics
 - 1.2 Accelerated Log production Data
 - 1.3 Qtrly Softwood Production/Sales Forecasting
- 2) Resource Availability and Wood Flows
 - 2.1 Medium Term Forecast of key export products
 - 2.2 Plantation Area Log Supply 2020-21 Update
 - 2.3 Private Native Forestry
 - 2.4 Regional Fibre Balance
- 3) Processing Capability
 - 3.1 Total Factor Productivity

Budget 2018-2021

FWPA-ABARES joint work program costings	incl. GST
1.1 Biannual AFWPS and monthly trade data provision	350,000
1.2 Accelerated Release of Log and Production Data	40,000
1.3 Quarterly forecasts of selected wood product sales	50,000
2.1 Medium term forecast of key export products	200,000
2.2 Plantation area and log supply 2020–21 update	150,000
2.3 Private Native Forestry	150,000
2.4 Regional Fibre Balance	200,000
3.1 Total factor productivity of Australian sawmills	150,000
TOTAL	1,290,000
ABARES co-contribution	450,000
FWPA contribution	840,000

Other Projects 2018-2021

- 1) Alterations and Renovations Market
- 2) Sawmill scale analysis to complement ABARES plantation modelling
- 3) Housing Cycle Turning Points
- 4) Channels to Market
- 5) Investment Opportunities/Demand for engineered products (such as LVL and CLT)
- 6) Carbon Farming Initiative – Review of Carbon Markets

Priority Assessment

Business as Usual/Continuity

- 1.1 Wood Products Stats, Monthly trade data
- 1.2 accelerated release of log production
- 1.3 quarterly forecasts selected wood products
- 2.2 Plantation area and log supply 2020-21 update
- 3.1 total factor productivity (economies of scale)

Other Projects Included in Draft Program

- 2.1 medium term forecast key export products
- 2.3 Private Native Forestry
- 2.4 Regional Fibre Balance

Other Projects (Slide 9)