

28 June 2023

AFPA Responses to Questions on notice from the HORs Inquiry into Food security in Australia

31 May 2023 transcript page 3

Question 1

CHAIR: I want to pick up on Rick's comment about that former inquiry. I think that report was called *Aussie logs for Aussie jobs*.

Mr RICK WILSON: That's it.

CHAIR: Yes; that was the one. There is a method in my madness in asking this first. There was a code of conduct recommendation in that report that would allow Australian millers to go in and, potentially, share some of the timber. It's a long time since I've read it, but has there been any advancement on that, to your knowledge? If so, how does that help the industry in being able to use some of those logs that some of the bigger operations may not want to use?

Mr Hyett: I think I'll have to take that on notice.

Response

There has been no progress in the development of a Code of Conduct.

There is very limited support for a Code of Conduct from industry as industry don't believe it will resolve any supply issues. Industry is looking at other approaches like the Timber Market Index to provide transparency in the market.

Background

[AussielogsforAussiejobs.pdf](#)

Recommendation 2

3.88 The Committee recommends the Department of Agriculture, Water and Environment supports the industry, in the most cost-effective means possible, to develop a voluntary code of conduct to facilitate access to timber by Australian softwood processors.

- ♣ The voluntary code would be underpinned by the relationship between plantation owners and timber processors.
- ♣ The industry should aim to undertake the development and implementation of the code as quickly as possible, ideally within 12 months.
- ♣ After two (2) years of operation, the code should be reviewed by the Australian Competition and Consumer Commission and any changes recommended by the ACCC should be implemented.

Question 2

Dr FREELANDER: With respect, I want to try to get the answer to this: what percentage of hardwood that we use for things like pallets, houses and whatever, comes from already established forests and not plantations?

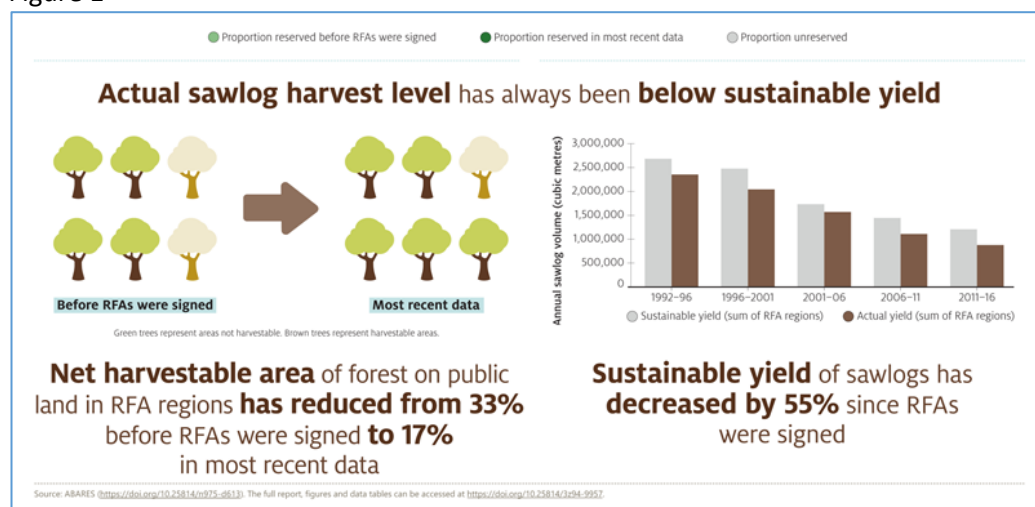
Mr Hyett: I would say in the order of 90 per cent, but I'd have to take that on notice.

Response

There is limited data on the percentage of sustainable native hardwood that is used for local production of specific products. Our best estimates are that around 90% of hardwood sawlog comes from native forestry. However, it is also important to note that Australia imports large amounts of hardwood products and exports large amounts of hardwood plantation woodchips due to it not being suitable for sawlogs – see import and export graphs on page 3.

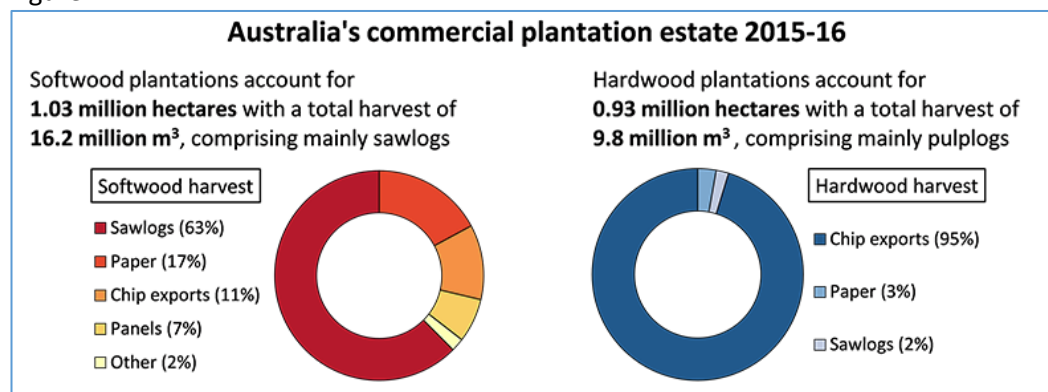
Data from ABARES 2018 state of the forest reports demonstrates that the average **annual** area of multiple-use public native forests harvested in Australia in the period 2011–12 to 2015–16 was 78 thousand hectares. (less than 0.06% of Australia's total forest area). Sustainable yield of sawlogs has always been below sustainable yields - See Figure 1¹

Figure 1



Furthermore, the vast majority of 750,000 hectares of hardwood plantation forestry is bluegum (around 500,000 hectares) which is not suitable for sawlog. Around 200,000 hectares of the remaining plantation estate is Shinning gum which is suitable for some low-grade sawlog like pallets but not suitable for high grade timber products used in housing like floorboards benchtops etc. if you then remove the acacia species not suitable for high grade sawlog there is very little plantation hardwood available for floorboards, benchtops and furniture, approximately only 2 percent – see Figure 2²

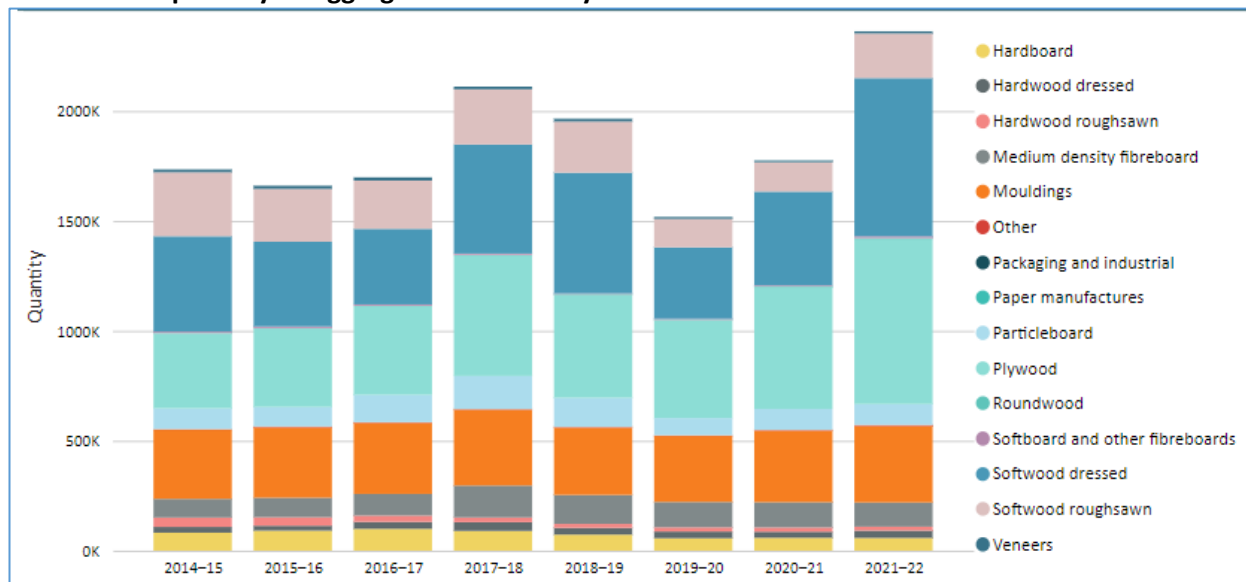
Figure 2



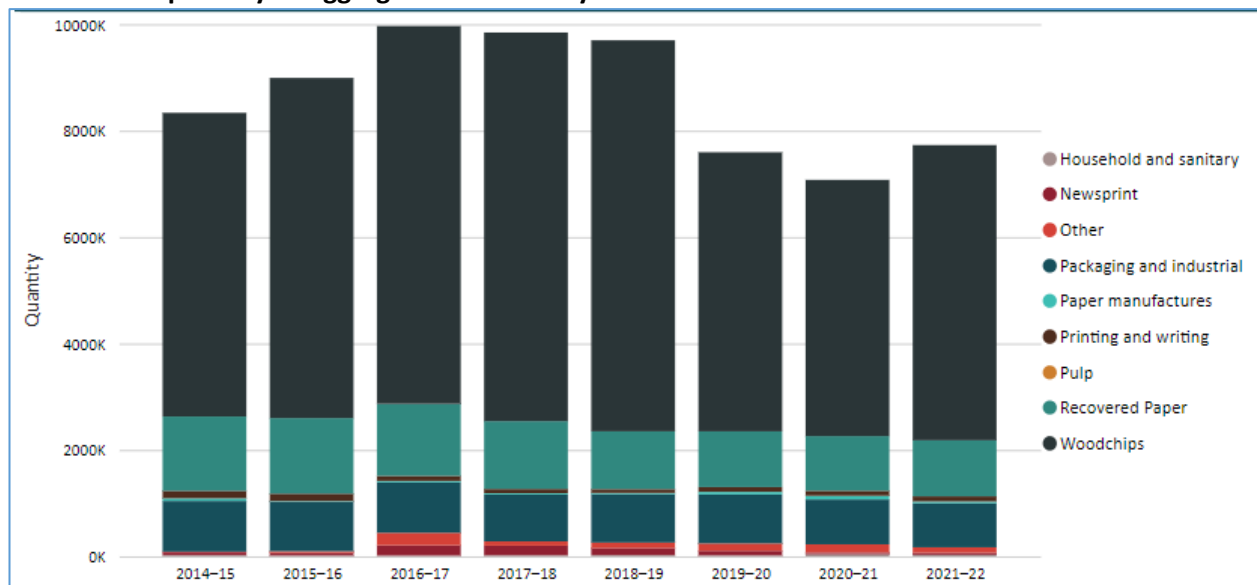
¹ <https://www.agriculture.gov.au/abares/forestsaustralia/publications/rfa-data-report>

² <https://www.agriculture.gov.au/abares/research-topics/forests/forest-economics/forest-economic-research/new-plantation-establishment-in-australia>

Volume of Imports by disaggregated commodity in Cubic metres 2014 – 2022 ³



Volume of Exports by disaggregated commodity in Tonnes 2014 - 2022



³ <https://www.agriculture.gov.au/abares/research-topics/forests/forest-economics/forest-wood-products-statistics#overview-of-the-forestry-sector-202122>