

## SAWMILLERS - HARDWOOD FLOORING SPECIALISTS P.O. BOX 228, GRAFTON. 2460

Head Office:  
Riverside Street,  
South Grafton. 2460  
Phone (02) 6642 3477  
Fax (02) 6642 7013  
Email: jnswood@stgpond.com

620 Seventeen Mile  
Rocks Road,  
Seventeen Mile Rocks  
Qld. 4073  
Phone (07) 3376 1311  
Fax (07) 3379 1106

5 April 2011

The Secretary  
House of Representatives Standing Committee  
On Agriculture, Resources, Fisheries and Forestry  
Parliament House  
CANBERRA ACT 2600

Submission No: 60

Dear Committee Secretary

Inquiry into the current and future prospects of the  
Australian Forestry Industry

J Notaras & Sons Pty Ltd wishes to lodge a submission for consideration by the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry into the current and future prospects of the Australian Forestry Industry.

J Notaras & Sons Pty Ltd operates a Sawmill at Grafton in NSW, milling hardwood sawlogs, in conjunction with further processing operations, to produce approximately 6000m<sup>3</sup> of finished wood products.

J Notaras & Sons Pty Ltd assets are currently valued at \$16 million and have been in the Timber Industry for 60 years.

Timber Flooring Products are predominantly sold in Australia, which are marketed in a wide range of Species, colour and grade.

Timber Products: Hardwood Flooring, Parquetry, Overlay Flooring, other Kiln Dried Wood Products, Step Treads, Risers, Laminated Step Treads and Table Tops.

Annual sales revenue amounts to approximately \$6.8 million. These timber markets include the full range of hardwood species, strengths and durabilities: most of the products are only available from native forests, plantation resources may only produce a very limited range of timber products.

J Notaras & Sons Pty Ltd employs a total of 46 people, and pays wages amounting to \$2,250,000 per year.

J Notaras & Sons Pty Ltd operations source log supply from:

- Forests NSW under wood supply contracts as the core resource for operations. We note that these contracts include available plantation sawlog resource, and that Forests NSW may make these supplies from private resources that they may access from time to time.
- Private native forest operations available from individual landowners with approvals under the Native Vegetation Act.

- Private hardwood plantations.

Log supplies are of the full range of hardwood species available in the area.

Following forest assessments in 1998, Forest Agreements and the NSW Government's forest industry reform agenda, J Notaras & Sons Pty Ltd obtained wood supply contracts with Forests NSW and the State of NSW to secure resource until 2018. J Notaras & Sons Pty Ltd was required to invest in value added processing in accordance with the Government's policy; funding assistance for particular projects became available.

J Notaras & Sons Pty Ltd invested as follows:

YEAR	PROJECT	VALUE
1997	Extend main storage shed, Moulding Lines & Kiln	FISAP \$1,000,000 J Notaras \$1,500,000
2003	New Parquetry Line, Kiln, Extend Shed & New Boiler	FISAP \$600,000 J Notaras \$1,800,000
2004	New Kiln, New Moulder, New Dust Collection	FISAP \$200,000 J Notaras \$1,000,000
2006	Extend Shed, Laminate Line	J Notaras \$450,000
2010	New Moulding Line, End Matcher	J Notaras \$450,000
2011	Cat Loader	J Notaras \$256,000

In 2003, those contracts were reduced, amended and extended until 2023. Contracts were also entered into for lower sawlog qualities. Further development of the Business was then possible.

We are now very concerned with:

- Continual pressure within Government to diminish resource access.
- Unrelented exposure to interruptions, interference and sabotage by minority radical groups, acceptance and the condoning of those actions by Government.
- Continual threats to conduct new inquiries which will re-assess resource and consequently contracted supplies.
- Continual increase in restrictions to resource access by Government and agencies by environmental policy and strategy development.
- Acceptance of representations that plantation grown timber may be a substitute for native forest hardwoods.
  - in volume,
  - in time,
  - in products, and
  - in environmental outcomes

- Government failure to deliver and manage plantations to meet future resource demand for hardwood sawlogs.
- Restriction of plantation development to cleared land, prevention of development and silvicultural treatment of degraded native forests.
- Failure of plantation investment schemes.
- Government equivocation on delivery of the existing supply contracts.
- Forests NSW failure to manage harvest arrangements to ensure delivery.
- Continual decline in sawlog size, quality and species mix diminishing our commercial viability.
- Extraordinary escalation of log supply costs, severely diminishing commercial viability.
- Australia's depressed building sector, causing timber market recession, limiting prices available (in strong competition with imports) further diminishing commercial viability.
- Failure to acknowledge environmental benefits
  - of carbon sequestration in the growth of trees
  - of timber as a building material, as a long term carbon storage
  - of timber as lesser embodied energy as a construction material
  - of timber as a source of renewable energy, alternate to fossil fuel (NSW legislation prohibits the burning of biomaterial for electricity generation).
- Failure to acknowledge the standards for sustainable forest management for the use of Australian timbers in Australia and extended obfuscation of the importation of less sustainable and illegal timber.

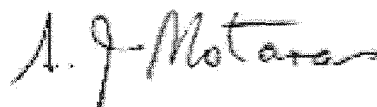
We fully support the submissions of our Industry Associations in regard to these issues.

We expect that our supply contracts will be delivered for their full term. We expect that we will be able to extend supply contracts into the future to ensure our ongoing operations and the sustainability of our Business and the jobs for our staff. That will require strong commitment to the existing Agreements and extension of those agreements on an "evergreen" basis.

Under the current resource and supply circumstances, and with this new forest industry inquiry and imminent new Green policies, new investments have been restrained, new developments have been halted. We need a confidence that our Business will be supplied for at least 10 years before we may make major new development.

Kindest regards

Yours faithfully  
J NOTARAS & SONS PTY LTD



Per Spiro Notaras  
Managing Director