

21/11/11

Hello Andrew:

This issues is certainly part of the IVG's work, and will be included in the program led by Bob Smith, former CEO of NSW Forestry.

Yes, industry participants will be asked how much timber they need.

While I am not able to speak for either the State or Commonwealth Governments, and I do understand that there are many rumours abroad, the IGA does state explicitly that your industry's needs will be provided for at the level of 12,500 m3 per year or whatever other amount is determined to be necessary.

Best regards,

Jonathan West

On Thu, Nov 17, 2011 at 8:58 PM, Denman Marine <andrew@denmanmarine.com.au> wrote:

Hi Jonathon,

Can you provide an update on the investigation into demand for special timbers as previously discussed? I am pretty concerned that my industry is facing total decimation as we lose access to special timbers under this agreement.

Many businesses like my own are now putting their expansion plans on hold and funneling all available resources to purchase timber to try and guarantee some supply for at least another few years. I had lunch with a furniture maker recently who had borrowed a good deal of money from the bank to buy timber in an attempt to future proof his business. This is causing an industry wide contraction just when Tassie does not need it.

Can you advise if the value adding industry will be asked how much timber do they need? Basing any demand on mill door sales does not reflect the actual usage by business or individuals. Many sales of timber are private sales and also many businesses have a stockpile of timber that they access rather than buying from the mills/FT and this needs to be taken into account.

Look forward to your reply.

--
regards,

Andrew Denman
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26/9/11

Hi Andrew:

As yet we haven't defined the specialty timbers part of the process. The Verification Group had its first meeting on Friday, and we are still in the early scoping phase.

I am convinced, however, that specialty timbers will be a vital aspect of the issues we need to deal with.

I'll be back in touch when we are a little further advanced. - never happened

Best regards,

Jonathan

On Fri, Sep 23, 2011 at 3:30 PM, Denman Marine <andrew@denmanmarine.com.au> wrote:

Hi Jonathon,

I met with Nick McKim this morning to discuss the IGA and it's probable effect on my industry. As I mentioned in my previous email to you the figure of 12,500 cubic metres of Special Timbers mentioned in the IGA is a "supply" side figure and does not take into account industry demand. All parties involved in this issue want a viable value adding industry in Tasmania for your special timbers but to ensure that this industry has a future the demand for these timbers needs to be determined.

You mentioned in your reply that demand would be looked at as part of the IGA verification process. I would like to make a suggestion for you that will make this part of the verification much easier. Martin Farley of [Creating Preferred Futures](#) was a co-author of the [2009 Woodcraft Study](#) that looked into the Woodcraft industry in Tasmania. I spoke with Martin this morning and he advised that he has the industry contacts from this survey on database and this could be a great head start on verifying industry demand.

Given the short time frame that has been imposed on the IGA process I would suggest that contacting Martin may be appropriate.

Already in my industry I am seeing a contraction where people are starting to stockpile timber again rather than investing in their businesses. I spoke with several other craftspeople at a recent auction and the sentiment seems to be across the entire industry sector. The attached map shows why people are concerned - most of the areas set aside for special timbers are contained within the 430,000ha moratorium area. Certainly a demand study would go a long way to alleviate some fears.

Can you advise under the IGA, what exactly is to be verified re-Special Timbers as the IGA does not give any indication?

--
regards,

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Subject: Re: Verification Process enquiry

From: Jonathan West <jonathan.west.email@gmail.com>

Date: 5/09/2011 12:26 PM

To: andrew@denmanmarine.com.au

Thanks, Andrew. This is very helpful.

Sorry for the delayed response -- I'm currently receiving more than 100 emails per day since my name was announced in connection with the Forest Verification Process, and I have no secretarial assistance.

Yes, we do propose as part of the process to assess independently how much resource will be needed for the special timbers-based industries.

Will be back in touch as the process unfolds.

Best regards,

Jonathan West

On Mon, Aug 29, 2011 at 2:52 PM, Denman Marine <andrew@denmanmarine.com.au> wrote:

Professor West,

I run a wooden boat building business in Southern Tasmania and my business will be impacted by the IGA.

To my knowledge the actual amount of special timbers required by the boat building and other craftwood value adding industries has never been determined in Tasmania. The 2009 Woodcraft Study commissioned by FT made a good start at quantifying the industry but it was recognised as falling short and did not provide an accurate figure for the industry's use of special timber. There have been quite a few figures sprouted as what the industry requires over the past few months but none of them can claim to be accurate. 12,500 cubic metres of timber may well be enough but unless demand is verified it could fall well short and we could deal a pretty crushing blow to an important industry. If actual demand is above 12,500 cubic metres then there is a case for further areas to be made available on long term rotations to support our industry.

The actual figure of 12,500 cubic metres is broken down into 10,000 cubes of blackwood with the remainder shared between the other minor species including celery top, sassafras, myrtle etc. 500 cubes of celery is allowed for with approx 200 cubes of what we call boat grade timber hopefully being available (source Steve Whitely FT). Remember that we are only talking log/limbwood/craftwood here not sawn boards. Assuming that we can get 200 cubic metres of boat grade celery logs per annum, it would yield approx 67 cubic metres of sawn boards. According to the Woodcraft Study, approx 55% of special timbers are exported from Tasmania so if we assume this applies to celery then the available amount of boards per year in Tasmania is now down to just over 30 cubic metres. My

business alone uses approx 6 cubic metres of celery top annually (increasing at around 25-30 % p.a.) and there are approx 80 boat building businesses in Tasmania (ABS census data 2006) so I hope you can see my concern.

Celery top pine is the state's most used boat building timber at 42% (woodcraft study 2009) and it is vitally important to my industry. For a celery top pine tree to be good for boat building it needs to be around 400 years old. We also use blue gum which needs to be around 250 years old so we are talking about old growth forest. I hold out very little hope that any old growth will not be determined HCV forest within the 430,000 hectare moratorium are which will totally decimate my industry.

Business owners like myself who use special timbers source the product through a number of avenues

1. direct from saw millers
2. private sales (Saturday paper sales or from a mate with some timber)
3. harvesting and milling your own timber via a craftwood licence

In reality, only mill door sales and special timbers log royalties can be quantified and in doing this, any total usage figures for the timber will be incorrect.

From my reading of the IGA there is some funding available for the verification process and I would like to propose that a simple study be conducted that quantifies demand for special timbers in the industry. I am happy to provide whatever input is required to assist in doing this and in fact, the Department of Economic Development is looking at a similar quantification (again at my suggestion). It seems strange that Ta Ann has a guaranteed supply of timber yet the value adding industry which is much larger has none.

Can you please advise if this can be considered as part of the process.

--
regards,

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Hello Andrew:

Bob Smith can be contacted at Bobsmith12@ozemail.com.au.

Yes, we do understand the difficulties assessing your sector and will attempt to consult widely.

As to what the two governments or Forestry Tasmania will decide after the IVG undertakes its research, that's not really for me to say. It's important to bear in mind that the IVG has no decision-making role and will not be arbitrating, adjudicating, or even recommending. There's been much confusion on this in the media. Our role is limited to the provision of information and evidence, to the best of our ability and in a rather short time frame, on a narrow range of pre-defined issues.

Best regards,



Jonathan

On 21 Nov 2011, at 05:42 PM, Denman Marine <andrew@denmanmarine.com.au> wrote:

Thanks for the reply Jonathon.

When you say that industry participants will be asked, this will need to be at a very broad level as the majority of special timber users do not have an industry body or lobby group. Is this the intent?

Future capacity will also need to be ascertained when determining demand - are businesses expanding (mine certainly is at approx 30% per annum) and to place an artificial cap on the industry by restricting supply will be a disastrous outcome.

What if after a demand study is conducted, the actual requirement is above 12,500 cubic metres?? Will the annual amount be increased? It should be noted that it is not just the Tasmanian industry we are talking about here as 55% of our special timbers are exported.

Do you have contact details for Bob Smith as I would like to email him if this will be his area.

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regards,

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