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Mr Tom Wise Secretary, Government Administration Committee "A" Legislative Council Parliament of Tasmania Parliament House HOBART TAS 7000

Dear Mr Wise

Inquiry into impacts of the proposed transition out of public native forest management and harvesting in Tasmania.

The Cooperative Research Centre for Forestry (CRC Forestry) conducts research across a wide range of disciplines that are of relevance to your Committee's terms of reference.

Dr Jacki Schirmer has already provided evidence to you on her CRC Forestry work evaluating the potential social and economic effects on businesses, workers and communities that depend on the forest industry of a transition out of native forest harvesting.

I wish to draw to the Committee's attention to another important area of the CRC's work, namely evaluating the potential for production of high-value timber products from eucalypt plantations. Much of this work has been undertaken the current term of the CRC, and is based on silvicultural research for sawlog production carried out by the previous forestry CRCs (Beadle *et al.* 2008).

Research undertaken over the past decade on sawn timber processing of plantation eucalypt logs has confirmed that pruning and thinning of plantations is required to produce clearwood for high-value, knot-free, appearance-grade boards and veneers from the two major temperate plantation eucalypt species *E. globulus* and *E. nitens*. Also, because of the different sawing and drying characteristics of fast-grown plantation eucalypt sawlogs, existing sawmills set up to process native forest logs will struggle to profitably process pruned plantation sawlogs (Washusen *et al.* 2009).

We are now able to specify modifications to sawing and wood drying equipment and procedures that should enable profitable processing of pruned plantation sawlogs (Washusen 2011). However, substantial investment is required to modify equipment, so access to large volumes of plantation sawlogs is needed to justify the investment in retrofitting existing sawmills or constructing new ones (Washusen and Harwood 2011).

We note that pruning and thinning have only been applied to date to some 30 000 hectares of eucalypt plantations in Tasmania. Plantation log volumes sufficient to support the scale of processing required to justify the required investment in sawmill construction or modification (estimated to be of the order of 50-100 000 cubic metres of plantation sawlogs per year for an individual sawmill) will not be available until the mid-2020s onward (Forestry Tasmania 2007). Appropriately designed and operated sawmills processing large volumes of plantation sawlogs should be then able to operate profitably, while paying an acceptable log price to growers of pruned plantation sawlogs that covers the cost of sawlog production (Washusen and Harwood 2011a).

There is a need for ongoing research to develop processing and product options that can profitably use (i) unpruned plantation eucalypt logs, and (ii) smaller volumes of pruned plantation sawlogs. Veneered and engineered wood products may offer good prospects for product diversification (Blakemore *et al.* 2010).

We would be pleased to provide further details on these issues or discuss them with your committee, should you wish.

We submit for your information, research papers produced by the CRC and our industry partners that are relevant to the points made in this letter.

Yours sincerely,

Professor Gordon Duff

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References

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