



FOREST FLOOR: *High-quality native hardwood still in demand*

Timber mills facing the axe

Shrinking wood supply threatens industry's future.

The northern NSW town of Grafton and its timber mills are feeling the squeeze from logging restrictions that are diminishing the supply of native hardwood logs.

Many mill owners and forestry workers expressed concern about their long-term future when appearing before a parliamentary inquiry into the future of the Australian forestry industry. Local environmental groups also attended to outline the damage already done to forests and to call for more restrictions on logging in state forests.

Andrew Hurford, managing director of Hurford Hardwood, told the House of Representatives Forestry Committee that only 314,000 hectares of Forest NSW's north coast estate of 840,000 hectares is actively managed for timber production, with more than half not available for harvest.

Mr Hurford said a further two million hectares of forests that once supplied timber have been reserved, mostly in national parks.

Timber mill managing director Spiro Notaras, whose mills have been operating around Grafton for nearly 60 years, said his industry's future was being threatened by a dwindling supply of hardwood logs.

His mill once supplied the grey box timber for the Speaker's chair in the House of Representatives chamber from the Bom Bom state forest.

"We've cut most forests in this region two or three times and that's what we are still doing today," Mr Notaras said.

"We are still cutting state forests that we cut 50 years ago and that can still go on for another 100 years and more – it could go on virtually in perpetuity. And that's what a lot of people

don't understand – the eucalypt, it regenerates and it not only regenerates vigorously but it generates a lot of fuel and becomes a fire hazard.

"By thinning out the small logs and the fuel you reduce the fire hazard."

But since the 1970s governments have responded to the concerns of environmentalists by limiting access to state forests that had previously been logged.

"Since 1975 we have seen over 70 per cent of our areas locked up," Mr Notaras said. "For instance, within 150 to 200 kilometres of Grafton probably 60 to 70 per cent of the area has been locked up and made into national parks."

To counter this some Grafton timber industries have diversified into using more plantation timbers. But despite a growing environmental consciousness, Andrew Hurford told MPs the buying public still prefers native hardwood timbers to plantation hardwood timber.

"Green Tree is our brand of plantation product," Mr Hurford said. "It's on our website and we take it to all the shows, everyone says that's fantastic but no one has ordered a stick.

"While we mix it in as a native forest, everyone is perfectly happy to buy it, but when we produce it as a plantation product it's seen as not being the full quid, not the real deal."

Big River Group managing director Jim Bindon said the diminishing supply of hardwood logs had led to their mills in Grafton and Wagga Wagga making the transition to products made from plantation pine.

"At a group level we have two major plywood factories and we process pine and hardwood," Mr Bindon said.

"Basically pine is 90 per cent of our intake and that's a major change from years ago when our company was 100 per cent involved in hardwood or native timbers."

He insists accessing native hardwood timbers to make flooring was still a very important part of Big River's business because it was one of the few areas where they had a competitive advantage over Chinese and European imports.

"Pine grows all around the world whereas native eucalypts only grow here so unfortunately that core competitive advantage has weakened as our

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percentage of hardwood supply has dropped,” he said.

“Countries from overseas can’t say that they have this eucalypt product. This native eucalypt has a couple of qualities from an appearance point of view – a lot of people like the look of hardwood, whether that be in flooring, stairs or in architectural panels.

“The other thing is we use hardwood for its strength properties because it is an extremely strong and dense timber. Imports from Europe or China just don’t have those traits.”

Not surprisingly some Asian businesses are trying to directly access raw Australian native timbers.

“At the moment I get people from China, Indonesia and Thailand wanting to buy our logs or our raw timber – take it over there and remanufacture it and sell it back here,” Mr Notaras said.

“I could make more money doing that but it’s against my principles so I couldn’t do that. I’d sooner shut than do that. Forestry was set up to employ people in the country – a decentralised industry. Now they want to shut it down – it’s madness.”

Environmental groups at the hearing denied their campaigns were

the primary reason for any decline in the local timber industry.

Carmel Flint from the North East Forest Alliance said much of the decline in the timber industry over the past 10 to 15 years has been the result of falling wood supply from over-logging and mechanisation.

“We have seen a lot of changes to the industry and the jobs have declined regardless of environmental outcomes,” Ms Flint said.

“Some people are innovating. Big River Timbers has the veneer peeler and are trying to use smaller logs and plantation logs and that really has to be the future of this industry.

“So we need to see all the mills move to that kind of equipment to allow them to use small logs and plantation logs.”

John Edwards from the Clarence Environment Centre agreed the supply problems for the timber industry were mostly self-inflicted and said more should have been done decades ago on growing native hardwood plantations.

“The way things are going, every harvest, the trees are getting smaller so it is just unsustainable and we have got to accept that,” Mr Edwards said.

“We should have been planting for saw logs years ago. We have missed a real opportunity with the tax rebates that were offered. And for sheer lack of oversight on behalf of the government we have ended up with a debacle.”

He believed state forest supply contracts were also drawn up on overly optimistic estimates of available timber.

“Or they have logged more than they originally intended because they are absolutely desperate now to get the timber out of the forests,” he said.

“They are logging in areas that shouldn’t be logged. We have had evidence of endangered ecological communities being logged, rainforests logged, mapped old growth logged, a complete disregard of the threatened species prescriptions ... that are outlined in the integrated forests operations agreement.

“There are loopholes in the agreement unfortunately.”•

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TAX COMPLAINTS REDUCED

Complaints against the Australian Taxation Office (ATO) have fallen dramatically and tax refund waiting times have significantly reduced since peaking at the beginning of 2010.

ATO chief operating officer Paul Duffus told a special hearing of federal parliament’s Public Accounts and Audit Committee the ATO has been focusing on improving complaint handling procedures as well as minimising overall complaints.

“The number of complaints has reduced by 91 per cent, and we have no current complaints with the Ombudsman,” Mr Duffus said.

The committee decided to increase its scrutiny of the ATO earlier in the year following a spike in complaints about the revenue collector last year, many related to delays in issuing tax refunds.

Refunds were delayed from the beginning of 2010 while the ATO

undertook a large scale upgrade of its computer systems known as the Change Program.

Subsequent teething problems created a knock-on effect throughout the year and into tax time, leading to some people having their tax refund delayed by more than six months.

The ATO says things are now back to normal, with almost 3.4 million refunds issued by August 21 this year.

The improvement has been shown in a drop in complaints on hand from 4,501 at 30 June 2010 to 962 at 30 June 2011.

However while complaints have dropped, the ATO is currently dealing with more than 3,000 cases involving compromised tax file numbers as it enters the peak period for tax return processing.

Around 300 have been outstanding for more than 90 days, although in most of those cases a new tax file number has already been issued.

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This follows an instance earlier this year where more than 900 compromised tax file numbers were revealed to be outstanding for as much as 12 months.

Tax Commissioner Michael D’Ascenzo (pictured) told the special hearing all of those 900 tax file numbers had since been reissued.

“The average time to reissue a TFN is under 28 days,” Mr D’Ascenzo said. •

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