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FIAC Secretariat
Forestry Branch
Department of Agriculture
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In response to the FIAC "Meeting Future Market Demands" discussion paper, Weathertex offer the following.

Weathertex is a wholly owned Australian company manufacturing a durable reconstituted hardboard for cladding residential and commercial buildings. Weathertex has 1 manufacturing plant at Raymond Terrace NSW, employee's approximately 100 people and has domestic and export sales of approximately \$28 and \$2 million respectively.

Below are generic answers however are ones that Weathertex feels very strongly and passionately about.

Vision and objectives for the forest products sector

- A shared vision (between government and industry) for the forest, wood and paper product industries is essential and must have real commitment, real targets, and real performance measures that are regularly reviewed for success.
- A suggestion for this vision could be *'A forest, wood and paper products industry at the forefront of the new low carbon economy, based on tenure blind sustainable native forest management, plantation resources, and production of fit-for-purpose, competitive and innovative wood and paper products that are the environmental first choice of the consumer.'*

- The objectives/execution of this vision should include a number of targets such as:
 - Carbon storage target (*e.g. target to store another 50m tonnes of carbon by 2030 via growing trees sequestration or wood and paper products*)
 - Export expansion targets for raw and value added wood and paper products (*e.g. double current exports to \$5bn*)
 - Green building/wood product encouragement target (*e.g. adoption of a wood encouragement policy by up to 50 local councils by 2030. Federal and State Government Departments to adopt and implement wood encouragement and sustainability and Life Cycle Assessment (LCA) policies*)
 - Wood or paper product procurement target (*e.g. all Government agencies to prioritise consideration of domestically produced wood and paper products in their procurement decisions*).

Issue 1: Market trends and pressures

Energy

- Energy policies should aim to:
 - Deliver competitive and efficient energy to wood and paper manufacturers, including affordable gas and associated gas infrastructure; and
 - Ensure policy mechanisms developed to stabilise energy use and improve energy productivity are targeted to reduce costs and the regulatory burden

In a Low Carbon economy it is essential to

- expand renewable energy sources by reinstating native forest wood waste under the Renewable Energy Target (RET) and amending the RET to allow the heat from

cogeneration circuits to receive renewable energy certificates.

- Remove all regulations, both national and state that stop the use of wood wastes for power generation.

Issue 2: Emerging uses and markets

New forest, wood and paper products

- With an expanding population, aging stock and high forecast demand for new housing over the next few decades, the forest industry has the potential to provide a versatile range of building products for structural, commercial and high quality appearance uses. Wood and paper products involve lower energy inputs in production and provide a range of carbon mitigation and sequestration benefits relative to other building materials.
- Historically, forests have and can produce many different products to meet highly diverse society demands and evolving environmental consciousness. Some known opportunities for diversification, value-adding and product innovation with respect to wood and paper products include:
 - energy and heat production;
 - pulp and biofuel production;
 - composite wood products and building systems;
 - new structural and panelling technologies to utilise small-wood and residues and to use in timber construction in commercial and high-rise buildings;

Carbon

- As the only carbon positive sector of the Australian economy, the forest industry should be at the forefront of a renewable and sustainable economy. However, the policy environment

for enabling carbon based opportunities for the sector to be fully realised is yet to be developed or is impeded by the existing regulatory environment. The policy and/or regulatory constraints impeding the development of carbon based opportunities for the forestry sector must be addressed.

Bioenergy and Biofuels

- Residues from Australia's forest, wood and paper products industry hold great potential as a renewable energy source, substituting for the use of fossil fuels. In addition it can be used to produce renewable heat and liquid fuels, which tend to be more efficient than electricity generation. The lack of incentives for the use of forest biomass in energy generation creates a serious imbalance in the renewable energy market, and misses some of the lowest cost opportunities for carbon emissions abatement. There is a need to develop incentives for renewable bio-energy, including renewable biomass for electricity, renewable heat capture and biofuels.
- Remove all regulations, both national and state that stop the use of wood wastes for power generation.

Issue 3: Forest resources

Resource Security

- The RFAs represent the cornerstone of native forest resource security policy, balancing the environmental and economic demands on naturally regenerated forests. As the RFAs approach the end of their 20 year life, it is necessary to renew the RFAs, extending their life for a further 20 years, to underpin future investment by the sector. To achieve this,

funding must be allocated to assist the States to complete the RFA reviews and initiate the renewal mechanism.

Yours Sincerely

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