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COVER STORY P 9



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**Exclusive: timber trade chaos
a game of Russian roulette?**



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Will the ‘Butcher of Mariupol’ also cause the price of world’s timbers to explode sky-high?

Oligarchs owning Russian mills post-February 24 has been a special kind of hell

IN the last month, US president Biden has variously called Vladimir Putin a thug, a war criminal ... and last weekend he escalated the rhetoric by calling him “a butcher”.

While not naming Mariupol, it is clear that this Ukrainian city is bearing the brunt of any such “butchery”.

Perhaps the American administration calling out Russia for butchery may be a bit rich, given that an estimated two million civilians around the world have been killed after getting entangled in several America invasions of independent sovereign countries spanning back decades.

But let’s not go there, and instead in this article concentrate on possible impacts on regional and



Russian Prime Minister Vladimir Putin meeting with Russian oligarch Roman Abramovich (on the left, in the centre) in 2010.

Australian wood products flows as a result of the ongoing Ukraine- Russia conflict.

DANA NZ Ltd. and Timber & Forest enews director Dennis Neilson first visited the Soviet Union in 1989 to tour forests and wood processing mills in Siberia. He has visited Russia several times since, and in 2019 he was the lead author in a (USA) Fast Markets RISI[1] published review: ‘Russian Timber: A Growing Force in World Trade’.

Neilson had fully organised

a two-day day conference on the Russian forest industry sector, scheduled for May 2020, but it was cancelled because of Covid 2019 travel restrictions.

Neilson keeps in close touch with several Russian forest industry executives – almost daily during March.

In this special report, Neilson takes over from here:

*** **

THE strengths of the Russian sector in the last decade are turning out to be its biggest

challenges in March 2022.

A decade ago, Putin decided to transform the then still antiquated Soviet-era industry to become a world force. He appointed his nephew Roman Putin to take the lead and they ‘shoulder tapped’ several of Putin’s closest and biggest oligarchs and allocated them huge 49-year forest concessions (some more than 1 million ha) with almost no stumpage costs – but only if they agreed to build world-scale wood processing mills using the best hi-tech western European technology, and that they were designed to export more than 90% of their output.

So they obliged ... and are building more and more huge sawmills and plywood mills. This means the Russian solid wood processing industry is now huge.

In 2021, Russia was the world’s fourth largest softwood timber producer at 40 million cub m. But domestic consumption was

“SUDDEN PRICE ESCALATIONS A FORMULA FOR CHAOS”

Cont P 10



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Federal Budget 2022 fuels housing recovery and supports Aussie dream of owning a home

THE measures to support home ownership contained in the Budget will help thousands of Australian's achieve the dream of home ownership while builders and tradies will benefit from the fuel excise cut as they fuel up their utes.

Research by the Master Builders Association shows 85%cent of rental households aspire to own their own home, yet only 45% feel they will achieve it.

"Home ownership, particularly building new homes, is a major engine of a strong economy and a major expansion of the Home Guarantee Scheme and the new Regional Home Guarantee are going to build on the success of the government's measures that saves hundreds of thousands of jobs from being lost and builder and tradie businesses from going under during covid," MBA CEO Denita Wawn said.

Importantly, the Budget includes a new \$2 billion funding increase for social and affordable housing through the National Housing Investment and Finance Corporation. An additional \$17 billion in infrastructure investment over the forward estimates to boost the 10-year pipeline of projects to \$120 billion is good news for civil construction sector.

Just as importantly, the government's new procurement rules will give smaller construction contractors and subcontractors a realistic opportunity to tender for work on these projects.

The Budget provides



Builders and tradies will benefit from the fuel excise cut.

an investment in skills development and training; the extension of existing support and the new apprentice incentives for employers and apprentices themselves, as well as the measure boosting the incentive for small businesses to invest in the skills of their employees, are important down-payments on this critical area

“INVESTMENT IN SKILLS DEVELOPMENT AND TRAINING

HIA managing director Graham Wolfe says while many people can service a mortgage, the deposit gap continues to be the biggest barrier to home ownership. The announcement of 50,000 places each year under the Home Guarantee Scheme will support more Australians gain the security that comes with owning their own home.

The First Home Super Saver Scheme is also providing a lower tax environment for home deposit savings. The

deposit sooner.

The new Australian Apprenticeship Incentive System will take over from the BAC on July 1. Mr Wolfe said acknowledging the need to incentivise people to start training made great sense, as did continuing to support employers to take on those wanting to start their career in a trade.

"This budget comes at a time when the housing

increase in the withdrawal cap to \$50,000 will enable first home buyers to keep more of their savings and pay less tax to help them save a

Cont P 4

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From P 3

industry is facing some of the greatest challenges on record. Supporting home builders to meet the housing needs of all Australians will deliver on the nation's home ownership aspirations," he said.

"Secure housing is a fundamental need for everyone. As state governments scale back their direct provision of public housing, it is crucial that the not-for-profit community housing sector is supported to fill the void.

"Extending the liability cap of the affordable housing

“MIGRATION TARGET STILL NOT SUFFICIENT TO FILL LABOUR, SKILLS SHORTAGE



Saving hundreds of thousands of jobs from being lost and builder and tradie businesses from going under during Covid.

aggregator by a further \$2 billion will enable the National Housing Finance and Investment Corporation to continue to build this critical housing.

"Access to funding via NHFIC will enable the community housing sector to make more affordable

including another Covid wave, the impact of war in Ukraine, questions about China's short-term growth and the build-up of inflationary pressures," Mr Wilcox says.

"With cyber security a major issue for business and the country, the significant and forward-looking investment in Australia's cyber capabilities is a recognition of the increased threats we will be facing.



Denita Wawn... realistic opportunity to tender for work on construction projects.



Graham Wolfe... more Australians gain the security that comes with owning their own home.



Innes Wilcox... a restored focus on skilled migration is clearly welcome.

housing available to those having difficulty accessing the private rental market now and into the future.

"The critical shortage of skilled trades workers that we are experiencing today is the outcome of a sustained decline in apprentice numbers over a long period. The Boosting Apprenticeship Commencements (BAC) scheme turned this trend around, with apprentice and trainee commencements in the year to September 2021 increasing by 88% compared to the previous year."

CEO of national employer association Ai Group Innes Wilcox says measures to lift industry and university collaboration and the support for small businesses investing in digitisation are important steps to drive Australia's longer-term economic development.

"The Budget sets out the clear risks to the further recovery of the economy

"The permanent migration target of 160,000 with a restored focus on skilled migration is clearly welcome but will not be sufficient to fill the labour and skill shortages that businesses and other employers are now facing. Business in particular will be hoping that this number can be raised as quickly as possible."

Mr Wilcox said skilled migrants who entered via the 'demand-driven' streams such as employer-sponsored migration experienced a better skills match and faster entry to the labour market.

Mr Wilcox said the Budget unfortunately did not make headway into some of the structural barriers to further growth including taxation reform and the still disappointing levels of business investment.

"Hopefully this can be addressed in the lead up to the election," he said.

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Future for durable eucalypts has never looked brighter: grower forum on the Sunshine Coast

Paving the way for development of a small but increasingly important timber resource

KAARA SHAW

THE third durable eucalypt growers forum, held this month on the Sunshine Coast after a two-and-a-half-year covid hiatus, was packed to the brim with new developments and new research in the science and art of managing durable eucalypt plantations.

Each year, organisations from around Australia and New Zealand are invited to share developments, ideas and challenges in their businesses and research.

The importance of this forum was not lost on participating members, who have all been quietly getting on with the job of successfully planting, pruning, thinning and harvesting durable native hardwoods. The challenges that we all face in this field were shared and debated and seemed less of an obstacle by the time the forum was over.

The 2022 event was



Durable eucalypt growers forum participants in a 19-year-old plantation at Moy Pocket in Queensland's Mary Valley.

jointly hosted by Forest Land Management and the University of the Sunshine Coast. We heard about developments in markets for small-diameter thinnings, and a new pilot project exploring the integration of small-log processing and energy production.

Researchers from the University of the Sunshine Coast, Southern Cross University, New Zealand's Specialty Wood Products and the Queensland Department

of Agriculture and Fisheries shared their work on genetics, silviculture, pests and diseases, wood products and in-ground durability. We heard from sawmillers who are planting and managing

“THE SCIENCE AND ART OF MANAGING DURABLE EUCALYPT FORESTS

plantations to supply future resource, and plantation management companies who are taking advantage of new opportunities for carbon markets and agroforestry.

Participating organisations included Heartwood Plantations, Super Forest

Plantations, Radial Timbers, Hurfords Group, New Zealand Specialty Wood Products, Forest Land Management, Forestry Corporation NSW, Ironwood, Wood4Good, National Centre for Timber Durability and Design Life, with support from USC, SCU and DAF.

On the second day of the forum delegates visited eucalypt plantations in the

Cont P 6



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From P 5

Sunshine Coast and Gympie hinterlands. The humid weather did nothing to stifle debate around optimum thinning regimes, pruning and harvest management. The group saw durable eucalypt plantations ranging in age from one year old to 20 years old and looked at the results of single-tree spot cultivation and mixed species plantings.

At the end of two days, the general consensus was that durable eucalypt plantations have a strong future and that members of this group are well-placed to take advantage of new opportunities to supply durable timber into Australian and international markets. With an ever-decreasing supply of durable hardwood timber from public native forests, the successful production of durable timber in plantations is becoming more relevant and more



1/ **KDay one of the durable eucalypt growers forum held at the University of the Sunshine Coast.** Photo: Jon Lambert
 2/ **Growers forum participants at Moy Pocket in the Mary Valley... from left, Emma Leslie (Heartwood Plantations), Ben Boxshall (Wood4Good), Tim Fowler (Heartwood Plantations), Andrew Simpson (Super Forest Plantations), Emma Montgomery (Ironwood), and Joanne Lewis (Heartwood Plantations).**



important.

A large body of research on durable eucalypt plantations exists in Queensland and NSW, thanks to past government investment into hardwood plantation development. Northern members of the group are benefitting from this research and all members are actively investing in new research that is opening doors for product development and improved cash-flow.

Despite the failure of some government and private investments into

durable eucalypt plantations, members of this group have been successfully growing and developing their businesses and resources for more than 20 years. Progress in this sector has never been more important with the recent announcements to cease timber production from native forests in Victoria and Western Australia.

The durable eucalypt forum helps us to connect with other like-minded organisations who are paving the way for the on-going development of this small but

increasingly important timber resource.

• *Karra Shaw is co-founder and manager, Forest Land Management Pty Ltd. With a Bachelor of Applied Science majoring in production horticulture from the University of Queensland and a Postgraduate Certificate in Forest Ecosystem Science from the University of Melbourne, she has more than 18 years' experience in the forest industry, managing hardwood plantation and revegetation projects throughout southeast Queensland.*

Wood science and fibre talks 'first for Australia'

THE Society of Wood Science and Technology will hold its annual international meeting at Kingscliffe, NSW, on July 10-15 – the first time in this part of the world.

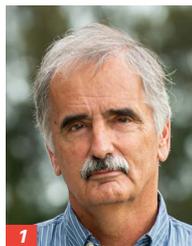
SWST is the peak international body dealing with wood science. Its activities include publishing wood and fibre science and accrediting undergraduate wood science programs in North America, South America, Asia and Europe.

More than 160 abstracts have been submitted from 25 countries. The meeting will bring together scientists from around the globe to address topics including basic timber properties and treatment, mass timber construction,

plantation resources, timber certification, timber processing and a host of other sessions.

The meeting at the Salt/Peppers Mantra complex at Kingscliffe is being supported by several Australian sponsors including Forest and Wood Products Australia, AKD, Wesbeam, Responsible Wood and EWPA. Registration for the meeting is now open at www.swst.org.

"This is an great opportunity to interact with global leaders in timber research without a 13 hour flight," said SWST vice-president Jeffrey Morrell, based at the Centre for Timber Durability and Design Life at



1/ **Professor Jeffrey Morrell**
 2/ **Dr Robert Leicester**

the University of the Sunshine Coast.

"The meeting is especially supportive of HDR students and virtually every student working in the timber space across the country has submitted an abstract," Professor Morrell said.

"This is an excellent chance to meet (and perhaps recruit) the next generation of timber specialists."

Keynote speaker is

scheduled to be Dr Robert Leicester who is a retired CSIRO scientist based out of Melbourne. Dr Leicester led a team that pioneered the development of a series of service life prediction models for timber. His groundbreaking work led to his receiving the Wallenberg Prize which is sometimes called the Nobel Prize of the timber world.

Dr Leicester will present on his continued work to improve the models so they can be used by engineers and architects to use timber more effectively.

APRIL

7: PFSQ native forest management field day (9am-3pm) – Queensland.

Jess property, Esk, 4 km west on Esk Hampton Rd; Brown's property, 14 km south on Esk-Fernvale Rd (follow field day signs). Impacts of thinning on forest health, productivity, economic returns and grazing. Latest update on legislation. Growth results from regrowth thinned 14 years ago. Inspection of three different thinning densities sites to compare 10 years' growth data and the benefits to tree growth and grazing. Inspection of extensive thinning and long-term timber production. Tel: (07) 5483 6535 or mobile 0428 457 322. RSVP admin@pfsq.org.au

20-21: Centre for Future Timber Structures 2022 Australian Timber Design Workshops in Launceston, Tasmania and Brisbane, QLD. Created for building design professionals interested in timber construction to develop skills, confidence and networks in a unique, hands-on

environment. Registration and cost: Early bird discount (ends February 28): \$900. Standard: \$1100 (single day \$650, student price: \$250). For further information Professor Keith Crews email: k.crews@uq.edu.au Event re-scheduled from early February.

MAY

10-12: Environmental Forestry – Rotorua, New Zealand.

Forest Industry Engineering Association. Improving environmental performance across the forest industry. For further information see: www.environmentalforestry.events

18-19: DesignBUILD – Melbourne Convention & Exhibition Centre, Melbourne, VIC. Event will bring together

Australia's architecture, building, construction and design communities. For further information see: designbuildexpo.com.au

21: Queensland Timber Industry Awards – Rydges Southbank, Brisbane. Contact Alicia Oelkers 0418 449 031. www.tabma.com.au

JUNE

10: Third time lucky! GTTIA Awards – Mount Gambier, SA.

The GTTIA committee confirms the awards gala event will be held on June 10 at The Barn, Mount Gambier SA. Tickets on sale April 25 and for purchase online. Email: info@gttia.com

21-22: Frame Australia Timber Offsite Construction – Crown Promenade Melbourne, VIC.

New global 'hybrid' format. Choose from a selection of half-day and full-day programs. Virtual delegates can register for just one or more conference sessions. For further information and registration visit the website www.timberoffsiteconstruction.com

JULY

10-15: 65th The Society of Wood Science and Technology annual meeting – Salt/Peppers Mantra complex, Kingscliffe, NSW.

SWST activities include publishing wood and fibre science and accrediting undergraduate wood science

programs in North America, South America, Asia and Europe. This will be the first time SWST meets in our part of the world and more than 160 abstracts have been submitted from 25 countries. The meeting will bring together scientists from around the globe to address topics including basic timber properties, mass timber construction, plantation resources, timber certification and timber processing. Registration is now open at www.swst.org.

SEPTEMBER

11-16: Gottstein Trust Understanding Wood Science Course – Sunday evening, September 11, 2022, in Albury, NSW, for the field trip component, ending on Friday, September 16, in Canberra.

The course is fully booked and a wait list is operating on a first-in-first-served basis. Delivered in partnership with the ANU. The course program can be downloaded at www.gottsteintrust.org

Sara Bray re-joins AFPA as senior policy manager

EXPERIENCED industry policy strategist Sara Bray is re-joining the Australian Forest Products Association as senior policy manager for the growers chamber.

Back in 2018, Sara moved from AFPA to be an adviser in the Marshall Liberal Government in South

Australia. During her time there, she worked for the Minister of Primary Industries and Regional Development, where she was responsible for policy areas of fisheries, forestry and biosecurity.

Sara also gained legislative negotiation experience during a 10-month stint in the office



Sara Bray... welcomed back to AFPA.

was responsible for portfolio areas of domestic violence, sexual violence, child abuse and high risk offences.

Before coming to AFPA (the first time round), Sara was adviser to the federal Assistant Minister for Forestry, so she has a deep national experience as well.



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Budget falls short on forest industry goals

THE Australian Forest Products Association has welcomed the federal Budget confirmation of \$86 million to establish new timber plantations, but warns more action is needed to ensure future timber and wood fibre needs are met.

The Budget includes the \$86.2 million grants program announced last month to establish new timber plantations, and \$4.4 million to strengthen illegal logging traceability and timber ID systems.

“These initiatives are a good start and we commend Assistant Minister Duniam and the Coalition government for recognising that Australia must urgently grow our timber plantation estate to ensure we have enough timber to build our homes and low-emission buildings and



1/ **More action needed to meet government’s goal to plant the one billion additional timber trees by 2030.**
 2/ **Victor Violante... initiatives welcomed but more action is needed to ensure future timber and wood fibre needs.**

achieve a circular economy,” acting CEO Victor Violante said.

“However, more action is needed to meet the federal government’s goal to plant the one billion additional timber trees by 2030 which Australia needs to meet future timber

and wood fibre demand,” Mr Violante said.

“As we head into the election campaign, we look forward to the government and Opposition announcing more detail about their plans to grow vital forest industries, including achieving the

bipartisan One Billion Trees goal.”

AFPA has released its 2022 federal election ‘Plan for Growth’ which outlines what forest industries need from the next federal government to build the country, help fight climate change and provide sustainable wood fibre solutions for the future.

AFPA also welcomes the Budget measures to improve supply chain resilience, tax incentives for farmers to undertake carbon farming projects and fuel excise cuts to ease transport cost pressures.

“We look forward to seeing the detail of how they will support Australia’s forest industries,” Mr Violante said.

“Australia’s modern, carbon friendly forest industries are ready to play a greater role.”

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OneFortyOne photo competition

Students share their love of forests through a lens

INSPIRED by the International Day of Forests on March 21, private forest manager OneFortyOne has launched its annual photo competition, asking local students to share what they love about the forest.

External affairs manager Charlene Riley said the competition aimed to encourage students to get out and connect to this unique and ever-changing landscape.

“We were thrilled with the entries in last year’s competition, especially with the short stories accompanying the photos,” Charlene said.

“There were more than 100 entries from primary and secondary schools,” she said.

Along with entering photos, students will again be asked to submit 50 or so words to share what connects them to the forest.

“From riding horses through the pines with their siblings, to dreaming of operating a harvester like their dad, to just wanting to one day see a monkey, it was inspiring finding out how students connected to the forest in different ways,” Charlene said.

“Forestry is our day to day, and it was refreshing to discover this range of perspectives.”



An entry from Year 2 student Harper Meyer in last year’s OneFortyOne photo competition for primary and secondary students.

“We’re really looking forward to seeing the new entries this year.”

Winners will be selected in primary school, and secondary school categories, and awarded with their choice of a new MacBook Air, iPad Air, or DJI drone.

To enter, send photos, together with a completed entry form, to weloveforests@onefortyone.com.

For more information including terms, conditions, and entry forms, visit www.onefortyone.com. Entries close April 22.

OneFortyOne is responsible for the stewardship of 95,000 ha of forest, including 81,500 ha of plantation forest.

On the cover: Riding through the pines... an entry from Year 8 student Neve Rossouw in last year’s OneFortyOne annual photo competition which attracted more than 100 entries.



From P 2

only 10 million cub m, so Russia was the world's largest timber exporter at 28.5 million cub m, which included 15 million cub m to China.

In January and February 2022 (year to date) Russia shipped 64% of the total softwood timber imports into China. The next biggest was Finland at only 8%.

Timber exports have supplanted log exports which were as high as 12 million cub m in 2016, but had dropped to only 3.6 million cub m in 2021 – and log exports have been totally banned from 2022.

But because it is so big, and so controlled by oligarchs, Russia now largely dominates much of the world's trade in timber. This means that any 'big rumbles' can throw the regional – or even global – wood products trading into chaos.

Also, the country is now very vulnerable to Western sanctions – a stoppage of equipment parts, banks not processing finance and ships not carrying container freight.

We are advised that all European timber imports from Russia have ceased from both Russia (5m cub m a year) and from Belarus (3m cub m), so about 25% of all European timber imports have been frozen – suddenly.

That is a formula for chaos and sudden price escalations as importers scramble for new supplies.

Europe is now in a huge timber deficit and is (literally) crying out for supply. The flow-on means European-produced logs and timber are being diverted from export markets for domestic usage, especially away from China where German log exports are down 50% for January and February 2022, compared to 2021 (and from Ukraine, the sixth largest softwood timber exporter to



Dennis Neilson inspects Russian logs transported by train from Siberia to be processed by Chinese mills in Manzhhouli a major land port on the Russian border.

China, down 41%).

Having Russian oligarchs owning Russia's biggest wood processing mills pre-February 24, 2022 was a heaven-sent nirvana. But having oligarchs owning Russian mills post-February 24 has been a special kind of hell.

Many owners have been personally sanctioned by Europe, the UK, US and Japan. One of them owns a huge multi-mill plywood facility in Russia's north west which, we are advised, now cannot sell a sheet of plywood – anywhere.

A huge new Russia far-east sawmill and plywood mill complex, owned by (the now disgraced, and almost poisoned this week) oligarch Roman Abramovich, is likewise locked out of many world markets.

Timber prices in Europe are expected to increase substantially for every day the conflict drags on – and no doubt for some time afterwards.

The Baltic states Estonia, Latvia and Lithuania are close to Australia's heart, as large volumes of Baltic wood are imported. But these states have been over-cutting their own forests and have been importing logs from Russia and Europe to keep their mills operating. This is has mostly stopped.

Legally and under-the-radar, they are importing very large volumes of timber from Russia, which are then re-branded and stamped as coming from Estonia, Latvia or Lithuania. Much of this is then shipped to Australia.

Why is this happening? Because one big Russian oligarch has been given the 'licence' to 'clip the ticket' on every cubic metre of timber exported from Russia and re-branded it as coming from Baltic countries before being re-exported.

This begs the question: should Australian authorities try to track down and then restrict or ban Russian imports of wood products? Far be it for the writer, a Kiwi, to advise the Australian federal government, but he makes three observations:

- It would likely take years to correctly DNA-identify where any wood products actually started out their lives. No Russian authorities would help them, nor any Baltic pine exporters.
- If it could, and it banned imports, it would risk escalating the already

wood-shortage crisis in the Australian construction industry into a possible commercial catastrophe.

- A more pragmatic solution would be for authorities to quietly let sleeping dogs lie.

But wait ... there is (more than) a little more.

Russian exports of engineered wood products, especially LVL, to Australia are now so large and so embedded in the construction industry that a sudden disruption of supply could cause very serious problems.

We estimate that the demand for LVL in Australia at around 420,000 cub m a year. Of that, Wesbeam in Western Australia makes maybe 80,000 cub m – but possibly with challenges after a reported fire at the plant on March 22). That leaves around 340,000 cub m of LVL to be imported, and the writer estimates that around 45-50% (or more) of this comes from Russia (around 160,000 cub m).

Russian LVL/CLT mills are modern and can source the highest quality wood resource in the world – by far.

One big Russian LVL company Modern Lumber Technology with its Ultralam brand exports Russian LVL to several Australian importers including Tillings, Dindas, Big River, ACROW, and to some other smaller traders. We hear that Russian LVL is stocked by most/all Bunnings big box stores in Australia.

(MLT is reportedly owned by an oligarch who also owns a luxury hotel, a former palace, in St. Petersburg).

But, challenges are mounting up. Even the simple supply chain process of importing glue from Europe to Russia to make LVL/CLT is now blocked, containers shipped out are

“EUROPE IS NOW IN A HUGE TIMBER DEFICIT CRYING OUT FOR SUPPLY”

Cont P 12

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Furnishing industry warns traders of upsurge in 'fake' product certification: what to look for

THE Australasian Furnishing Association, the peak body representing a \$27.4 billion industry and 250,000 employees, has expressed alarm over the "significant increase" in 'fake' product certification.

"The cost of testing and product certification is a significant investment by genuine furniture industry market leaders who rely on this investment to meet the highest standards and win major contracts," AFA CEO Patrizia Torelli said.

"The significant increase in 'fake' product certificates is very concerning, but also demonstrates how valuable they really are for unscrupulous traders," she says.

"So, how can you spot a 'fake'? Our partners at the Australasian Furnishing Research & Development Institute have provided an example and some insight into what to look for."

Alterations from genuine original certificates can include:

- Company named changed.
- Expiry date changed from 2014 to 2022.



Australasian Furnishing Association CEO Patrizia Torelli talks product certification with Simon Dorries, CEO, Responsible Wood.

- Product name spelling changed.
- Product colour options changed.
- Slight change to wording with the word 'blue' removed.
- Product photograph changed (different chair and the photograph was not taken by the certifying organisation)

Ms Torelli said the practice of falsifying such important documentation could damage a certification scheme, impact on clients whose business depended on genuine certification, in addition to fraud committed by companies which chose to buy products based on a fake certificate.

"Certificates cannot be

hacked; there is a deliberate process required to falsify documents," Ms Torelli said.

"Certificate holders are urged to protect their IP and buyers are encouraged to report certificates that appear modified or do not look genuine."

Contact AFA's compliance team at compliance@theafa.asn.au

Brisbane-based eco-

“THERE IS A DELIBERATE PROCESS REQUIRED FOR FALSIFYING DOCUMENTS

architect Mark Thomson says consumers can often be mystified about what sustainable wood is and where wood products such as furniture and flooring actually come from.

Mr Thomson has developed a national reputation for championing sustainable design and development and practices what he preaches. A director of Responsible Wood, he says many programs "talk about wood" but they often don't mention certification – or indeed consider the legality of the wood they are selling.

"It's the first thing you should be looking for ...an accredited certification label," he said.

"Consumers now are more and more conscience about the environment they live in and are listening more closely to the certification message."

Mr Thomson built his own home and says living in it convinced him of the multiple benefits wood products offered. His 'eco-home' netted three architectural awards and consolidated his professional reputation as an advocate of ecologically sustainable development.

From P 10

not being allowed back in, and in any event the big container shipping companies (Mediterranean Shipping

“EVEN THE SIMPLE SUPPLY CHAIN PROCESS OF IMPORTING GLUE IS NOW BLOCKED

Company, APM-Maersk, CMA-CGM, and Hapag-Lloyd) have refused to enter Russian ports.

There are several sawmills and a plywood mill in Russia owned by Western European countries such as Stora Enso and Metsa from Finland, and Mayr-Melnhof Holz from Austria. They have all ceased, or have severely reduced production.

All tree harvesting machines

used by these big Russian companies are modern, automated units from Finland and Sweden. Servicing and parts have largely been stopped.

A close colleague of the writer in St. Petersburg has just started up a new company helping 20 Russian wood processing companies with export marketing strategies and wood sales – with products including

birch and softwood plywood, sawn timber, glulam and other wooden products. He has been a pioneer in the Australian LVL import trade.

Everywhere we turn the Russian influence in wood products bears down on Australia.

In March 2021, Ross Hampton of the AFPA stated: "In 2021 alone [Australia] imported more than \$80

Cont P 13



1/ Dennis Neilson (right) on the 2018 DANA tour of the Russia-China Border.

2/ Inspecting huge logs from timber cut by a Chinese sawmill from Russian logs at the border town of Manzhouli.



From P 12

million worth timber from Russia, while almost a quarter of total timber import volume came from Estonia, Latvia, and Lithuania”.

The largest exporter of sawn timber to Australia is Stora Enso with a big saw mill in the Czech Republic but which has been importing logs and wood products from Russia. That has reportedly stopped. Will this import

volume reduce as a result?

Early days, but some conclusions:

- The interaction of supply and demand and supply chains related to Russian wood exports are simply too complex to cover here in any detail. We have just skimmed the surface and much is too sensitive still to publish.
- But the supply chain and disruption screws are tightening, and will do more

and more every day the conflict continues.

- There seems little doubt that disruptions to Russian LVL imports especially, and also to both Russian and Baltic timber, will increase.

“THE SUPPLY CHAIN AND DISRUPTION SCREWS ARE TIGHTENING”

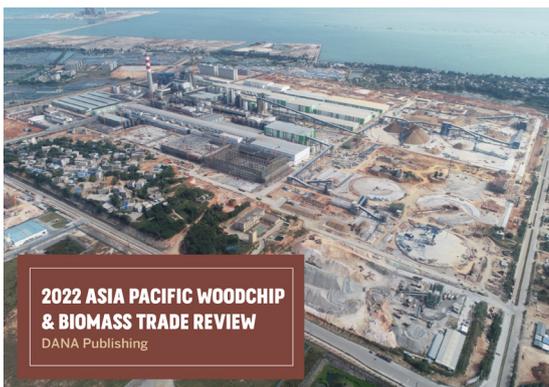
If nothing else, the price of Baltic pine on offer to Europe will likely substantially increase, and this could happen soon.

- But, the conflict crisis could be over by May, and we all hope and pray it is. If hostilities cease, disruptions would linger for some months, but business should return to normal by year’s end.

It needs to, otherwise the Australian construction sector might be ‘snookered’.

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Timber supply chain has a responsibility to keep forest harvesting contractors on the job

Small family-based businesses are facing a very tough financial high-wire juggling act

THIS month I want to give a special shout out to fellow forest harvesting contractors.

Before I do so, I am pleased to acknowledge with admiration the achievements of the Hyne family – in the timber industry over more than 140 years building up a family dynasty from modest beginnings in Queensland. So well done!

With a few notable exceptions, that I won't mention at the risk of omitting some, today's forest harvesting contractors are small family-based businesses with substantial capital investment in plant and equipment, sometimes financed against personal assets and private property. This involves a lot of personal angst, relationship tensions, and the courage of a lion.

In these circumstances, and faced with a tough financial high-wire juggling act, some long experienced contractors have left the industry over the past 12 months. They do so citing ever-demanding contract performance conditions, escalating costs and climbing financial risks.

So in the context of booming building and construction activity and very tight timber supply that has seen, among other outcomes, prices of



AFCA general manager Carlie Porteous with Brad Meyer (second from left) and his crew at Marysville, Vic, contract harvesters for VicForests. Mick Johnston of Johnston Logging and Haulage (third from right) joins the group.

timber products, including structural softwoods, and most hardwoods, climbing sometimes by several hundred percent, forest contractors have been left behind. This is really disappointing.

To me this reality suggests that, in the interests of maintaining supply, there is a real opportunity for forest owners and managers to review current contractual harvesting rates to assist in keeping valuable, long-serving contractors on the job.

The capital-intensive nature of their businesses, coupled with the political uncertainty facing the industry in Victoria and Western Australia in particular that has perpetuated across the entire country and has created a situation where banks hate

overall benefit of the industry.

Before finishing this month, I want to express my absolute gratitude to the Australian Forest Contractors Association (AFCA) via their ForestFit program for agreeing to sponsor my column. It is very much appreciated. Some love at last!

Can I say, if I may, that since Carlie Porteous has been appointed to the general manager role the prominence and influence of AFCA has taken a great leap forward. Certainly, we down here among the trees are a bit excited by Carlie's appointment bringing, as she does, more than 10 years background in the forest industry.

We think the new rejuvenated AFCA will be a huge asset for a brighter future with plenty of issues as I have indicated. So, work to do Carlie.

Ricky Leeson of Leeson's Logging said it right: "We need all of the industry to get on board. We cannot do this alone ... we are all in this together, especially when poor government decisions will have a flow on affect for all of us."

Catch you again next month.

Cheryl.

TRUNK LINES



With **CHERYL FORREST**

logging contractors – well, you try financial logging equipment and see how you go!

I would argue that the entire timber industry supply chain has a collective responsibility to make every endeavour to keep forest harvesting contractors on the job. The critical importance of the forest harvesting sector needs to be addressed for the

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Budget benefits: AFCA welcomes fuel excise cuts and commitment on SBE's skills training

THE Australian Forest Contractors Association has welcomed the commitment to skills and training for small business owners in the 2022 Budget.

Small business owners (with a turnover of less than \$50 million) will be entitled and encouraged to increase spending on external training courses to the tune of \$550 million (deductions). Training needs to be delivered by an Australian registered entity, within Australia or online.

The Treasurer on Tuesday stated: "Starting tonight, for every \$100 a small business spends on training their employees, they will get a \$120 tax deduction, helping them become more productive and competitive."

AFCA general manager Carlie Porteous said the forest contracting businesses within Australia were already highly committed to skills development of their workers.

"Getting some tax relief for continuing this focus is a great initiative," Ms Porteous said.

"However, what we are seeing, and what we have seen over the past 20 years, is a failure to appropriately resource these Australian



registered entities," she said.

"There is a bottleneck and it's not the industry. The availability of qualified trainers and assessors is known broadly as the main skills shortage in Australia. This is where the funding needs to go."

Ms Porteous said cutting the cost of the fuel excise by 22c a litre was welcomed as short-term relief for many in the wood product supply chain, which at the end of the day meant better prices for the Australian consumer.

"However, real efficiencies

levels.

"Also, regional roads and infrastructure upgrades don't appear to have been included in the regional infrastructure package in the Budget as a way of relieving wood products supply chain issues. These efficiencies will lead to at least a 24% efficiency

increase in tonnes per trip (i.e. 9 axle B-double to 11 axle A-double1).

AFCA encourages its members to work through the fine print of the fuel excise relief carefully with their financial advisors and accountants.

Additional funding (\$3.7b) is also being provided to work with states and territories, to agree on a new National Skills Agreement under the Heads of Agreement for Skills Reform to invest in the skills system to support economic growth and resilience.

"This collegiate approach to identifying skills already exists (i.e. Skills Impact Australia/ Forest Works)." Ms Porteous said.

"It is unclear what a new department will bring to the industry and whether it is the solution to the skills gaps in the industry."

- 1/ **Cutting the cost of the fuel excise is short-term relief for many in the wood product supply chain.**
- 2/ **Carlie Porteous... qualified trainers and assessors represent the main skills shortage in Australia.**

in freight movement and fuel usage can be realised by investing in roading infrastructure that can cater for increased capacity such as high productivity freight vehicles and local roads that can cater for B-double combinations over single," Ms Porteous said..

"This means permitting, regulation and funding allocation needs to be agreed upon strategically, at local, state and federal government

CONTRACTORS ARE HIGHLY COMMITTED TO SKILLS DEVELOPMENT



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Hyundai and Kia show alluring differences

SIBLING rivalries are some of the most competitive found anywhere, and the case with Hyundai and Kia is no different.

But the rivalry is well balanced with no conflict between two kids raised in the same family.

When 'parents' Chung Eui-sun and Song Ho-sung – chiefs respectively of Hyundai and Kia – are not around, their guardians are two German design engineers – Albert Biermann brought in to develop a sportier fleet of cars, and Kia's Peter Schreyer, widely known for his design contributions to the Audi.

First up the 2020 Hyundai i30 N Performance, the first proper hot hatch from South Korea, an alluring sports car with a front lip coupled with red trim and side skirts, a rear spoiler and a rear bumper skirt.

Seats, seat belts, steering wheel and a dash are stripped back of any unnecessary weight with the only hint of traditional race car styling the massive strut brace in the rear.

The essentials are standard ... dual-zone air conditioning, an 8 in. infotainment system with satnav and Apple/Android connectivity.

The 'push-button tech is a real driving experience – two buttons, one on the left



Hyundai i30 N Performance hatch allures with rear bumper skirt.

allows you to pick between normal, sports and economy driving mode, and one on the right, once pressed, puts you into 'N' mode. It stiffens the suspension, firms up the steering, increases engine performance, turns on rev matching and opens the exhaust.

Acceleration unleashes 400

Nm and 210 kW from the turbocharged 2-litre engine.

Pricing starts from \$45,447 drive away, through to \$50,668 depending on optional extras.

Next up the little cousin ... the popular Kia Cerato Sport+ Hatch. Over the past five years, sales have more than tripled thanks to Kia's gold standard seven-year, unlimited-



Kia Cerato Sport+ Hatch... sales have more than tripled.

kilometre warranty.

Slotting under the range-topping GT, the Cerato Sport+ is priced at \$28,840 before on-road costs. Unlike the lower S and Sport grades, it's available solely with a six-speed automatic transmission. You can have either a four-door sedan or five-door hatchback with no price difference between the two styles.

Standard equipment includes adaptive cruise control, proximity entry with push-button start, leather seats (heated up front), dual-zone climate control, 17 in. alloy wheels, an 8 in. touch-screen infotainment system and satnav. Another addition is an eight-speaker JBL premium sound system.

The GT also swaps out the standard torsion beam rear suspension for a multi-link setup, and the standard powertrain for a turbocharged 1.6-litre 4-cylinder and a seven-speed dual-clutch automatic.

We reversed away from a gloomy fallout from the Russia-Ukraine crisis. In the sanctions imposed on Russia, the Hyundai Group, which has the second-largest share in the Russian market, is likely to be seriously affected. Also, the Russian market is the fourth-largest market after Korea, the US, and Europe for Kia.

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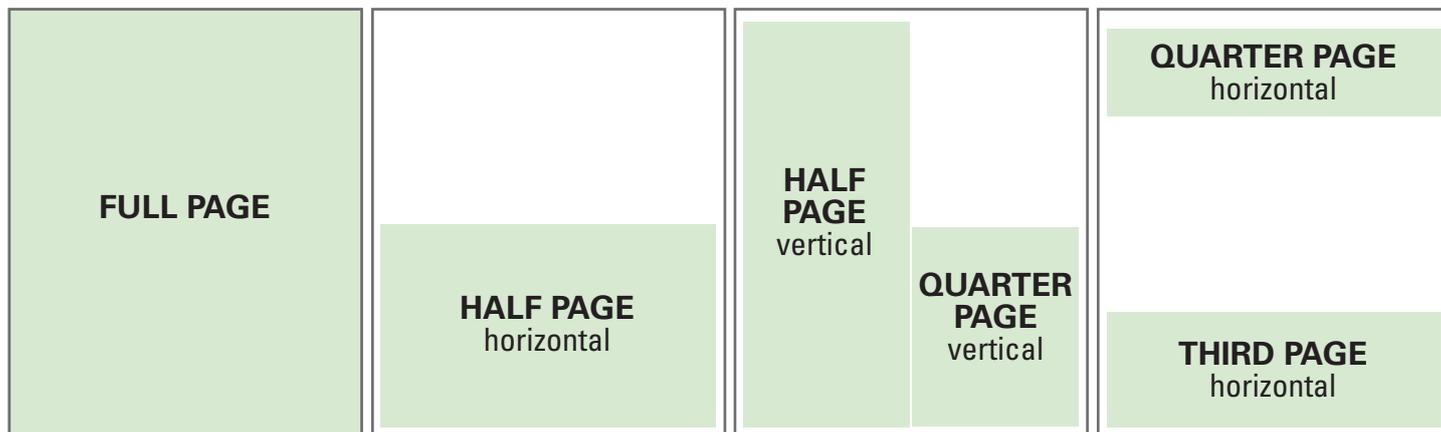
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Horizontal • 30mmH x 190mmW

PAGE 1 Front cover module: Contract booking

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