

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Australia

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### Forests and Forest Products 2014

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**Report Highlights:**

Australia has the seventh largest forest area in the world, which covers 16% of its land area and represents 3% of the global forest total. In 2011, Australia had 125 million hectares of forest of which 98% was native forest, with industrial plantations covering two million hectares. This report provides an overview of Australia's forestry resources and forest products industry, including market trends based on new estimates of resources and resource utilization. It notes the trend towards growing imports of forest products by the construction industry and the potential for expanding structural timber imports from the United States.

## Overview

In 2011, Australia's forests covered an estimated 125 million hectares, of which native forest accounted for 123 million hectares, industrial plantations two million hectares and other forest types the remaining 0.15 million hectares. Australian forests are the seventh largest for any country covering 16% of its land area and 3% of the world's forested area. Details of Australian forests are outlined in the [State of the Forests Report for 2013](#) which uses annual Landsat satellite data and forestry agency estimates. In addition, detailed statistics of the forestry and wood products industry are available from Department of Agriculture [reports](#).

Australia's native forests are predominately Eucalypts (92 million hectares or 75%) and Acacias (8%), with rainforest (3%) and other forest (14%). Around two-thirds of Australian native forest is woodland forest with up to half being canopy cover. Three quarters of native forest is privately managed, while formal nature conservation reserves account for 18% and multiple-use public native forests make up 8% of the total. Queensland has the largest area of forest (51 million hectares or 41%), with New South Wales (22.7 million hectares, 18%), Western Australia (19.2 million hectares, 15%) and the Northern Territory (15.2 million hectares, 12%) (Table 1).

*Table 1: Australia's Forest Area by Type and Jurisdiction, 2011*

Table 1.1: Australia's forest area, by jurisdiction

Jurisdiction	Native forest		Industrial plantation <sup>a,b</sup>		Other forest <sup>b,c</sup>		Total forest		Total land	
	Area ('000 hectares)	Area as proportion of total Native forest (%)	Area ('000 hectares)	Area as proportion of total Industrial plantation (%)	Area ('000 hectares)	Area as proportion of total Other forest (%)	Area ('000 hectares)	Area as proportion of total forest (%)	Area ('000 hectares)	Forest area as proportion of jurisdiction's land area (%)
ACT	129	0.1	8	0.4	1	1	138	0.1	243	57
NSW	22,281	18	392	19	8	5	22,681	18	80,064	28
NT	15,169	12	40	2	5	3	15,214	12	134,913	11
Qld	50,782	41	232	12	22	14	51,036	41	173,065	29
SA	4,376	4	189	9	0	0	4,565	4	98,348	5
Tas.	3,362	3	311	15	33	22	3,706	3	6,840	54
Vic.	7,727	6	433	21	30	20	8,190	7	22,742	36
WA	18,752	15	413	20	57	37	19,222	15	252,988	8
<b>Australia</b>	<b>122,581</b>	<b>100</b>	<b>2,017</b>	<b>100</b>	<b>153</b>	<b>100</b>	<b>124,751</b>	<b>100</b>	<b>769,202</b>	<b>16</b>

<sup>a</sup> Reported through the National Plantation Inventory.

<sup>b</sup> 'Industrial plantation' plus 'Other forest' equals the international 'Planted forests' category used by the Food and Agriculture Organization of the United Nations for the Global Forest Resources Assessment.

<sup>c</sup> Includes mostly non-industrial plantations and planted forests of various types.

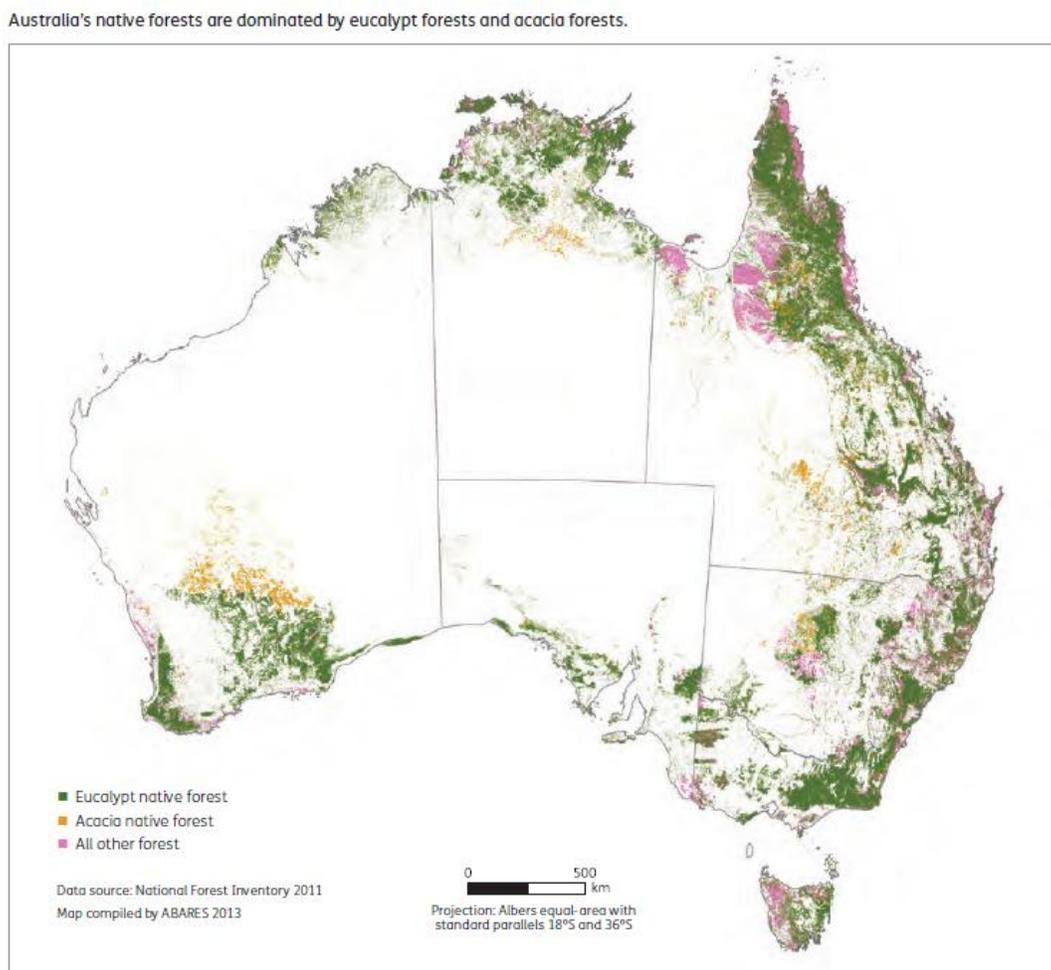
Note: Totals may not tally due to rounding.

Source: Australian Bureau of Agricultural and Resource Economics and Sciences, National Forest Inventory.

Source: ABARES (2013), *State of the Forests, 2013*, Canberra.

Forest areas protected for biodiversity conservation account for 32% of Australia's native forests (over 39 million hectares) while over 4 million hectares of Australia's native forest are listed on the UNCTAD World Heritage List. One fifth of Tasmania containing temperate rainforest is on the World Heritage List and the area covers almost 1.6 million hectares. Eucalypt forests account for 75% of Australia's native forest estate. The term 'eucalypt' covers 800 species in the three genera Eucalyptus, Corymbia and Angophora, with virtually all native to Australia. Most eucalypt species are evergreen and the species have adapted to an Australian environment with nutrient-poor soils in which drought and bushfires have become increasingly common.

*Chart 1: Australian forest cover by species, 2011*



SOFR 2013 reports Australia's total forest area as 125 million hectares, as shown in this map. Australia's 123 million hectares of native forests are dominated by eucalypt forests and acacia forests.

Source: ABARES (2013), *State of the Forests, 2013*, Canberra.

## The Forestry and Forest Products Industry

Australia's forestry and forest products industries include native forest and plantation management, log harvesting and transport, hardwood and softwood sawmilling, plywood and panels manufacturing, woodchip production and export, as well as the pulp and paper industries. Hardwood and softwood sawmilling uses mills to process wood into sawn timber and other products, such as moldings and flooring. Turnover of the wood and wood products industries in 2011 was A\$24 billion and its share of GDP has declined over the last decade.

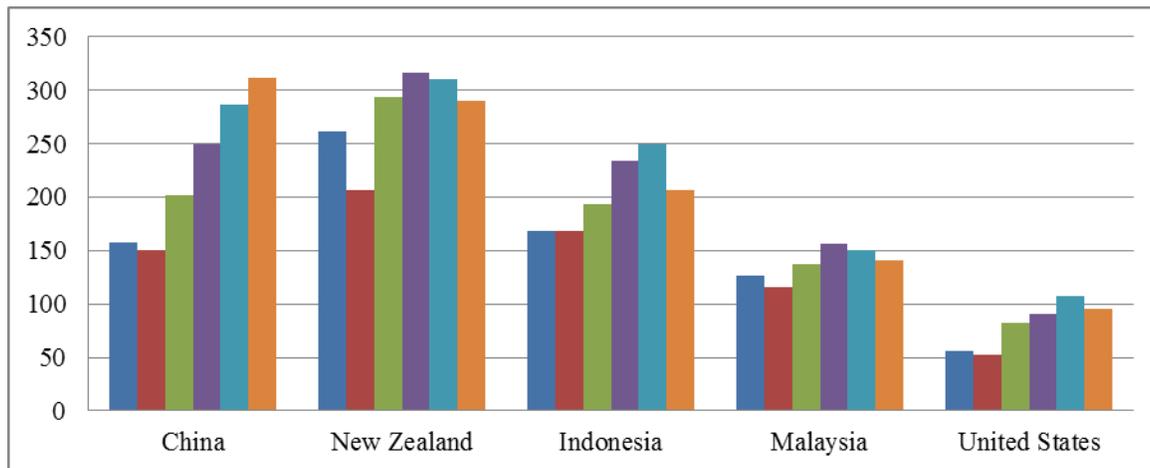
Over the 2000s, there was a significant transfer of public forests to nature conservation reserves. The area of public native forest harvested annually for wood declined by 32% from 120,000 hectares in 2007 to 80,000 hectares in 2011. Direct employment in the forest and wood products sector fell from 85,000 in 2006 to 73,000 in 2011, according to census data.

Hardwood and softwood plantations were established in Australia to supply local industries such as construction and packaging. The softwood plantation area is predominantly composed of radiata pine (76% by area) and southern pine (15%). In recent decades, the saw log and pulp log harvest from softwood plantations has increased. In the five years to 2011, plantations produced over 70% of logs harvested. Hardwood plantations provided 35% of the pulp log supply while softwood plantations provided 80% of the saw log supply. Over 26 million cubic meters of logs were cut in 2011, down from 27 million in 2007.

## Trade

Australia is a net importer of wood and wood products and its deficit has increased in recent years due capacity limitations of the local industry, the strong Australian dollar, as well as an oversupply of wood products in international markets. Timber imports of sawn wood and panel products have become more important especially in the housing construction sector. In 2013, the value of wood product imports was A\$4.1 billion, while exports were A\$2 billion.

Chart 2: Australian imports of wood, by major country, 2008-2013 (US\$ million)



Source: Global Trade Atlas.

The main sources of increasing forest product imports into the Australian market are China, New Zealand, Indonesia, Malaysia and the United States and imports from the United States have doubled over the last 5 years (see Chart 2). There is an opportunity for U.S. companies to further increase exports of forest products to Australia in the future, especially with regard to engineered wood products and softwood lumber and they are involved in regular discussions with Australian standards and certification organizations towards this goal.

Australia has joined with the United States and other countries in [implementing](#) regulations against the importation of timber products derived from illegal logging in other countries. An A\$8 million *Illegal Logging: Regional Capacity Building Partnership* was announced in late 2012 to build capacity in the Asia Pacific region to implement timber verification systems.

### Forest Management

The Australian, state and territory governments are all signatories to the [1992 National Forest Policy Statement](#) (NFPS) which provides a framework for sustainable management of forests. In addition, ten Regional Forest Agreements (RFAs) are in place in four Australian States. The [RFAs](#) are 20-year plans for the conservation and sustainable management of native forests to provide certainty for forest-based industries, forest-dependent communities and conservation.

Two thirds of Australia's native forest over 82 million hectares is privately managed while 18% or 21.5 million hectares of native forest is in nature conservation reserves and 10 million hectares of native forest (8.3%) is in multiple-use public forests. The remaining 9 million hectares of native forest is on public land.

Forest management in Australia aims to reduce the impact of disasters and also to protect soil values, maintain water supply and prevent soil erosion. Thirty million hectares of Australian forest (24%) are managed by State government agencies. In addition, national-level programs have been introduced to encourage native vegetation and forests.

The "Plantations 2020" [vision](#) is a strategic partnership between the Australian, state and territory governments and the plantation timber growing and processing industries. It aims for a sustainable increase in Australia's plantations, based on a target of increasing the area of commercial tree crops from two million hectares in 2011 to three million hectares by 2020.

Australia's forests are subject to natural disasters such as fire, drought, cyclones and diseases, but are comparatively resilient to these events. In 2013, tropical cyclone Yasi caused significant damage to native forests and plantations in Queensland and was the largest cyclone to hit eastern Australia since 1918. Intense bushfires also affected forest in western and south-eastern Australia over the last 5 years and around 40 million hectares of forest was affected in total.

### **Forest Organizations**

A list of Australian forestry agencies and organizations is available [here](#).