



# Woodchips from Australian Forests

## (IFA Forestry Policy Statement No. 8.2)

### The issue

Woodchips are produced from both native and planted forests in Australia. They provide a financial return on trees or parts of trees that otherwise are wasted. A market for woodchips facilitates implementation of essential silvicultural operations and allows a more complete utilisation of harvested trees.

Woodchips have become an issue in native forests because they have expanded the intensity of harvesting of native forests, leading to a public perception that all wood chipping is undesirable. There are also concerns about woodchips being exported rather than being processed into value-added products in Australia.

### Background

Woodchips are small pieces of wood approximately 25 by 25 by 8 mm in size. They are the basic raw material from which many products in daily use are made. These products include various grades of paper (newsprint, tissues, packaging, fine writing papers), and other reconstituted wood products such as chipboards, hardboards and fibreboards of various kinds. Industries processing woodchip-based products are an important growth sector of the Australian forest industries.

In Australia woodchips are produced from both native forests and plantations as well as from a variety of wood resources, such as offcuts from sawmills, residues of trees harvested for sawlogs, thinnings and trees unsuitable for sawlogs. The properties of the wood fibres in woodchips may differ between species, and with age and rate of growth of trees within a species. Chips of different species are used alone or in combination to produce the desired end product. For example, the longer, thicker walled fibres found in pines produce papers with high tear strength while the shorter, thinner walled fibres of eucalypts are preferred for fine writing papers.

Currently, the majority (2/3) of woodchips originate from native eucalypt forests and most of these are exported, principally for pulp and paper making. However, most woodchips from pine plantations are processed in Australia to produce pulp, paper and a range of reconstituted wood products. In addition significant areas (~400,000 ha) of short-rotation eucalypts planted specifically for woodchip production will mature over the next decade and significantly change the proportion of woodchips coming from native forest.

The value of export woodchips, \$646 million in 1999/2000, accounted for over 40% of all Australia's forest products exports. Conversely, Australia imports around \$2.7 billion of pulp and paper products annually. This trade imbalance, exporting low value woodchips and importing value-added pulp and paper, and the economic opportunities for value-adding have led to various attempts to establish domestic pulp and paper mills. Most of these attempts have not been successful, some for economic reasons, others because of environmental concerns associated with pulp production. The Visy mill at Tumut, which is based on plantation pine woodchips and recycled fibres, is a notable recent exception.

### Benefits and costs of woodchips

Access to woodchip markets offers silvicultural and commercial benefits to forest owners and managers as follows:

- provides a market for small-size logs (*eg* thinnings) from hardwood and softwood plantations, and from regrowth native forest stands,

- provides opportunities to implement important silvicultural operations and for complete utilisation of harvested trees,
- enhances the financial viability of harvesting both native and planted forests which might be otherwise uneconomic to harvest and
- provides opportunities to rehabilitate native forests designated for wood production with high levels of poor quality trees and those damaged by fire, insects or disease.

However, many members of the Australian community believe the environmental impacts of more widespread and/or more intensive harvesting of native forests outweigh the benefits generated by harvesting woodchips from these forests.

## Policy

The Institute of Foresters of Australia:

- considers that woodchips should only be taken from plantations or native forests on private and public land managed according to the principles of sustainable forest management, and implemented in accordance with relevant codes of practice,
- believes that maximum value recovery should be sought from all trees harvested in both native and planted forests and
- supports public policy frameworks and private sector investment to develop Australian processing industries that add value to the woodchips produced in Australia's native and planted forests.

## Further Information

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