

TIMBER QUEENSLAND MEDIA RELEASE



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FOR IMMEDIATE RELEASE

Queensland timber industry responding to unprecedented housing construction demand

Responding to the recent housing construction frenzy in Queensland, the state's timber industry is investing in technology and additional capacity to maximise timber volumes for the market.

Peak industry body Timber Queensland's CEO Mick Stephens said the industry is doing everything possible to increase supply in an overheated housing construction market, with some Queensland businesses forecast to double production volumes in the near future.

"Prior to the surge in demand a number of our members were already planning mill upgrades. These projects have been brought forward, at the same time as processing record numbers of logs and implementing equitable volume planning to support their partners," said Mr Stephens.

"Technology upgrades and mill expansions across the state will assist in boosting local supply. Hyne Timber, for example, is currently removing a production bottle neck at their Tuan mill in Maryborough by installing a new continuous drying kiln which will see a significant lift in output. This increase will also help to lift production at their new Glulam factory in Maryborough.

Softwood sawmiller AKD are increasing their production by at least 50 per cent from 1 July when the Caboolture site moves to two shifts.

"AKD recently executed a long-term log contract in Queensland with HQPlantations for additional logs and are installing the latest technology in continuous kiln drying which will see the Caboolture site increase in capacity again from July 2022," said Mr Stephens.

"DTM Timber in South East Queensland and the Simms Group in North Queensland have also invested in finger-jointed timber production lines to improve resource recovery and production of structural building products," he said.

"Nationally annual softwood sawn sales hit over 3.1 million cubic metres at the end of February 2021 and was 10% higher than the previous year, in response to heightened demand. This increase in timber production includes Queensland producers who fortunately have not been affected by the impacts of the recent bushfires in New South Wales."

The supply issues being experienced by builders with many materials and trades has been called a 'perfect storm', in terms of the surge in demand from the *Homebuilder* program, low interest rates, a rise in interstate migration and COVID supply chain disruptions affecting imports.

"In 2020 the timber industry and allied building and construction bodies welcomed the *Homebuilder* program to keep the economy running and avoid a collapse of the sector. This helped to support many thousands of jobs in construction, including in local timber manufacturing which supports many regional communities. The issue has been the intense uptake of new approvals within such a short period of time," Mr Stephens said.

Timber recycles carbon

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In Queensland there has been a net inflow of around 30,000 people from interstate in 2020, with housing activity forecast at 25,000 new dwellings in 2020-21 and renovations at a 10-year high.

Mr Stephens said that despite the shortages, feedback from builders and consumers is that they still want to work with timber - The Ultimate Renewable.

“This unprecedented surge in housing activity has shown how critical and important timber really is for the economy, given the prevalence of timber framed houses, and timber cladding and flooring products in our homes. Timber Queensland and other industry leaders have consistently called on governments to support timber industry supply chains and better incentivise new tree plantations so we can keep up with rising population growth and long-term demand.”

“The building boom is impacting many trades and building materials. A recent survey by Master Builders Queensland found that price increases and delays were affecting literally all categories of building materials and trades from roof installers and plumbers to carpenters and painters.”

Mr Stephens said that timber supply has been particularly impacted by the global explosion in building and housing activity in the United States and Europe, with unprecedented rises in global timber prices. Government stimulus measures and increased interest in home renovations during COVID were similar major drivers.

“In the United States alone there have been timber commodity price increases of up to 200% in a little over a year. Fortunately, we are seeing nowhere near that order of magnitude of price increase and volatility for timber here.”

“In Queensland, the local timber industry would typically supply around 70 per cent of demand, with the balance from imports. Given the high prices paid in overseas markets, and challenges with shipping price increases and shortages of containers, there is an increased scarcity of imports. Timber merchants and wholesalers have been scrambling to source imports within this tough trading environment, particularly for laminated veneer lumber. To that end, the local timber industry has provided a base security of supply in the face of global trade shocks,” Mr Stephens said.

“The challenges for timber are also visible right now because timber framing is early in the build cycle, so the demand surge has hit this building material first on the back of new housing starts.”

Timber Queensland encourages all builders and construction chain partners to work closely with their suppliers and clients to accommodate these pressures, and to minimise their exposure to the impacts of the demand surge.

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