

MYTH:

Australia does not have sufficient EWPs to meet  
expected demand growth

MECLA

Spotlight on Timber

Myth Busting

# Contents

1. What are Engineered Wood Products?
2. Where are they used?
3. Local and import supply
4. New local supply
5. Emerging local supply



# What are Engineered Wood Products? | Where are they used?

Particleboard / OSB / MDF / Plywood



I-Joists



Girder Truss



Posts & Beams

Laminated Veneer Lumber



Glue Laminated Timber



Mass Timber

Cross Laminated Timber



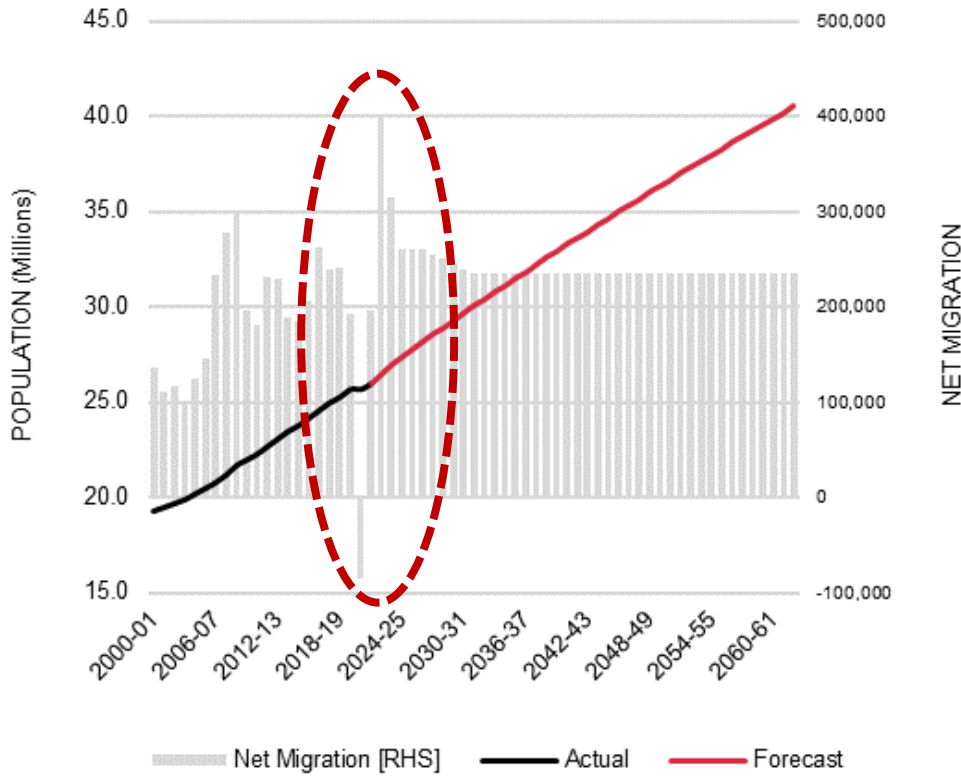
HOUSING DOMINATES

COMMERCIAL DOMINATES

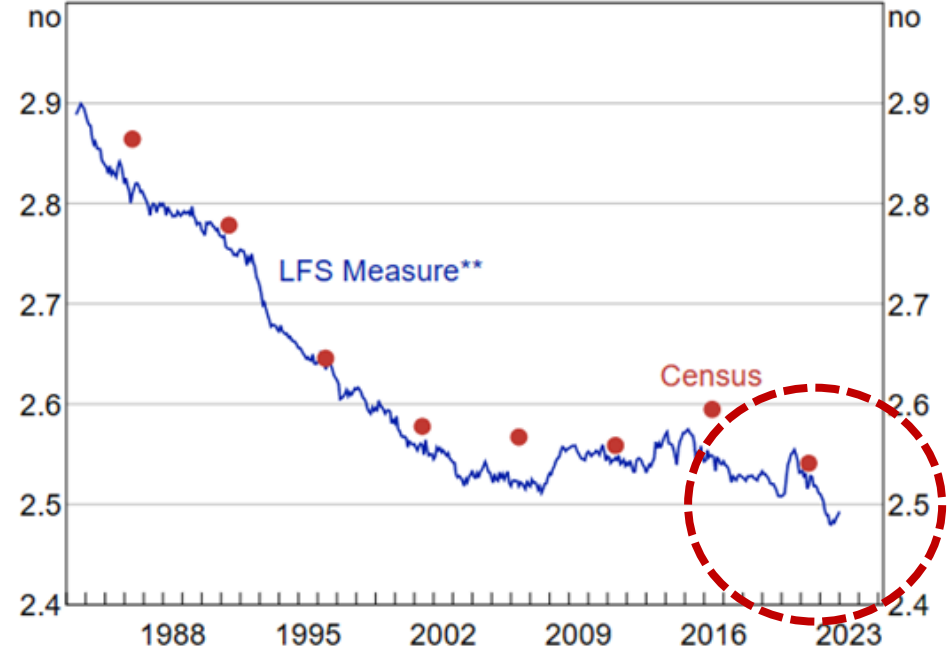


# Population growth and smaller households = more and smaller dwellings

**Growing Population – Driven By Migration**



**Average Household Size\***



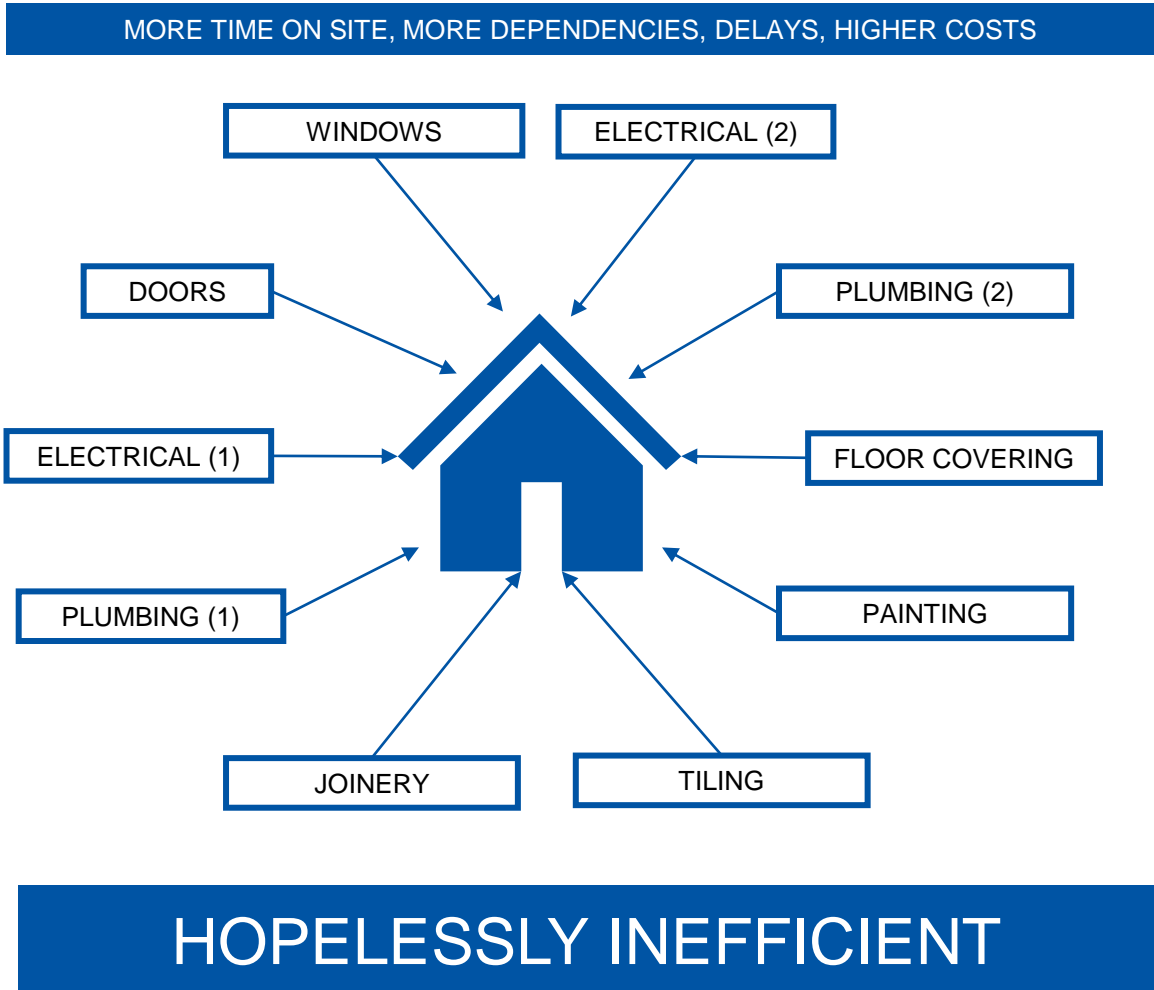
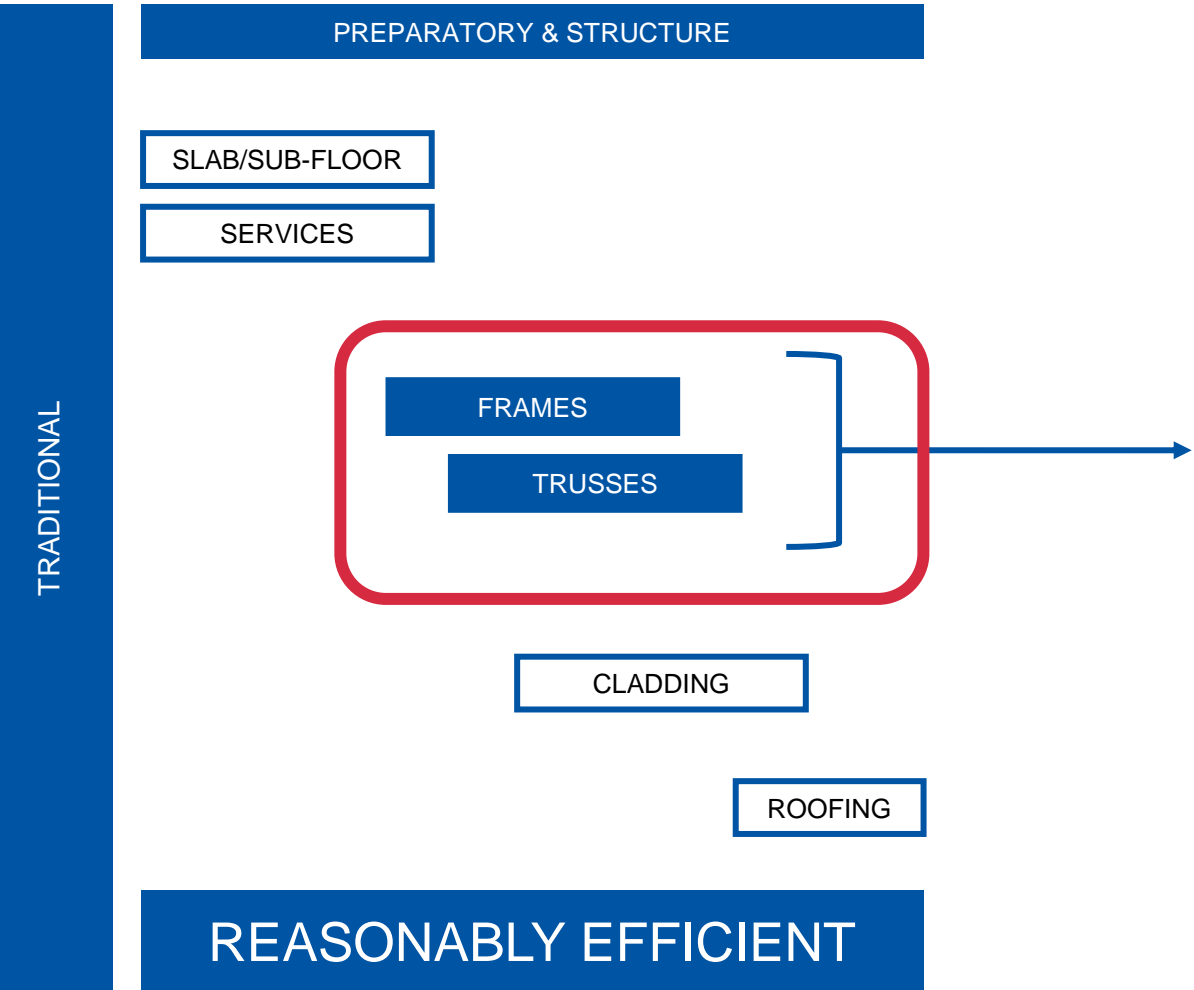
\* Average number of persons usually resident in an occupied private dwelling; excludes visitors and persons in non-private dwellings (e.g. hotels and hospitals).

\*\* Estimated using Labour Force Survey microdata; seasonally adjusted.

Sources: ABS; RBA



# Australia's 'system' for building dwellings is no longer fit for purpose

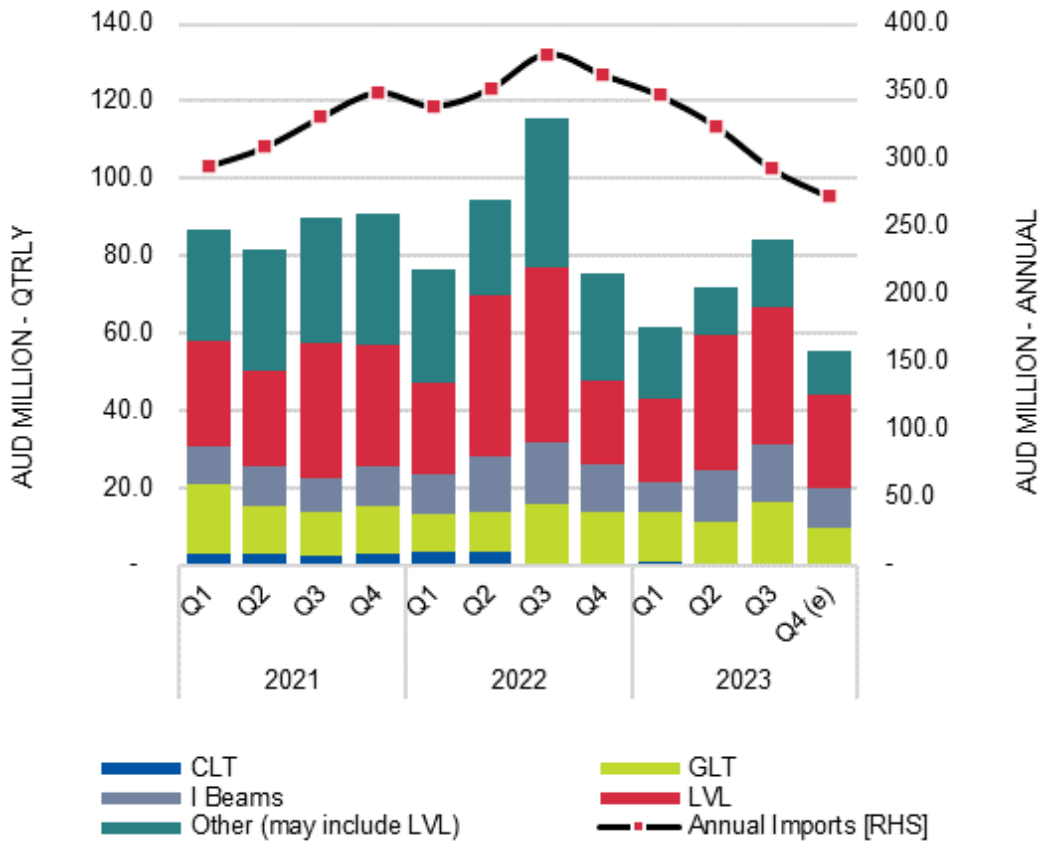


A building efficiency revolution is on our doorstep. Prefabrication and EWPs must play a central role

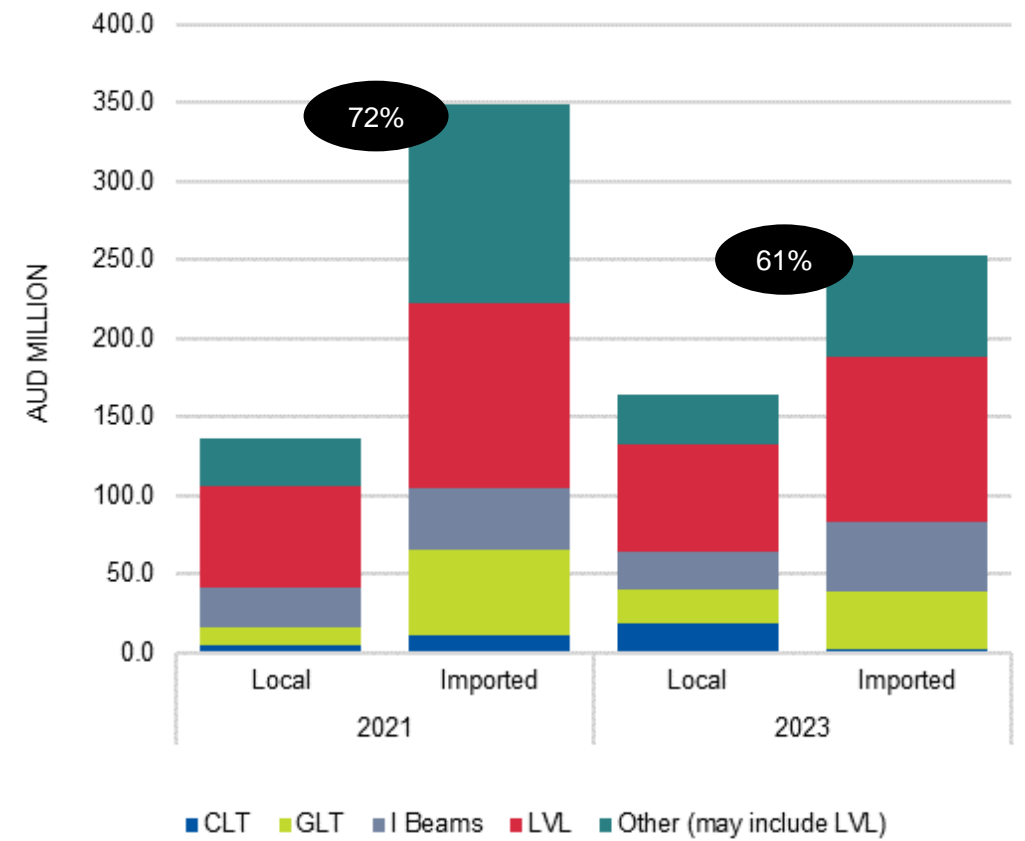


# Import reliance has decreased in last two years

## EWP Imports Declining



## Import Reliance is Diminishing



**Imports are falling as demand declines below peak – but local production is increasing**



Source: ABS and IndustryEdge research and calculations.  
 Data has been assembled on a trade parity basis, measured at Free-on-Board prices. Data does not represent sector value or gross value added.

# Local EWP production has already increased

## Mass Timber (CLT & GLT)

- Australia is now self-sufficient
- XLam
- NeXTimber
- Cusp
- Many smaller GLT producers

## Posts & Beams (LVL & GLT)

- NeXTimber adds GLT capacity
- Exciting 'fabricator recovery' GLT production trials

## Flooring Systems (I-Joists & Girder Trusses)

- 'Factory built' capacity increased 2021 and 2022



Source: NeXTimber website



# Exciting developments and options for further expansion...

- Major research to use plantation hardwoods, with softwoods:
  - LVL
  - GLT
- Local industry leaders and major investors actively involved
- Fabrication offcuts used to make GLT
- CUSP in Tasmania already producing mass timber from plantation hardwoods
- Global growth in range of other reconstituted EWP's:
  - E.g. Parallel stranded timber

Addressing the constraint of insufficient resource

Local solutions in process

Sustainable and efficient options in development





# Future supply of EWPs seems assured

- Engineered Wood Products are efficient – flexible application
- Supply was consistent during the pandemic – just delayed by shipping
- Import reliance is declining, because...
- Local production is increasing
- Efficiency is the big driver – adds value across the supply chain
- Australia will have sufficient EWP supply into the future

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