The Governing Board met for its fourth meeting for 2007 on December 11th at Prahan. The Board noted the progress that has been made in commercialisation activities and in plans for activities after June 30th 2008. The Governing Board will next meet on 26th February 2008. Between then and now we will have conducted a review of all of the CRC projects and will present to the Governing Board any necessary adjustments to the CRC budget.

Tom Spurling
Chief Executive Officer

World Forestry Center Harry A Merlo Award

L to R: Gary Hartshorn, President and CEO of the World Forestry Center; Eric Schooler, Vice Chairman of the World Forestry Centre Board of Directors, and Thorry Gunnersen

Congratulations to our Chairman, Thorry Gunnersen, for receiving the World Forestry Center's 2007 Harry A. Merlo Award on the 13th of November. The award honours individuals who have shown extraordinary commitment to forest stewardship for the purposes of producing renewable resources for building materials.

Thorry Gunnersen hosted the World Forestry Center Board of Directors' Annual Meeting in Australia on November 13th. They visited many sites in Victoria and Tasmania including the University of Melbourne School of Forestry and Ecosystem Science and the ACAWP at Creswick. The World Forestry Centre Board is made up of distinguished individuals from the global timber industry.
Commercialisation Update

Wood Shapes

A large Melbourne based furniture manufacturer is examining the potential of the wood forming machine. Together with Marand Precision Engineering, they are establishing the economics of producing shaped components when compared with the cost of machined components and imported product.

A decision will be made before Christmas as to the company's interest in becoming the new industry partner to Wood Shapes.

If this does not go ahead it is likely that the Victorian Government will withdraw their support for the project. If this happens, the technology would revert back to the CRC and an Information Memorandum would be prepared to solicit the interest of an engineering company to manufacture and market wood bending machines.

Growth Stress meter

Discussions will be held in January with the Forestry CRC regarding their interest to continue this project following the conclusion of our CRC.

A proposal is also being prepared for Integrated Tree Cropping who has expressed interest in funding the development of a field device for their use.

Enhanced adhesion

A License Agreement with Bostik Australia for the advanced adhesion technology is being considered by CSIRO. It is likely that this transaction will be concluded in the first quarter of 2008.

Improved pyrolysis

This collaborative research project involving the CRC through the University of Melbourne, Queensland University of Technology and Proserpine Sugar Mill Cooperatives is proceeding on schedule.

Discussions are underway with a large international chemical company which has recently expressed interest in this technology. If our attempts to find a commercial partner for this technology are unsuccessful, we plan to return this technology to the University of Melbourne at the conclusion of the CRC.

Hot Wood Treatment Process and Fast Treatment Plant

TimTech has completed the first treatment plant for Carter Holt Harvey New Zealand at their Kawerau sawmill and it is now operating. The design of future plants for Carter Holt Harvey and other customers in Australia is now underway.

The Governing Board has agreed in principle to extending the current TimTech licence to all territories. Details of the agreements are being discussed.
The first stage of this experiment, Calibration Trials (determining the best microwave regime to improve quality with a limited number of boards) has been successfully completed.

It was found that microwave modification and conventional kiln drying of back-sawn messmate stringybark (*Eucalyptus obliqua* L'Herit) boards delivered a statistically significant improvement in microwave modified samples compared to controls in relation to check formation during drying (internal and surface).

The project has now progressed to Stage 2 where the following experiments are underway:

1. The same experiment using back-sawn messmate stringybark will be undertaken, yet with a larger sample of boards to verify that the microwave regime selected in the Calibration Trial improves board quality.

2. Calibration Trials will be undertaken on backsawn eucalyptus nitens and eucalyptus regnans to assess if a similar result can be achieved as with the back-sawn messmate stringybark.

3. An accelerated drying experiment will be undertaken for the species blackbutt, messmate and regnans. Approximately 40 boards will be microwave processed and dried in three new laboratory kilns that have been designed and fabricated for this experiment.

This project will be reviewed by Dr Glen Kile on 18th December.
Microwave Modification of Timber: Softwoods

Up to 5000 softwood sleepers are now being processed at the ACAWP for placement in Victoria’s and Western Australia’s track network for testing.

A License Agreement with Carter Holt Harvey Wood Products Australia is being prepared and will be forwarded to CHH following the completion of the sale of CHH. Senior executives of CHH have informed us that this technology package that they will license will be part of the assets the new owner will acquire and they will be advising the new owners to complete the licensing arrangement with the CRC.

Commercialisation of the Microwave Technology

An Information Memorandum is being prepared to sell or license the microwaving of wood processing technology to engineering companies that supply equipment to the solid timber sawmill sector.

Poyry Forest Industries, a global consulting firm, has been engaged to assist to solicit interest in the microwave technology from both Australian and international engineering companies.
Vintorg/Torgvin

No companies have expressed interest to progress this technology.

Winding up progress

The Centre Intellectual Property Trust (CIP Trust) and the ACAWP Trust have been set up and all the appropriate transactions are now carried out in those entities.

Centre Intellectual Property Trust

We have had expressions of interest from two companies interested in taking over from IWM Centre Management Ltd as the Trustee of the CIP Trust after June 30th 2008. The task of the trustee would be to:

- monitor compliance with the various licence agreements;
- manage maintenance of the patent portfolio;
- receive and distribute royalty payments from licensees;
- manage any disputes between licensee and licensor; and
- manage patent infringement issues.

ACAWP Trust

The current Trustee of the ACAWP Trust is IWM Centre Management Ltd. The most likely outcome is that a reconstructed IWM will continue as the Trustee on behalf of the participants and lease the ACAWP to a company set up by a group of companies. This company, called, say, ACWAP Pty Ltd would operate the Centre. It would need to negotiate an access and lease agreement with the University of Melbourne, who have indicated that they would wish to proceed with such an arrangement.

Other Wind up activities

A draft CRC Winding Up Deed was tabled at the Governing Board meeting. This will be further developed with input from the legal representatives of the participants.

Forests and Climate Change

You may have noticed in the daily press that Woodside Petroleum Ltd announced it will spend AU$100 million with Australian Securities Exchange-listed forestry company CO2 Australia Ltd, planting mallee trees to help offset its carbon emissions from the Pluto gas field in West Australia's north-west. The program will be accredited under the federal government's Greenhouse Friendly Program. CO2 Australia is the only Commonwealth accredited carbon offset group in Australia. Further details can be found in the CO2 Group announcement to the ASX on November 7th 2007 which can be found [here](#).
The Governor of Victoria visits ACAWP

The Governor of Victoria, Professor David de Kretser, AC and Mrs de Kretser made an official visit to the Hepburn Shire on December 5th.

As part of that visit the Vice-Regal couple toured the University of Melbourne School of Forest and Ecosystem Science and the Australian Centre for Advanced Wood Processing at Anne St.

The Governor, who, prior to his appointment as Governor, was the Director, Institute of Reproduction and Development at Monash University was interested in the full range of research and development associated with the University and the CRC.

News of a former participant

You may also have noticed that Australian Solar Timbers (AST) has become the first Australian mainland hardwood flooring manufacturer to be accredited under the Australian Forestry Standard Chain of Custody Certification Scheme. The former Federal Forestry Minister Senator Eric Abetz officially launched the accreditation of AST in Kempsey on November 8th. A media release from Mr Geoff Gorrie Chair of Australian Forestry Standard Limited can be found here.

2008 Program Meeting

Our final Annual Program Meeting and Annual Dinner will be held on March 19th at venues to be announced. These will be an occasions to celebrate the achievements of the CRC Wood Innovations.

Finally

There will be much activity associated with the CRC in the next few months. The overall success of the CRC will depend on the outcome of this work. I hope that all associated with the CRC have an enjoyable break over the Christmas and New Year period and come back refreshed for the next six months.