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Farming is an intergenerational occupation and it appears that forestry is also. My father, Bruce was part of the original working group that designed the Forest Practices Code and worked to get it legislated. Since then I have been involved with many THP's and FPP's

From a landowner's perspective, the Forest Practices Code has served us well over the last 30 years, sure it has evolved and become more comprehensive (thicker, much thicker) but it has also become linked to product certification and is seen by most, as meeting the communities expectations for environmental and safety outcomes.

Looking forwards I believe the code will need to continue to evolve, especially with regards to small farm woodlots.

Because growing trees is such a long term commitment, most farmers and landowners find it difficult to establish large enough areas to be commercially viable. If they only harvest once or twice a generation, it's hard to engender enough confidence to invest enough back into increasing the area.

A good example was when 15 years ago, Farmwood exported low grade Radiata pine shelter belt trees to India, A great story at the time, but even though some landowners got more than \$40,000 for their trees, not one used that money to replant commercial trees

If wool prices are good a farmer might spend more on better rams, increase his stock numbers or upgrade the woolshed and yards.

Forestry is different, we need to know and understand the drivers and barriers that shape farmers investment in farm forestry. I believe most sort of fell into forestry because their property has a bit of bush and it made sense to sell a few logs now and then. Others got offered lots of cash to lease to MIS schemes and now own plantations by default. Not many see the real potential of forestry as a significant enterprise for them.

Markets are great at the moment and anything that makes growing and selling small woodlots more profitable will have a direct result in unlocking existing resource and establishing additional trees

FPP's for less than 1000 t need to be significantly easier and cheaper.

In the future I would expect that a landowner would take a laptop to their small shelter block, have access online to all the map layers on LIST, all the special values, and a generic plan. They fill it in onsite, perhaps a couple of photos from a drone and send it to an FPO who signs off that the plan complies, firstly with the FP Code but also with the longterm Whole Farm Plan that was developed many years earlier.

The purchaser knows that the product has been grown and harvested in compliance with the all the social, environmental and economic standards that society expects. The three legged stool, but it only works properly if the compliance costs allow the landowner to make a viable return. The need to do a new plan every time an operation happens is really unnecessary, why not a whole property plan that lasts indefinitely and only needs a quick checklist?

5 Years ago I wanted to harvest less than 800 t of firewood from an area of 360 Ha. I had allowed an existing plan to expire. I was quoted more than \$16,000 to do a new plan. That amounts to \$20 / t for the paperwork when all the values had been previously addressed. Those trees are still standing.

I operate a plantation harvesting crew, currently harvesting for a landowner near St Mary's. We were asked recently if we could harvest about 200 trees, being a 20 year old nitens plantation owned by, and adjacent to the school. We would love to help but at only 400-500 t, and with them wanting the stumps out and the site tidied up, I'm not too sure that there will be any profit for them.

The landowner is the price taker at the end of the chain. The chipmill and exporter works out their costs and adds a margin for profit as does the trucker and the harvesting crew.

If an operation involves say 20,000 tons, the plan might cost \$0.25 / ton, but if the operation only involves 500 tons, the

plan might cost \$3,000 which means \$6.00 / ton which always comes out of the landowners share.

For too long private landowners have been expected to shoulder the same rules as the large corporate or government landowners whilst not being an active part of the decision making process. The problem with that is if the forested part of your farm has special values that restrict or prohibit logging, you are effectively not able to generate any income from forestry.

If you own a small woodlot or native forest area with contentious special values, you will find that nobody will do a plan or if they do, market access is much harder.

It all gets too hard too quickly. If you are a large corporate or Sustainable Forests Tas, you just save yourself any grief because you have other areas you can harvest and you want to maintain your certification. It becomes the expectation that everyone should just accept this as the way to do business. For example, the swift parrot on the east coast has effectively shut down a huge area of productive forest. If the community wants these values protected they need to share the cost of working around them

That leads to the duty of care issue that Claire raised yesterday. I know a bit about this, having been down that track personally.

I thought we had previously agreed some basic core principles about the need to protect and reserve areas.

1. That special values should be protected on crown or forestry land first
2. If that wasn't able to achieve adequate protection, then it could be on private property
3. If that required more than 10% of a plan being set aside it would be compensatable

In my opinion there are several problems with the current process. The first problem is getting anyone to do an FPP which might become contentious, when the main aim is for the plan to be rejected by the tribunal. Firstly it's very time consuming and therefore expensive to get the plan right, secondly my perception was that the FPA frowned upon FPO's who wanted to develop plans that were designed to be rejected. Thirdly there are not enough independent FPO's, company FPO's don't want the wood because it might jeopardize their certification

In my case the plan was done by Rob Smith from PFT with lots of input from Fred Duncan over 18 months. The Threatened Species Unit absolutely refused any compromise. Every compromise you make in an attempt to get a plan approved, will only reduce the amount of compensation.

Compensation is based on the opportunity forgone, basically the stumpage value of the trees to be harvested less 10% that is deemed to be a landowners "duty of care". Any future

harvest is discounted back to net present value which equates to not very much.

Since the closure of Triabunna the stumpage value of native forest in the southeast has been very very low. I have a second coupe with a plan drawn up that I know will be rejected, just waiting for the stumpage rates to improve.

Rightly, if you are being payed not to harvest, the Government think that the area should be protected, in my case by a perpetual covenant. Most land owner would balk at a formal reserve.

Once compensation is agreed to, where does the money come from? If there weren't so many barriers lots of eastcoast landowner might want their bit of compensation, and it would very quickly run to more than a \$100 million.

That is what landowners have given up by stealth. If you don't think I'm right could you please put up your hand if you are an FPO who would do a plan for a Blue gum coupe at say Orford, or if your company has harvested any private native forest on the east coast in the last 5 years

With the demise of the MIS schemes many landowners have by default, become plantation owners. Many of these landowners need help to understand their responsibilities under the Forest Practices Code. Help to manage, market, certify and harvest

Landowner need to take back the initiative, be able to sell forest products at mill door, knowing that they have been harvested under a certified FPP which complies with the FSC or similar requirements of that end user.

In Summary

- Streamlined simple process for plans of less than 1000 t
- Plans that last the life of the plantation
- Need to determine the drivers and barriers for landowner investment and management
- Help with developing plans with special values
- Review of duty of care compensation process
- More private FPO's
- Landowners need to seize control over their planning, marketing and harvesting.