The Institute of Foresters of Australia
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Submission to the Agricultural Industry Advisory Council

on the

Agricultural Competitiveness Issues Paper

The following provides a series of points about the Australian forestry industry and its relationship with agriculture and in particular how improving the Australian forest industry can have significant benefit to the Australian agricultural sector.

Lack of Integration

Forestry is not well integrated to agriculture; this is largely historic due to the domination of natural forest management by state owned or operated forest management agencies.

However, it is not well known that nearly 67% of Australia's forests and woodlands are either on private land or on leasehold land which is privately managed. Note that in Figure 4 on Page 19 of the Agricultural Competitiveness Issues Paper illustrating the share of Agricultural production exported – forestry amongst others is missing.

Action: *Improve the positioning of agriculture within the Australian economy by ensuring we hold to a broad definition of primary production that includes forest management.*

Australia's Forest Estate

According to the State of the Forests Report[1] (SOFR, 2013) Australia has 125 million hectares of forest equivalent to 16% of its landmass. It is made up of 123 million ha of natural forest and approximately 2 million ha of plantations.

A total of 39 million ha or 32% by area of the Australia's natural forest is in areas protected for biodiversity conservation.

Of the 125 million hectares, 81.9 million ha or 66.8% is privately managed on private or leasehold lands including Indigenous owned land.

In terms of production a total of 36.6 million ha of natural forest is both available and suitable for commercial wood production and this is made up of:

- 7.5 million ha on publicly owned and managed forest
- 29.1 million ha of leasehold and privately owned forest.

The knowledge about the quality, condition, and potential yield of the privately managed forests is shamefully poor and apart from Private Forests Tasmania[2] there is no formal independent government support structure for landowners to assist them with managing their natural forests for commercial production.

[1] http://www.daff.gov.au/ABARES/forestsaustralia/Pages/SOFR/sofr-2013.aspx
[2] www.pft.tas.gov.au

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In fact landholders could be forgiven for thinking that government regulations are deliberately designed to be a disincentive for them to consider any form of sustainable harvesting.

Action: *Pursue a greater understanding of the privately managed forest resource as its potential to improve income for landholders (well integrated with other forms of agriculture) is not only high but could in time be a far more significant source of supply than the publicly owned and managed forests.*

Australia has a Trade Deficit in Forest Products

Despite our size and the fact that we are a surplus producer of most forms of agricultural products Australia has a trade deficit in forest products.

Australia imports on average around $4billion worth of forests products every year, mostly paper and paperboard products but also a significant amount of our sawn timber requirements[3].

The annual net trade deficit is around $1.9 to $2.0billion and some of these products come from forests that are not as well managed as our own (ABARES, 2013). In particular sawn hardwood from south-east Asia and sawn timber from old growth softwood forests in eastern Europe could have questionable sustainability.

Given the wealth of our economy, our land mass and skills base we should be net exporters of forest products and not importers.

Pressures to cease harvesting in publicly owned natural forests, and a lack of plantations that produce the products that Australia needs, are the main sources of this shortfall.

Improving production from privately managed natural forests and the development of plantations that complement rather than compete with agriculture can go a long way to solving this deficit.

Managing natural forests for commercial production is essentially organic, as no chemicals or fertiliser are used and the forests are regenerated following harvesting with the seed from the trees that are either reserved from harvesting or collected from the tree crowns after they are harvested.

Action: *Recognise that privately owned natural forests have a much more significant role to play in the supply of commercial forest products that will provide not only products in demand but provide a commercial incentive for landholders to manage their forests sustainably.*

Opportunities for Forestry to improve competitiveness of Agriculture

There are a number of opportunities for forestry to assist agriculture improve its competitiveness

Commercial Log Production

Private natural forests. These are extensive and contain valuable durable timbers such as Spotted Gum, Ironbark, Red Gum, Box and Stringybark. With assistance to undertake resource mapping and management planning these forests could become an essential source of supply to industry. At the moment they are virtually ignored as a national asset and often selectively exploited by industry. Amalgamating supply for industry from numerous small private forest owners is common in Europe and Scandinavia - it just requires good planning systems which could be developed in Australia. In a number of areas of Australia, landowners are not actively encouraged to commercially harvest their natural forests and legislation often discriminates against forestry with no automatic 'right to harvest',

[3] ABARES – Australian Forest and Wood Products Statistics - Imports Summaries, 2013

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overly complex and bureaucratic harvest planning requirements, and bias against log truck access on shire roads.

In some instances the encroachment of natural tree species can be viewed as a form of weed invasion. Species such as White Cypress Pine (*Callitris glauca*) and Spotted Gum (*Corymbia maculata)* are known to show this trait. However in both cases these species have a commercial value as they are naturally durable and in the case of the former, naturally termite resistant. Providing support to landholders to manage these species productively is in the national interest.

Action: *Review legislation that unfairly restricts landholders from sustainably harvesting their forests as part of a regional supply plan and develop government support for forest mapping and property level management plans.*

Plantations. The forest industry is well aware of the stress caused by some of the inappropriate development of plantations by MIS companies, however this should not discourage the potential for plantations to assist landowners to diversify their income, particularly in regions that are close to existing plantation processing companies.

There are two ways plantations can be developed on agricultural land:

1. Traditional block planting on land that is marginal for agriculture but will still allow a productive crop of trees to be grown.
2. Shelterbelt planting that provides shelter for livestock – for instance perimeter planting of a shelterbelt around a farm or paddock that allows access to stock access during periods of high or low temperature. This could work well with agricultural programs such as Dairy Australia's Cool Cows.[4]

Research by Bird[5] at the Hamilton research station in Victoria during the 1980's and since has shown that most farms can plant at least 10% of their area to trees without any loss of agricultural production. Some farmers are finding planting up to 20-30% of their farm is actually enhancing their production due to the development of micro-climates that are conducive to livestock wellbeing.

Action: *Develop options for plantation development on farms, recognising that many models exist from previous programs however few if any seriously developed a sustainable value proposition for the landholder. Future plantation development is unlikely to occur in Australia without this value proposition being developed.*

Land repair and improvement

On page 4 of the *Agricultural Sectoral Overview* under the heading Land Use and Management the problems of Dryland Salinity and Water and Wind erosion are identified as major contributing factors to declining soil productivity. Careful design of tree planting can assist in ameliorating these problems.

[4] http://www.dairyaustralia.com.au/Home/Standard-Items/~/media/Documents/Animals%20feed%20and%20environment/Animal%20health/Heat-Stress/Cool%20Cows%20infrastructure%20booklet.pdf

[5] Bird,P.R. (2000) Farm Forestry in Southern Australia a focus on clearwood production of specialty timbers, Victorian Department of Natural Resources and Environment, December, 264pp.

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The sectoral overview also discusses the role of Native Vegetation management and notes that agricultural development required the clearing of native vegetation and in many cases it was government policy to clear land for agriculture. The Environmental Resources Audit undertaken by then Department of Environment in the early 2000's estimated that 70 to 100 million ha have been cleared of native vegetation since European Settlement. Urban development is one of the prime causes of deforestation. As trees can play a significant role in landscape repair, creating biodiversity corridors and decreasing the impact of dryland salinity, developing a policy that actively encourages and rewards landholders for repairing past damage would be in the national interest.

Action: *Recognise that in the majority of cases landholders are keen to have their farms sustainably managed and that they are more likely than any other group to have a passionate interest in repairing degraded landscapes if they are given the knowledge and technical support required to undertake it. Ideally some form of payment for the ecosystem services that this work would provide could be the correct incentive.*

Pest Plant and Animals

While not strictly a forestry issue the spread of pest plants and animals must be a major inhibitor of competitiveness of Australian agriculture. Control of feral animals is an obvious objective.

The other challenge is in managing numbers of native animals that have a tendency to develop into plague proportions due to improved agricultural infrastructure such as access to water. There are good lessons to be learned from countries like South Africa, Europe and the United Kingdom where native animal numbers are managed according to the carrying capacity of the land upon which they reside.

Allowing commercial gain from the management or culling of native animals makes sense if the financial returns can be applied to improved native fauna management.

Summary

Australian agriculture can be enhanced through gaining a better understanding of the important production potential of both natural forests on privately managed land and plantations where both can complement agricultural production, particularly livestock enterprises. Careful tree planting can also assist in controlling and repairing landscapes damage by wind and water erosion and dryland salinity.

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