Insights from Tasmanian private forestry engagement programs and Tasmania’s Regional Forestry Hub

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PRIVATE FORESTS IN TASMANIA (2019-20)

• Private Forests Tasmania:
  o Legislated role to facilitate and expand private forestry
  o Promotes, fosters and assists private forestry sector across supply chain

• Private forests:
  o 1.1m ha (33% of total Tas forest area)

• Private plantation forests:
  o 23% of total Tas forest area
  o 82% of total Tas plantation area
  o 70% hardwood/30% softwood
  o 4.07 million tonnes of logs to market pa (72% of the Tas forest production)
  o 93% of total private forest harvest

• Private plantation area is reducing:
  o Down 5,000 ha overall from 2018-19. Harwood down 7,000 ha/Softwood slight increase
  o Downward trend reflects a combination of:
    ➢ consolidation of second rotations around higher performing sites close to markets
    ➢ non-replanting of uneconomic plantations on industrial estates
    ➢ conversion back to pasture or cropping on agricultural land
TASMANIAN REGIONAL FORESTRY HUB

• NNW Pilot Hub:
  o Established 2019, Commonwealth funded, industry/government collaboration
  o Covers northern half of Tasmania
  o Consultation with industry, community and government stakeholders
  o Key theme = Access to land and land use policy for plantation forest investment

• Land Access Assessment Report:
  o Plantation forestry occupies 30% of available agricultural land in northern Tas
  o Area of current ag land potentially ‘available’ for plantation = 37,000 ha
  o ‘Available’ means: (i) suitable and available, (ii) able to support plantations integrated with other land uses, and (iii) able to grow commercially viable plantations
  o Downward trend in plantation area – expected to continue over next 5-10 years
LAND ACCESS ASSESSMENT REPORT – SUMMARY OF FINDINGS:

• Maintaining resource is key issue

• Neither the commercial will, nor social license to support industrial scale expansion into prime agricultural land

• Immediate priorities are:
  o Maintaining (short-term) and expanding (medium to long-term) the current plantation footprint - economically, commercially and socially feasible, and
  o Identifying and driving smaller scale expansion opportunities integrated in the agricultural landscape
  o Recognising that landowners have a range of motivations

• Key success factors:
  o Improving smaller grower’s knowledge of supply chain and markets
  o Improving knowledge and acceptance of integrated benefits of trees on farms
  o Improving the business model
  o Simplifying the policy and regulatory environment
LAND ACCESS ASSESSMENT REPORT - FINDINGS:

• Challenges
  o Primary challenge = Identifying mechanisms to maintain existing plantation footprint
  o Secondary challenge = identifying opportunities for expansion
  o More specific challenges:
    ➢ Considerable angst towards industrial expansion
    ➢ Regulatory barriers (eg Tasmania’s Protection of Agricultural Land Policy, levies and charges, complexity).
    ➢ Institutional investment model favours mid-rotation acquisitions over greenfield establishment
    ➢ Consequent dependence on integrating smaller scale plantations into agricultural landscape
  o Complications in Tas:
    ➢ Ag community at best agnostic to plantations, more often firmly opposed
    ➢ Forestry supply chains, markets and pricing are viewed as complex and lacking transparency by ag sector.
    ➢ Volatility in demand and pricing creates uncertainty about future returns (cf annual decisions in ag sector)
    ➢ Traditional investment economics do not support green field establishment
LAND ACCESS ASSESSMENT REPORT - FINDINGS:

• Opportunities
  o 37,000 ha potentially suitable and available, competitive with other uses, and economically viable (in northern Tas)
  o Development of tools and systems for non-wood values to improve acceptance
  o Forest industry in Tas already recognises the importance of working with smaller independent landowners
  o Development of effective/practical arrangements between industry and landowners
  o Significant good will from State and Federal governments
  o Existing positive policy settings to support integration within agricultural land
  o Emerging opportunities for solid wood processing of hardwood plantation products, as well as optimising transition (where relevant) from short rotation to long rotation plantations
  o Building on recent improvements to Commonwealth Carbon Farming Initiative (eg to assist small to medium growers to enter the carbon market).
MORE DETAILED RECOMMENDATIONS:

Greenwood Strategy

ACCESS TO LAND AND LAND USE POLICY FOR PLANTATION FOREST INVESTMENT: Report prepared for the North-northwest Tasmania Regional Forestry Hub, September 2020.