

Mid North Coast Forestry Investment Program

FINAL REPORT 2001-2007

Executive Summary

From 1996 to early 2000 as a Regional Plantation Committee and from 2001 as a Private Forestry Development Committee (PFDC), there has been an active group working to maximise the economic prosperity of the private forestry and timber industries on the NSW Mid North Coast.

Since 2001 the Mid North Coast project has been called the Forestry Investment Program and more than \$500,000 in federal and state government funding has been allocated and spent in achieving the program objectives.

The region has a strong forestry and timber heritage influenced during the 1990s by a substantial reduction in available resource when 30% of public forests became national parks, and by the subdivision over time of large private farms into hobby farm blocks, making large scale commercial forestry less viable.

The region currently has an estimated 330,000 hectares of private native forest and approximately 320,000 hectares of native forests managed by State Forests, making it the most forested region in NSW. It is home to more than 20 saw mills and a similar number of value adding businesses manufacturing house framing and trusses, veneer, poles and girders, flooring and timber furniture. The industry generates more than \$200 million each year for the regional economy and has considerable potential for growth from the private sector.

Forests NSW is the largest supplier of timber in the region and it effectively dictates the prices paid by mills through its contract system. However Forests NSW cannot meet the growing need for quality logs and as there are few sizeable plantations, private native forests are an obvious supplier. The challenge is that the majority of private native forests are small and low returns inhibit their ability to fund the silviculture necessary to improve tree quality. The region is well suited to hardwood plantations but the slow return on investment means they are more suited to longer term managed investment schemes.

Based on this profile the PFDC has concentrated on encouraging better management of private native forests, facilitating investment in plantations and encouraging more diversity in processing and value adding facilities.

Much has been done but the results have been mixed. Several very important studies have been undertaken which could transform the industry if investors were to capitalise on the opportunities presented.

More than 150 timber growers have received practical training to help them sustainably manage their properties for the economic and environmental benefit of the region. Those same growers have formed formal and informal networks to provide support to each other, to share their experiences

and resources and to develop markets for their products. The long term results of the PFDC from 2001 to 2007 will prove to be a very cost effective investment.

Background

The Federal Government funded the activities of Regional Plantation Committees (RPC) between 1996 and 2000 under its Farm Forestry program. These committees worked to implement a national wood and paper industry strategy. In 1997 the Federal and State Governments agreed to implement "Plantation for Australia: the 2020 Vision" aiming to treble Australia's timber plantation resources. The local committee was then the Lower North East RPC, managed by the Federally funded Regional Economic Development Organisation (MIDREDO).

In February 2001 a new partnership agreement was signed between the Federal Department of Agriculture Fisheries and Forestry (AFFA) and NSW Department of State and Regional Development (DSRD) to jointly fund a two year program intended to progress the 2020 vision and build on the work of the RPCs.

The program was auspiced by the Mid North Coast Regional Development Board and called the Forestry Investment Program (FIP).

The Forestry project officer has always been assisted by an industry based advisory committee (the PFDC) which recommended action to the Board of the Mid North Coast Regional Development Board.

Achievements during 2001-2002

The program received its initial funding of \$31,250 in September 2001 and appointed Lyndell Stone as executive officer on 3 December 2001, just in time to host the state meeting of the seven Regional Plantation Committees and agency personnel that month (later renamed PFDC).

The PFDC held its first meeting in December prior to conducting an information session for the Federal Government's National Plantation Strategy, which, with 22 attendees, was the most popular in the State. The second tranche of funding in April 2002 was dependant on submitting a strategic and business plan.

The aim of all PFDCs at that stage was to assist development of a commercially viable private forest industry in the region.

Achievements during this year were:

- Conducting forest familiarisation tours in Bellingen and Kempsey local government areas to discuss opportunities with economic development managers
- Conducting a Master Tree Growers course with assistance of Greening Australia.

The Federal Government's Department of Forestry, Fisheries and Agriculture (AFFA) provided \$75,000 a year in cash and the NSW Department of State and Regional Development (DSRD) \$50,000 in cash and \$25,000 in kind.

Achievements during 2002-2003

- * Assisted Port Macquarie Hastings Council to broker discussions and successfully leverage additional funding of \$13,000 for the Oriented Strand Board project in the Hastings which included an investment brief and CSIRO sample product testing. The intention was to attract a multi million investment in a processing factory.
- * Identified an opportunity and investigated viable uses for sawdust by value adding into pellets and removing ongoing sawmill disposal issues. A manufacturer was interested but declined to invest.
- * Undertook investigation and modelling and prepared a scoping document for wastewater reuse in timber plantations.
- * Assisted local sawmills to investigate the potential of generating energy from sawmill waste.
- * In conjunction with the Northern Rivers and New England North West FIP, the MNC FIP spent considerable time developing links with the seven Catchment Management Boards to ensure commercial farm forestry was included to achieve triple bottom line objectives in catchment management plans.
- * Conducted a Coombell Farm Forestry Course over two days in the Hastings which offered subsidised attendance and attracted 17 attendees. (Oct 02)
- * Coordinated the editorial and advertising for a six page private forestry feature which appeared in the Town and Country Newspaper which circulated to 73,000 people over the Mid North Coast. (Oct 02) As a result 50 people expressed an interest in FIP activities in the 3 weeks immediately after publication.
- * Started work on a regional profile of the timber and forestry industry.

During that year the Federal Minister responsible for AFFA foreshadowed shifting the funding source from AFFA to the National Heritage Trust (NHT) while DSRD was concerned that closer links with the NHT would move PFDCs away from their industry development objectives. DSRD also encouraged the PFDC to concentrate its efforts on the MNC.

Achievements during 2003-2004

In 2003 the PFDC made a conscious decision not to replace the full time project officer when she took up another position, but to provide funding of \$48,000 to resource Mid North Coast Farm Foresters Network (MNCFF). The PFDC had identified the MNCFF as the most direct and successful conduit to timber growing landholders whose support was vital to industry expansion.

The PFDC also provided \$10,000 to fund a strategic review of MNCFF during 2003-2004 resulting in publication of a final report and a strategic action plan in August 2004. MNCFF has since implemented the recommendations of that plan and used it to secure ongoing funding support totalling \$300,000 over three years from other sources.

Activities undertaken by the PFDC and MNCFF included:

- * MNCFF employing a part time project officer.
- * Hosting two eight week master tree growers courses at Bellingen and Kempsey from which 45 farmers graduated.
- * A partnership with the Karuah, Great Lakes and Manning Land Care bodies to deliver the Coombell Farm Forestry training course. (\$2,500)
- * Assisting the Nambucca Valley and Karuah Great Lakes LandCare offices to establish private forestry "libraries".

- * A partnership with Bellingen Shire Council and the Thora timber Mill which undertook a feasibility into transforming mill timber residue into a viable and useful energy source. (\$2,500)
- * Providing \$3,000 in partnership with Hastings Council and DSRD toward developing an investor brief for the oriented strand board project.
- * Providing \$2,500 to publish a timber furniture fact sheet and hold a networking day which resulted in formation of the Ausfurn network of Mid North Coast timber furniture manufacturers.
- * Preparing and delivering with TAFE a log grading course with 15 participants.
- * Considerable time and effort was also expended on the Australian Forest Standards Certification scheme, establishing documentation, attending workshops, conducting site visits, and conducting a pilot program. While certification was embraced, AFS was not.
- * Conducting a specialised Recycling Water Irrigated Plantations workshop.

MNCFF provides a wide range of services to existing and potential farm foresters in the region including extension, training, networking and mentoring. Some training courses have been developed jointly with the North Coast Institute of TAFE and delivered at their Coffs Harbour Campus.

Achievements during 2004-2005

The initial impetus the PFDC gave to establish and nurture MNCFF was justly rewarded when in December 2004 Farm Foresters received \$300,000 funding over three years from the Northern Rivers Catchment Management Authority to extend its influence among potential foresters and increase adoption of natural resource management goals. These were objectives identified in the MNCFF Action Plan.

In November 2004 a part time project officer was appointed to the PFDC and membership of the committee was extended to include local government economic development officers.

In December 2004 the Centre for Agricultural and Regional Economics was commissioned to undertake a scoping study preliminary to developing a timber industry profile for the region.

The PFDC and MNCFF jointly developed feasibility plans leading to the establishment of a timber aggregation centre in the region, training and resourcing of mobile millers and a certification program, which will lead to higher returns for and increased re-investment by farm foresters.

MNCFF was invited by the Northern Rivers Catchment Management Authority and Coffs Harbour City Council to provide technical advice and training for Council staff to enable them to establish and manage an irrigated trial plantation of rainforest/cabinet timbers using effluent water. In return MNCFF can use the property as a teaching site and promotional tool for farm forestry. The objective is to show banana farmers alternative land use options.

Achievements during 2005-2006

The PFDC applied for and received only one quarterly funding payment this year.

The Centre for Agricultural and Regional Economics completed its scoping study of the current state of the forestry and timber industry on the Mid North Coast which found the region continued to play an important part in the NSW industry and that more detailed research was needed to

develop a strategic plan to drive future growth. The study identified the lack of comprehensive data which is a prerequisite to formulating a business plan to facilitate economic growth of the industry.

Considerable assistance was also given to the proponents of a timber aggregation centre in their endeavours to attract Federal Government funding through the Sustainable Regions program. The funding application was initially refused in 2006 but reconsidered and approved in 2007 and at last report was undergoing the process of due diligence.

Achievements during 2006-2007

The PFDC received no funding payment this year, but it did have substantial carry-over of funds from previous years.

Following extensive consultation with the Mid North Coast Farm Foresters Network (MNCFFN) and the Hunter Farm Foresters Network (HFFN) the PFDC chose a number of projects which indicated most promise in stimulating development of the industry in the region.

- * Regional Forest Inventory undertaken by BlueChip Forest Services (\$15,000)
- * Training and Education.
- * Annabel Kater is producing a private native forestry training course (\$12,000)
- * MNCFF held two portable milling training courses (\$11,000) which enabled 14 operators to refresh and upgrade their skills and qualify for insurance for their operations.
- * An on-farm timber drying field day will be held at a location suitable to both sub regions.
- * Cullen Timber Solutions was commissioned to document the processes used to achieve premium prices for PNF timber. (\$12,000)
- * Australian Sustainable Timbers was commissioned to group manage the accreditation of 10 Hunter and Mid North Coast properties under FSC Certification. (\$34,000)

All projects will be complete and funds expended by 31 December 2007.

Thanks are extended to the following people for their voluntary assistance on the Advisory Committee over the years.

Tony Brown
Patrick Carters
Ian Conley
Bill Calcutt
Chris Francis
Richard Finlay-Jones
Frank Hay
Mark Livermore
Wayne Lowe
Ron McDermott
Dennis O'Brien
Richard Rienstra
Trevor Sargeant
Lesley Schoer
Alex Statzenko
Don Tydd
Peter Van Herk
Project Officers during that time have been Lyndell Stone and David Ledgerwood.

OBJECTIVES and OUTCOMES

OBJECTIVE	NATIONAL PERFORMANCE INDICATORS	PFDC ACTIVITIES	OUTCOMES
<p>(a) Increase in tree planting for the production of wood and non-wood products on cleared agricultural land and, where appropriate, integration of commercial tree growing with other agricultural land uses to generate multiple natural resource management benefits.</p>	<p>Contribution of regional industry plans to achievement of regional natural resource condition targets, in accordance with regional NRM plans.</p> <p>Number and range of activities undertaken to support increased production of wood and non-wood products on cleared agricultural land.</p>	<p>Coomball Farm Forestry course conducted</p> <p>Master Tree Growers courses held regularly throughout the region</p> <p>Mobile mill training courses delivered at Nambucca and Dungog</p> <p>Conducted four site assessments for members considering new plantations, providing information to assist their planning</p> <p>Handled inquiries and disseminated information on behalf of two large interstate plantation investment companies. Continuing to provide information and contacts for these companies to facilitate increased plantation investment in the region.</p>	<p>17 landholders receive Coomball training and within one week three of them commence forest management plans for silviculture.</p> <p>More than 150 landholders have graduated from Master Tree Grower courses in the region 65 people request information on private forestry including 10 specific new value adding commercial enterprises (2002)</p> <p>26 growers attend timber furniture grading assessment field day (2004)</p> <p>14 landholders and professional portable millers qualify for insurance and receive skills to undertake milling on farm (2007)</p> <p>15 growers attend log grading course at Macksville (2004)</p> <p>MNCFFN members participated in the Greening Australia SUCCESS workshop in Bowraville/Macksville, the Hunter Farm Forestry Network's one day conference at Gloucester, the Farming Diversification Day at Bowraville and the Bago Woodworks industry day at Wauchope.</p>

<p>(b) Enhanced sustainable management of private native forests for wood and non-wood products, with an emphasis on developing commercial uses of native species.</p>	<p>Activities undertaken to promote sustainable native forest management.</p> <p>Number and range of activities undertaken to support commercial uses for wood and no-wood products from private native forests.</p>	<p>MNC FIP funds the growth and development of the MNCFFN to encourage greater involvement and ownership of industry development</p> <p>FIP funds a strategic review of the industry and MNCFF future role</p> <p>Private forestry training courses regularly held throughout the region</p> <p>Assisted the Nambucca Valley and Karuah Great Lakes LandCare offices establish private forestry "libraries" (2004)</p> <p>Negotiated the handover of large number of demonstration sites established by Greening Australia.</p> <p>Cullen Timber Solutions commissioned to write marketing manual for PNF (2007)</p> <p>MNCFF undertakes pilot program for AFS certification</p> <p>Australian Sustainable Timbers commissioned to group manage FSC certification for growers (2007)</p> <p>Private Native Forestry Training Manual commissioned (2007)</p>	<p>MNCFF continues to grow its influence in the region by providing information, training and mentoring to intending and established forest growers. By 2007 there are 130 active members who have 10,000 hectares of forest under management</p> <p>The strategic review assists MNCFF attract \$300,000 funding from the Northern Rivers Catchment Management Authority over three years to improve farm forestry and natural resource management skills</p> <p>15 landholders upgraded their farm forestry skills by completing MNCFF initiated TAFE Certificates in Forestry Operations and Certificate in Chainsaw Operations (2005)</p> <p>Libraries and websites provide valuable information for intending commercial forest growers</p> <p>First draft of Marketing Manual complete</p> <p>AFS certification reviewed but abandoned</p> <p>AST achieves certification for 3 growers in Hunter and proves value of FSC by achieving sales in premium markets AST extends FSC program to MNC</p> <p>Specific training program available for PNF growers</p>
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<p>(c) Enhanced sustainable forest products industry and associated regional economies, in order to maximize the commercial potential for existing and potential forest resources in the region.</p>	<p>Collaborative development, with relevant stakeholders including State government agencies and regional NRM groups, or regional industry plans.</p> <p>Number and range of activities undertaken to support regional forestry industry development in accordance with regional industry plans.</p>	<p>Prepared feasibility study and business plan for timber aggregation centre near Bellingen (2006)</p> <p>Referred two timber mills to DSRD for funding to increase their capacity and staff (2006)</p> <p>Conducted forest familiarisation tours with council economic development officers to discuss forestry development potential (2002)</p> <p>Published timber furniture fact sheet</p> <p>Convened networking day to introduce timber growers to furniture manufacturers (2004)</p> <p>Commissioned Centre for Agricultural & Regional Economics to review current state of regional forestry and timber industry</p>	<p>Aggregation Centre proponents receive development consent from council and initial funding support from regional Sustainable Regions Committee (2007)</p> <p>Funding applications lodged for assistance to increase production and staff numbers (2005 & 2006)</p> <p>Bellingen Shire Council continues to seek an investor to transform mill timber residue into a viable and useful energy source</p> <p>Cluster of 8 timber furniture manufacturers establish marketing joint venture under Ausfurn label and establish links with quality timber growers (2004)</p> <p>26 forest growers attend timber furniture grading assessment field day (2004)</p> <p>Study confirmed that the regional forestry and timber industries continues to play important part in regional economy</p>
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OBJECTIVE	NATIONAL PERFORMANCE INDICATORS	PFDC ACTIVITIES	OUTCOMES
<p>(d) Enhanced research and development effort to support and deliver these objectives.</p>	<p>Identification and communication of regional research needs to relevant stakeholders, including possible sources of funding.</p> <p>Number and range of activities undertaken to disseminate existing and new research outcomes in response to identified regional research needs.</p> <p>Extent to which these outcomes meet defined needs, and communication of evaluation results to research providers.</p>	<p>Assisted Port Macquarie Hastings Council leverage \$13,000 funding for CSIRO sample product testing and preparation of investment brief for Oriented Strand Board project (2003)</p> <p>Investigated, modelled and prepared scoping document for wastewater reuse in timber plantations (2003)</p> <p>Conducted specialised recycling water irrigated plantations workshop</p> <p>Sourced funding and assisted Bellingen Council and Thora Sawmill investigate potential use of sawmill waste for energy generation (2004)</p> <p>Investigated viable uses for sawdust by value adding into pellets (2002)</p>	<p>Suitability of local hardwood and softwood blend for oriented strand board determined (2005)</p> <p>Port Macquarie Hastings Council delegation travelled to Japan to locate investors. (2006)</p> <p>Location and volume of timber resource determined by inventory (2007)</p> <p>Economic and environmental trial conducted on land at Wauchope planted to timber plantation and supplied wastewater by Hastings Valley Dairy</p> <p>MNCFF provided technical assistance and training to Northern Rivers CMA and Coffs Harbour City Council to establish and manage irrigated trial plantation of rainforest/cabinet timbers using effluent water. In return MNCFF uses the property as a teaching site, promotional tool for farm forestry and to show banana farmers alternative land use options.</p> <p>The report on energy generation from sawmill waste continues to be actively promoted (2006)</p> <p>Interested manufacturer was identified and undertook feasibility before declining to invest in sawmill waste disposal solution (2003)</p>

<p>(e) Well established networks of relevant stakeholders in support of private forestry development, including landholders, all tiers of government, and industry.</p>	<p>Number and range of activities undertaken to engage regional stakeholders including landholders, industry, community organisations and government in support of private forestry development.</p>	<p>Worked with Northern Rivers and New England North West FIP to develop strong links with catchment management boards (2003)</p> <p>Provided financial support to the Mid North Coast Farm Forestry Network and funded strategic review which has facilitated its growth (2004)</p> <p>Produced six page newspaper feature promoting the multiple benefits of private forestry to the region's economy and environment (2002)</p> <p>Extended membership of FIP Advisory Board (2005)</p> <p>PFDC continues to review and comment on federal, state and regional issues</p>	<p>CMA recognises farm forestry as a contributor to NRM.</p> <p>CMA provided more than \$300,000 over three years for MNCFFN to deliver private forestry training as a result of \$10,000 investment from PFDC</p> <p>Regular contact is maintained to ensure the relationship with CMA and LandCare continues to improve</p> <p>MNCFFN employed a part time project officer and increased its active membership to 134.</p> <p>The MNCFFN has a strong and sustainable structure to manage federal and state funding programs</p> <p>50 people sought greater involvement in farm forestry in response to Newspaper feature (2002)</p> <p>Regular publicity attracts on average one forestry enquiry a week</p> <p>All local government economic development officers and a CMA representative joined the MNC FIP Advisory Committee to encourage better understanding and support for PFDC objectives (2005)</p>
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<p>(f) A national inventory of private planted forests to inform policy and planning decisions.</p>	<p>Identification and implementation of activities to support development and maintenance of a credible and accurate regional private forest resource inventory.</p>	<p>Commissioned BlueChip Forestry Services to undertake forest resource inventory of the region.</p>	<p>The private forest resource in the region has been mapped and an inventory compiled showing the area, location and potential yield. (2007) This has generated substantial interest and will be an important reference and decision making tool for private foresters and investors for many years to come.</p>
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