Northern Inland Forestry Investment Group

What's happening in private forestry?

This newsletter is to inform you of recent developments relating to private forestry in our area and on the activities of the Northern Inland Forestry Investment Group (NIFIG).

June 2004

In this issue:

Property Vegetation Plans for Private Native Forestry

As explained in our last newsletter, the new Native Vegetation Bill means that the current exemption for private native forestry (PNF) will be replaced by the need for landholders to have a property vegetation plan (PVP) approved. A new Code of Practice to support PVP's is also under development.

Draft PVP's suggest that the document to be completed by landholders is relatively simple, requiring details of the property owners, location and contacts and a map of the property showing where the PNF activity will occur.

The PVP also commits the landholders to following the Code of Practice. This is where things become more difficult because the (draft) Code indicates the need for forest management and harvesting plans, the complexity of which is still unknown.

As with most native vegetation issues, the content of the Code has become a matter of hot debate within the committee responsible for it's development. Personal contact with committee members indicates that environmental interests are pushing for guidelines in the Code which would see the rules for PNF equivalent to those required by State Forests on public land.

PNF opportunities – SFNSW, Menlo Worldwide

Two new opportunities to market your private timber have emerged in recent months.

The first is though State Forests of NSW Timber Sales Agreements (see attached flyer). This enables landholders to enter into arrangements with State Forests for the management, harvest and sale of timber from their land. As outlined in the flyer, there are a number of advantages including access to a range of markets for both high and lower quality timber.

A log export operation to China has also commenced in the region. Menlo Worldwide are purchasing private property logs that are transported by rail from Armidale to Port Botany and exported to sawmills in China. Information on this business (Log Ex Pty Ltd) is also attached.

Please note that the provision of this information is not an endorsement of these opportunities by the NIFIG – responsibility for the decision to take up either offer is with the individual landholder. Landholders should also be aware of the legislative requirements required for PNF.

Walcha Softwood Strategy

The NIFIG and Walcha Council recently attended the AusTimber Expo Investor Forum in Albury to promote the Walcha region as a plantation investment location for investors.

Many major players in forestry investment were at the forum and a number indicated significant interest in Walcha. Some have already visited to gain a better perception of the forestry investment potential.

The McVicars sawmill at Quirindi is progressing and at a recent Institute of Foresters workshop in the Walcha plantations, McVicars indicated they might be able to find additional uses for some of the lower quality wood, which would significantly improve the economics of the plantation investment.

Private Softwood Timber Wanted

Len Woods has commenced processing softwood timber in Woolbrook, mainly for the landscaping and structural timber markets. Len is looking for private supplies of planted pine. Because of the market he supplies, this **does not** have to be high quality thinned/pruned material. If you have timber available for sale, please contact me so I can pass your details on to Len.

Plantations and Water

There has been considerable concern in scientific and environmentalist circles about the potential of large-scale plantations to intercept rainfall and reduce stream-flows.

A BRS publication on the issue is available on the web at **http://www.brs.gov.au/forest_veg** (under the heading "Hot Topics"). The key findings in the study are:

1. Forests use more water than crops or pastures and thus stream flow is usually lower after conversion to plantations.

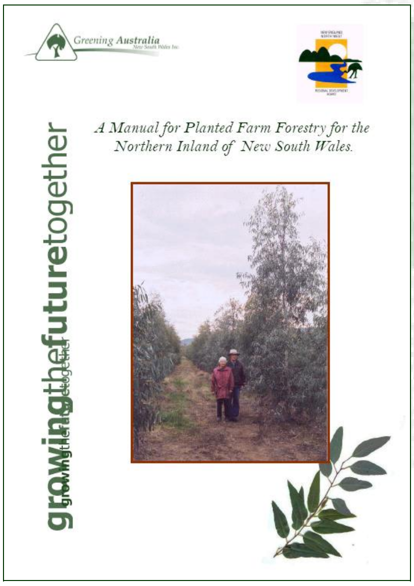
2. Agricultural land uses dominate most areas (around 60% of land) and that the proportion of major catchments under plantation is small, ranging from 1% to 6% of the land.

3. The change in stream flow from a catchment after afforestation is generally proportional to the percentage of the catchment planted. It is difficult to detect an impact on stream flow when less that 20% of the catchment is affected.

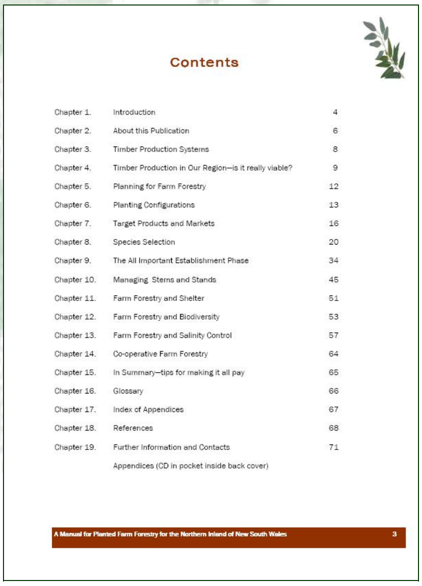
Farm Forestry Manual

"A Manual for Planted Farm Forestry for the Northern Inland of New South Wales"

This Manual is now complete and was launched at the Greening Australia/Namoi CMA "Farm Forestry for Catchment Solutions' workshop in Tamworth on Friday 18th June 2004.



The Manual pulls together all we have learned from forestry trial work in the region over the last decade or so and condenses this into some clear guidelines for landholders.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CD copies are available. Anyone wanting a copy should contact David Thompson.
Mobile 0419 681 818 or **email** david@care.net.au.

Coombell Farm Forestry Course

Unfortunately, no progress has been made on arranging another course to be held in the region. We will continue to pursue options for running the course again.

If you have any questions relating to private forestry in our region, please do not hesitate to contact me.

Funding Arrangements

Future funding arrangements for Private Forestry Development Committees (like NIFIG) are under review. While it seems the Commonwealth Government has agreed to funding for the 2004-05 year, the State Government is re-examining which of their agencies should host/fund PFDCs. Currently it is the NSW Department of State & Regional Development but other options are being discussed.

If you have any questions relating to private forestry in our region, please do not hesitate to contact me.

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Attachments

Sustainability, profit and your native forest,
NSW State Forests.

&

Log Royalty Prices 2004-2005,
Log Ex Pty Ltd.

Sustainability, profit and your native forest

Do you have native forest on your property?

Are you interested in sustainably managing your native forest for a financial return?

State Forests is the leading forest agency in NSW responsible for the ecologically sustainable management of more than 2.8 million hectares of native forests and plantations.

Now, State Forests is offering a new service to landholders to undertake native forest harvesting and the marketing of timber products through Timber Sale Agreements.

The advantages of such an agreement include:

- Ecologically sustainable forest management catering for a range of values (including soil, water, flora, fauna and cultural heritage)
- State Forests of NSW is responsible for all approvals under the Native Vegetation Conservation Act
- Harvesting operations are directly supervised by State Forests staff to ensure the best environmental and financial outcome
- Accurate accounting of production with guaranteed payment
- State Forests of NSW has access to a range of timber markets that will improve both silvicultural and financial outcomes.

State Forests of NSW can also provide property management planning and triple bottom line reporting services covering a variety of land uses detailing economic, social and environmental costs/revenue.

The organisation has extensive experience in native forest management with the ability to draw on a pool of more than 1,000 dedicated staff with a diverse range of specialty skills.

Interested in hearing more? Contact:

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STATE FORESTS

Log Royalty Prices for 2004/2005

Species of logs	Class	Grade	Log Size	Royalty Price
Ironbark	A	Quota	40 to 60g	$100 m^3
Tallowood	A		over 60g	$120 m^3
Turpentine	A	Saw Log	38 to 60g	$65 m^3
Grey Box	A		over 60g	$80 m^3
Grey Gum	A	Pallet	30g & over	
White Mahogony	A			
Steel Box	A			
Spotted Gum	B	Quota	40 to 60g	$65 m^3
Blackbutt (Coastal)	B		over 60g	$85 m^3
Red Mahogony	B	Sawlog	38 to 60g	$50 m^3
Brush Box	B		over 60g	$65 m^3
Bloodwood	B	Pallet	30g & over	
White Top Box	B			
Yellow Box	B			
Gympie Messmate	B			
Swamp Mahogony	B			
Blue Gum	C	Quota	40 to 60g	$50 m^3
Silvertop Stringy	C		over 60g	$60 m^3
New England Blackbutt	C	Saw Log	38 to 60g	$40 m^3
Messmate	C		over 60g	$50 m^3
Viminalis	C	Pallet	30g & over	
Die Hard Stringy	C			
White Stringy	C			
Flooded Gum	C			
Red Gum	C			
Round Leaved Gum	C			
White Gum	C			
Red Stringy	C			
Smooth Bark Apple	C			

The cut, snig, bark and load rate is $32.00 per m^3. This rate should be added to the above royalty prices. All prices need 10% GST added. Transport is paid by the purchaser.

Cutting Specifications:
Minimum length – 3 metres long
Maximum length – 11.8 metres long
Desirable set lengths – 5.7 metres long = 20 feet OR 11.8 metres long = 40 feet.

Minimum Centre Diameter for specific log grades:
Quota – minimum centre diameter = 40 log inches (Max 4 inch pipe in log),
Saw Log – minimum centre diameter = 38 log inches. Pipe volume in sawlog must not exceed 15% of centre diameter,
Pallet Log – minimum centre diameter = 30 log inches.

Pipe volume – Pipe volume 2 inches in diameter and over will be deducted from the overall total log volume.

Pipe in butt ends of logs– this is acceptable as long as the (B/E) pipe diameter is not greater than 15% of the overall butt end diameter of the log, if so the log is cut back to meet the requirements. (Please note) Pipe volume is only deducted from log grades (Q) Quota & (S/L) Saw Log, not pallet grade logs. All logs must be neatly trimmed and square butted.

Allowable Limb Content for Specific Log Grades – all limbs to be **neatly** trimmed off the logs.
(Q) Quota – no limbs allowable,
(S/L) Saw Log – Maximum of 3 limbs allowable,
(P) Pallet log – no limit.

All logs have to be marked (P P) Private Property. All woody bark species have to be barked completely. All smooth bark and half bark species have to be barked completely.