Plantations for Australia:

The 2020 Vision

Presentation to the

Workshop on Forestry Strategic Planning in the

Asia-Pacific Region

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Overview

• Introduction
• National Forest Policy Statement
• The 2020 Vision – Background
• The original 2020 Vision (1997)
• The revised 2020 Vision (2002)
• Australia’s plantations estate now
• Achievements and challenges
• Where to now for the 2020 Vision?
Introduction

• Thank you for the opportunity to present at this workshop

• Reflecting the Background to the invitation and the objective of Session 2, Australia will be presenting on its strategy for plantations

• Australia’s comprehensive framework to support conservation and sustainable management of our forests stems from the National Forest Policy Statement (NFPS)

• One of the strategies which has been developed and implemented that build upon and complement the NFPS is the **Plantations for Australia: the 2020 Vision** (2020 Vision)

• The 2020 Vision is a partnership of the Australian and state and territory governments and the plantation timber growing and processing industries to provide the strategic planning and implementation for Australia’s plantation sector
National Forest Policy Statement

• Signed by the Australian and the state and territory governments in 1992 (Tasmania in 1995)

• Provides a vision for ecological sustainable management of Australia’s forests

• Eleven broad national goals including a goal for plantations

‘one goal is to expand Australia’s commercial plantations of softwoods and hardwoods so as to provide an additional, economically viable, reliable and high-quality wood resource for industry. Other goals are to increase plantings to rehabilitate cleared agricultural land, to improve water quality, and to meet other environmental, economic or aesthetic objectives’

• Specific objectives and policies are described for this goal especially to increase commercial plantation development on cleared agricultural land
Plantations for Australia: The 2020 Vision

Background

• Developed in the policy environment around and post the NFPS

• The national strategy was developed in consultation with public and private stakeholders

• Public stakeholders included the Australian government and forest management agencies of states and territories especially those with plantation estates

• Private stakeholders included large and small plantation growers and the wood-processing industry

• The 2020 Vision was launched in 1997 and ‘focused on overcoming impediments to the development of plantation forestry’
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The overarching principle

• ‘to enhance regional wealth creation and international competitiveness through a sustainable increase in Australia’s plantation resources, based on a notional target of trebling the area of commercial tree crops by 2020’

• Australian and the state and territory governments endorsed plantation target of trebling the plantation estate by 2020

• In 1996, the area was just over 1 million hectares and was comprised of 86 per cent softwoods and 13.5 per cent hardwoods

• The target could be achieved by establishing an average of 80 000 hectares of plantation per annum covering all sectors – government, private industrial, private small growers
The Vision

• The ‘vision’ was that – ‘By 2020, plantation forestry in Australia will be a sustainable and profitable long rotation crop with significant private sector investment

The plantations growing and processing industries will:

• operate in the global marketplace
• be internationally competitive
• be commercially oriented, market driven and market focused in all their operations

Returning trees to the landscape as a profitable crop will also significantly benefit the environment’

• Benefits were to accrue through private investment, increase farm income, address trade deficit in wood/wood products and create jobs in rural areas
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The strategy

• Governments and industry to collaborate to create an environment to attract private investment to develop a significant plantation resource, enhance growth in forest industries, contribute to rural communities, regional development and the overall economy

• Supported by the Australian and state and territory governments and the plantation growing and wood-processing industries

• Relied on 4 strategic imperatives plus initiatives underway:
  • Strategic imperative 1 – Boost the availability of suitable land for plantations
  • Strategic imperative 2 – Get the commercial incentives right
  • Strategic imperative 3 – Establish a commercial plantations culture
  • Strategic imperative 4 – Improve information flows
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The 2020 Vision revision - 2002

• Significant achievements on actions and new emerging issues resulted in a review of the 2020 Vision in 2001

• The revised 2020 Vision was released in 2002

  o the original 28 actions were reduced to 16 action groups in five strategic elements instead of four strategic imperatives

• The revised actions were attributed a responsibility to relevant entities - Commonwealth, States and Territories, private forestry development committees or jointly) with an expected outcome

• The revised 2020 Vision ‘takes a positive view of the future potential of the industry and seeks to maximise the benefits from plantation expansion ... focuses stakeholders on the potential for tree plantings to make a contribution to the maintenance and improvement of the environment, whilst retaining land under profitable production.’
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The 2020 Vision revision - 2002

• The Strategy
To facilitate private investment which will enhance growth in forest industries, contribute to rural communities, regional development and the overall economy and assist in solving natural resource management problems

• There are five Strategic Elements are:
  o The Policy Framework
  o The Regulatory Framework
  o Investment Growth
  o Social and Environmental Factors
  o Monitoring and Review
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Australia’s plantation estate today

- Softwood species – 51 per cent and hardwood species – 49 per cent
- Victoria, Western Australia and New South Wales have the largest plantation areas
- Institutional investors and managed investment schemes (MIS) have over 50 per cent of the plantation estate while governments have around 25 per cent

Figure 1: Total plantation area, Australia, 1995–2011 (Source: National Plantation Inventory)
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Plantation ownership

- 1996 – prior to 2020 Vision
- 1997 – at start of 2020 Vision
- 2002 – at revision of 2020 Vision
- 2012 – most recent figures

- Indicates the growth from the 1 million hectares to the 2 million hectares
- Reduction in public ownership – most states have sold softwood plantations
- Expansion of private ownership – MIS, institutional investors, farm forestry and forest industry companies
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Plantation ownership by broad industry grouping

- Contraction of government ownership especially softwood plantations
- Expansion and contraction of private plantations under MIS companies
- Relatively stable areas of farm forestry and timber industry companies
- Expansion of institutional investors acquiring public plantations (softwood) and assets of failed MIS companies (hardwood)
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Achievements

• Plantations moved from 1M hectares to 2M hectares
• Moved to cleared agricultural land for new plantation establishment
• Clearing native forest for plantation prohibited or severely restricted by State/Territory legislation or policy
• Diversification of species to suit bio-geographic regions
• Significant coverage of State and Territory with codes of practice for plantation operations
• Investment in regional wood-processing facilities linked to major plantation regions
• Specific legislation supporting plantation development
• National taxation arrangements for plantation-based MIS contributed to significant increase
Challenges

• Significant estate of short rotation hardwood plantation established under MIS
• Collapse of MIS companies, as vehicle for plantation increase, has stalled any further increases
• Plantations in marginal areas reverting back to former or agricultural uses
• Woodchips from short rotation as export only
• Likely shortage of sawlog supply for domestic consumption leading to increased imports
• Lack of contribution from farm forestry sector to industrial wood supply – niche markets
• Doesn’t pick up on contemporary issues affecting plantation development e.g. water use policy and climate change
• Planning inconsistencies at local government level
Where to now for the 2020 Vision?

- The 2020 Vision has reached half of its notional target!
- What are the issues confronting the 2020 Vision today?
  - Significant changes in the ownership structure
  - Declining new plantation establishment
  - Potential loss of short rotation hardwood plantations in marginal areas
  - Recognition of climate change influences into the future
  - Are the most suitable hardwood species being planted to replace native forest harvest
  - Production capability to recognise changing markets - EWPs, bioenergy
  - Increasing concentration of plantations around regional hubs
  - Need to bolster establishment of long rotation hardwood plantations to augment lower native forest harvest
  - The implementation mechanism to deliver with demise of PFDCs
  - Bolstering and increasing product diversity from farms thru farm forestry
Thank you

Any questions?