Private timber reserves

Forestry rights

Externally-funded projects
Welcome

This sixth edition of TREELine focuses on a number of ways in which landowners can add wealth to their forestry and land holdings, and features articles on some on-ground projects that have been managed by Private Forests Tasmania over recent years. It is important that Private Forests Tasmania continues to promote sustainable forestry on private land, especially as the social, economic and environmental benefits are almost never acknowledged by the opponents of forestry.

It is our continued hope that readers of TREELine will find useful information in each edition. The feedback from our recent survey has been overwhelmingly positive, with some very constructive ideas for future content. In coming editions of TREELine we will provide much greater market information, analysis of key issues confronting the forest industry and further information on appropriate silvicultural and management regimes.

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There are many ways in which private land and forest owners can add value to their holdings, through such diverse actions as improving silvicultural management of their forests resulting in higher quality timber being grown; establishment of trees that address salinity, soil erosion and other environmental issues; and integration of trees into property planning to provide shelterbelts, stock havens and improve riparian areas.

And two other mechanisms for adding value that are both important but often under-appreciated are by appropriate utilising of forestry rights and having land declared a private timber reserve.

This edition of TREELine contains articles about both of these options that landowners could do well to consider when planning for their futures and the future of their properties.

The issues of how to add value to forest holdings is of critical importance, particularly in an era where stumpage price rises cannot be guaranteed, and regulatory and other community expectations are placing an increasing compliance cost on landowners. Many landowners see the sale of forestry rights as an ideal solution to the age-old dilemma of how to realize an underperforming asset which may form part of a larger asset that is on the whole productive. Unlike many corporate entities which can hive off an operational arm or close a poorly performing factory, landowners have often considered they faced only a choice between retention of the poorly performing asset or disposal of the land, something which is very difficult emotionally for an owner to consider if the land has been in the family for many years.

Forestry rights offer a third option, an option that many landowners are now availing themselves of as investors look to establish plantations on already cleared or largely cleared land.

Additionally, there are many on-the-ground options by which owners can improve the value and productivity of their land, and outlined in this edition are a few of the projects conducted by Private Forests Tasmania over the years that have demonstrated different ways in which these objectives can be achieved.

Value is a precious commodity, and it comes in many guises. We hope that the articles in this edition of TREELine add to your understanding of the many ways in which adding value to your land can be achieved.
Externally-funded projects

Summary
Since 1995 Private Forests Tasmania has embraced Australian Government programs that assist and empower landholders to manage their forests and plantations for sustainable outcomes. To date, grants exceeding $6 million, for 31 projects totaling over $12 million, have been received. Initially, projects were funded to provide information, farm plans, tools, research and demonstrations. Since 2000, technical advice and financial assistance has been provided to landholders for on-ground works for community benefits such as improved water quality, biodiversity conservation and salinity mitigation. Many on-ground projects, managed by farming families, have also expanded the private plantation estate and other benefits include improved farm productivity and management of natural resources, particularly native forests.

Projects
Specific projects include farm forestry and land condition inventories, trials and demonstrations, farm forestry networks, information products and services, marketing publications, Farm Forestry Toolbox, strategy development, regional farm forestry profiles, industry training, landholder and community attitude surveys, community forums, a joint venture package, property planning, devolved grants, environmental service valuations, environmental service grants, salinity research & demonstration, databases for monitoring and communication programs. These interlinked activities aid private forestry development and empower landholders to make informed decisions.

Key projects:

Whole of Property Forest Management Plans – These plans, covering thousands of hectares, were prepared to assist about 50 landholders make often complex decisions about economic, environmental and social issues to achieve sustainable forest management.

Market Based Information – A series of four reports on market analysis, wood prices, harvesting and management costs and domestic and international wood production and export/import volumes for native forests and plantations.

Farm Forestry Toolbox – The Toolbox is a collection of computer programs to help landholders manage shelterbelts, plantations or native forest including management regimes, costs and returns, and diagnosis of tree health. Its fifth version is in preparation.

Farm Forestry Networks – Groups of landholders in key areas are provided specific services to increase their knowledge and skills and thus improve the management of their forests.

Devolved grants for farm forestry, environmental services – These large projects have assisted nearly 200 landholders with plans, technical advice and assistance to undertake on-ground works (integrated plantation establishment and forest and riparian conservation) where significant community environmental benefits are provided.

Salinity – Projects included salinity assessments, landholder surveys and publication of Trees and Shrubs for Salinity Management in Tasmania.

Research and Demonstration – Projects include:

- Environmental Services Discussion Paper which estimated the monetary value of environmental services provided by four private properties in Tasmania. This paper became the basis for providing financial assistance to landholders who undertook projects to provide environmental benefits to the community.

- Soils, nutrition and genetics - demonstrations set up to evaluate techniques of cultivation, fertilising, weed control and tree species suitability.

- Blackwood – research trials to determine how to grow Acacia melanoxylon (blackwood) with Eucalyptus nitens nurse crops.

- Eucalypt hybrid trials – research trials to evaluate the performance of specially bred trees on saline and dry sites.
Landholder Participation

Hundreds of landowners across Tasmania have participated in individual projects including research and demonstration sites, field days, training events, landholder networks and on-ground works. Landholders contributed an average of $1.80 for every $1.00 of assistance received for on-ground projects in addition to their in-kind contribution. Projects have been well supported by forest industry companies, organisations and research groups.

Funding Sources


Resources

Private Forests Tasmania employed staff and consultants to deliver these projects and since 2000, five additional staff have been employed to deliver on-ground projects.

Private Forests Tasmania assists landowners sustainably manage native forests and plantations for commercial outcomes consistent with the Forest Practices Code and natural resource management principles. Often landholders manage forests for many different reasons including commercial, conservation and recreational activities. Private Forests Tasmania, through its current $900,000 National Landcare Project, Sustainable Farm Forestry Management for Production and Conservation, provides landholders with a ‘one stop shop’ to address native forest management for conservation and/or timber production, riparian conservation and integrated plantation establishment. Another current $400,000 Natural Heritage Trust project grant, under NRM North, assists farmers protect high priority native vegetation in the Dorset Municipality.

Benefits

Farm forestry has been demonstrated to satisfy many natural resource management objectives at regional, catchment and farm level and landholders have benefited through:

- Continuous provision of a mix of vegetation management services to meet landholder needs;
- Property management and forest practices planning services;
- Project planning and on-ground works completed to both Forest Practices Code and recognised conservation management standards;
- Provision of fully costed operational plans, long-term management plans, planning tools, improved fencing designs, hire of specialised equipment, co-ordination of plant, materials and contractors, project supervision and monitoring, embedded demonstrations/trials, field days and networking opportunities and information;
- Grant assistance with minimum of red tape;
- Promotion of ‘farm forestry champions’ – landholder leaders; and
- Long term client relationships and post project monitoring and support.

Conclusion

Private Forests Tasmania is recognised for its outstanding record of developing strategic, innovative and interlinked projects all of which were funded in a competitive environment and all of which were well supported by landholders and the wider community. Private Forests Tasmania has employed excellent staff with a high capability to successfully assist landholders deliver these projects. Landholders have increased knowledge, skills, information and tools to better manage private forests and plantations for both the benefit of the community, themselves and future generations.

Arthur Lyons, Regional Private Forester
Addressing salinity management in Tasmania

Between June 2004 and October 2005, Private Forests Tasmania, on behalf of Australian Forest Growers, successfully delivered a National Action Plan for Salinity and Water Quality (NAP) project, *Productive Use and Rehabilitation of Saline Lands*.

This project had four components, each targeted to help land managers strategically manage soil and water salinity issues.

These included:

1. An information Manual – Trees and Shrubs for Salinity Management in Tasmania. A first for Tasmania, this book collates relevant information from across Australia into one easy to read manual. A series of local case studies are a key feature of this book.

2. A landholder Survey – that assessed salinity awareness levels and determined barriers and incentives to salinity management. This report has provided valuable information toward the development of regional investment proposals and appropriate incentive programs to assist landholders in the future.

3. On-going monitoring and production of a review of eucalypt hybrid tree trials conducted by various agencies from within Tasmania.

4. A computer based investigation of the potential for commercial tree growing in low rainfall and saline areas of Tasmania, particularly the midlands. This investigation utilised existing models and data sets, identifying the potential for three commercial species: *Pinus radiata*; *Eucalyptus nitens*; and *Eucalyptus globulus*.

For more information regarding this project, visit the PFT web site or contact PFT on: 03 6336 5300.

Following on from this project, Private Forests Tasmania is now working with Armstrong Agricultural Services to deliver a new NAP funded project, Best Practice Salinity Management in the Back Creek Catchment.

This project is investigating salinity condition and process on seven farms within this irrigation area. In collaboration with a contract hydrogeologist, groundwater flow systems are being identified and salt storage mapped using Electromagnetic Induction techniques that help identify salinity processes and contribute to the development of management plans for each farm.

Additional to these investigations, specific demonstration sites located within the seven farms, are being assessed to establish a range of management options including: monitoring of soil, surface water and groundwater conditions; annual assessment and monitoring of soils under centre pivots; tree blocks and shelter belts to intercept groundwater flow; salt tolerant pasture and saltbush establishment; fertiliser trials; drainage; and the establishment of trees in centre pivot corners.

Site preparation and the establishment of demonstration activities will begin early in the new year, with field days and salinity workshops planned to showcase the results.

Julie Finnigan
Project Manager, Trees and Salinity
Sustainable farm forestry management for production and conservation

Australian Forest Growers, through Private Forests Tasmania (PFT), has commenced its second year of delivering the Sustainable Farm Forestry Management for Production and Conservation Project (SFF) in Northeast Tasmania. The project commenced mid-2005 and will conclude in June 2008. Funding support is from the National Landcare Program (NLP). With $300,000 granted for each of three years SFF is the largest NLP funded project in Tasmania and the largest farm forestry project in Australia at present. The SFF Project is the second project delivered by Private Forests Tasmania for a major rural stakeholder group. It follows and develops upon the Tasmanian Farmers and Graziers Association Environmental Services Grants Project delivered by PFT over 2004-05.

SFF’s existence and its success in attracting Landcare funding is not haphazard; it represents an evolution in PFT’s farm forestry project design which is based on a decade of Natural Heritage Trust and National Landcare Program project delivery. Concurrently, the demand for services directed at PFT by landholders represents a growth in farmer interest in vegetation management projects, fuelled itself by a growth in understanding of the importance of vegetation on farms to the sustainability of agricultural systems; and a growing understanding of how much production systems are underpinned by natural resources.

Project Aim

SFF is a three year project (subject to annual review) aimed at producing environmental benefits on farms through improved management of tree resources.

SFF exists to encourage the adoption of multi-purpose farm forestry toward increasing the profitability and sustainability of farm enterprises.
What assistance is available to landholders?

Assistance to landholders planting in 2006 - 07 may include part-funding for:

- Fencing (up to $2,000 ex-GST / km stock-proof or up to $2,500 /km wildlife-proof);
- Herbicide (up to $185 /ha);
- Seedlings (up to $470/ha depending on species);
- Tree-guards (up to $1.90/ea on selected sites); and
- Fertiliser (up to $80/ha).

Planning to Forest Practices Code standard is undertaken for each project. All other costs and any extra costs above the funding amounts are met by the landholder.

A very high level of landholder interest has been shown in the project so that at present the SFF project is fully subscribed. Current approved projects on 28 landholdings involve 82 sites. Enquiry from a further 53 landholders with sub-projects considered likely to meet funding criteria ensures full uptake of the three years of devolved funding.

Landholder interest is, however, always encouraged for future project development.

Programs such as this are funded by the Australian Government on an annual basis. Approval is, therefore, subject to funds being available.

David Lane, Project Manager Grants Program
Targeted protection of high priority terrestrial and riparian vegetation

The Northern Natural Resource Management (NRM) Strategy provides a vision and a way forward for the future management, maintenance and enhancement of Northern Tasmania’s natural resources.

Targeted Protection of High Priority Terrestrial and Riparian Vegetation, developed by NRM North and funded through the Australian Government’s Natural Heritage Trust program, will be delivered by Private Forests Tasmania in partnership with the local community in 2006-2007 by providing planning and on-ground works in the Ben Lomond and Flinders Bio Regions.

This activity also brings together some recent advances in vegetation management, combining the recently released Conservation of Freshwater Ecosystems (CFEV) data together with vegetation polygons from TasVeg, to allow spatial identification of high priority areas. By excluding areas previously protected or occurring on public lands we can target areas on private property in particular. The ability to “see” gaps in past projects will enable us to create corridors that give better value for money from the investment and create better outcomes for landowners and the environment.

Regions within which the project operates

Initial strategic identification and targeting of properties is being undertaken in Dorset Municipality with assistance from Dorset NRM. An added benefit will be the collation of past projects into a single dataset that will be valuable in ongoing monitoring and evaluation.

The definition of High Priority for the project is:

- Native Riparian vegetation of a stream section classified as high or very high under ‘CFEV’ - The ratings range from low to very high and are based on priority for protection which in turn is based on values for threatened species and water quality.
- Vegetation communities that are listed as Rare, Vulnerable or Endangered.
- Vegetation that provides habitat for threatened flora and fauna species that are known to exist in the area.

The project aims to improve water quality and river health through the protection, maintenance and enhancement of high priority native vegetation on private land in the Ben Lomond and Flinders Bioregions. High priority areas include threatened vegetation communities, regional corridors, critical fauna habitat and riparian and/or wetland areas.

The project will deliver **$200,000 in grants** to assist landholders with:

- **site management** plans;
- **fencing** for protection of threatened vegetation communities and wetlands; and
- **watering troughs** and stream bank fencing to protect riparian areas.
Funds for weed control and some re-vegetation works are also available.

The project will also increase community and landholder awareness of the importance of native vegetation to sustainable land management through a number of field days. Project Leader is Scott Livingston of Livingston Natural Resources Services, with support from recently-appointed project officer Semone Keppel. The project is well on track to achieve the area targets, and support for the project could well see demand for extension subject to future funding support.

A substantial amount of data such as the Vegetation Condition Assessment Score sheets, developed from the TAS VEG Vegetation site assessments, photo records and GIS datasets are being collected and should all add to a very interesting and comprehensive report on completion of the project.

Highlights to date have been the identification of several threatened flora species, for example, *Acacia uticifolia* (Juniper wattle), *Hibbertia virgata* (Twiggy guinea flower), *Hypoxis vaginata* (Sheathing yellow star), *Xanthorrhoea arenaria* (Sand grass tree) and the habitat for the *Pseudomys novaehollandiae* (New Holland Mouse) at two different sites.

For further information please contact:
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Private timber reserves – a uniquely Tasmanian idea

Land owners can apply to have their land declared as a Private Timber Reserve under the Tasmanian Forest Practices Act 1985. With a Private Timber Reserve, the land owner does not require local government approval to undertake forestry operations on the land but a forest practices plan is still required before a forestry operation can be undertaken. A Private Timber Reserve secures an owner’s right to use their land for forestry purposes.

A Private Timber Reserve can be declared over native forest, plantations or land intended to be planted.

Progress as at 30 June 2006

<table>
<thead>
<tr>
<th>Number of applications received (number)</th>
<th>Totals to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications advertised</td>
<td>1,747</td>
</tr>
<tr>
<td>Applications approved by Forest Practices Authority</td>
<td>1,690</td>
</tr>
<tr>
<td>Private Timber Reserves revoked</td>
<td>113</td>
</tr>
<tr>
<td><strong>Net total area gazetted</strong></td>
<td><strong>421,709ha</strong></td>
</tr>
</tbody>
</table>

Since the first Private Timber Reserve applications were accepted in 1987 the processing of the applications has been a major task for the staff of Private Forests Tasmania. A review of the area gazetted as Private Timber Reserve since 1987 indicates considerable variation in the area gazetted annually.

There has been a downward trend in the area gazetted. This is in line with expectations that over time the area suitable for use as a Private Timber Reserve would progressively be declared as a Private Timber Reserve.

Applying for a Private Timber Reserve

An application to declare an area a Private Timber Reserve can be obtained from any offices of Private Forests Tasmania. There is a $405 application fee, with an additional fee if the Private Timber Reserve application includes only part of a land title. One section of the application needs to be completed by a Forest Practices Officer. State and Local authorities, and adjoining landowners, within 100m of the boundary of the proposed reserve, can object to the declaration of land as a Private Timber Reserve, and objectors and applicants can appeal to the Forest Practices Tribunal.

The process to declare an area a Private Timber Reserve is relatively complex with the application being advertised, a period for people to object to the application, and the application presented to the Board of the Forest Practices Authority for consideration. Once an application is approved the Private Timber Reserve is registered on the land title.
The status of the land as a Private Timber Reserve remains with the land title. A Private Timber Reserve can be revoked by the land owner, or the Forest Practices Authority if the land is not being used for forestry purposes.

Recent developments

All plantations established under management investment schemes (MIS) and joint venture arrangements generally include the requirement that plantation areas be declared as a Private Timber Reserve. It is generally a part of the conditions associated with forest rights registration, land lease or trustee arrangement for the plantations to make an application to declare the land a Private Timber Reserve.

Large forestry companies are also ensuring their freehold lands are declared as Private Timber Reserve.

Tasmania has a land area of 6.8 million hectares – 4.1 million hectares or 61 per cent is Crown land. The remainder, 2.7 million hectares or 40 per cent is private land, of which approximately 1.0 million hectares is covered by forest or plantation. The area gazetted as Private Timber Reserve as at June 2006 is 421,709 hectares or 15.8 per cent of the private (freehold) land in Tasmania.

Peter Taylor
Regional Private Forester
Forestry rights provide a valuable option to landowners

Tasmania’s *Forestry Rights Registration Act 1990* (“the Act”) offers private landowners another very important avenue to maximise the value of their forested land by selling the forestry rights over that land without having to sell the land itself. For a landowner wishing to maintain their property within the family, this offers an avenue to provide for succession planning as well as generating revenue.

The Act defines a forestry right in relation to land as being:

any (or a combination) of the following interests in the land granted by its owner:

- (a) ownership of trees;
- (b) a carbon sequestration right;
- (c) a right to establish, maintain or harvest, or maintain and harvest, trees – together with –
- (d) any ancillary rights of access or of constructing or using tracks…; and
- (e) any provisions for charges, payments or royalties or for the division of trees or the proceeds of trees, whether or not those provisions are coupled with obligations;

A forestry right is registered against the title of the land. The *Forestry Rights Registration Act 1990* does not create any new rights but rather codifies into statute the common law right of profit à prendre as it relates specifically to forestry. A forestry right does not confer a right of exclusive possession of the land to which it relates. This enables a landowner to retain security of title over the land while being able to sell or assign the forest asset growing on that land to someone else.

Further, a forestry right over land does not inhibit the ability of the landowner to actually sell that land. The sale of the land does not extinguish the forestry right. The Act expressly provides that a forestry right is “binding on the assignees and personal representatives of the covenantor and on all successors in title of the covenantor to the land”.

The great benefit of a forestry right is the flexibility and attractiveness offered to both landowners and potential investors.

Approximately 40 per cent of the plantations established under Managed Investment Schemes (MIS) over recent years have been established on land not owned by the company establishing and managing the plantation for the MIS investors. In other words, the land is either leased from the landowner or the managing company registers a forestry right over the land. This has enabled landowners to both retain ownership of their land and realize an income from the forestry plantations established on their land, while at the same time allowing the companies to establish plantations more cost effectively as they do not need to purchase land.

If you are a landowner interested in establishing a plantation on your property, or who has been approached by a company or other investor wishing to purchase land for the purposes of establishing a plantation, Private Forests Tasmania recommends that you consider utilising the forestry rights process available to you, and we recommend that prior to entering into any contract you seek your own independent legal advice.

Simon Elderidge
Chief Executive Officer