

Profile of plantation authorisations 1 December 2001 to 30 June 2011

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Background

Within NSW there are four plantation scenarios:

- Plantations approved under the *Plantations and Reafforestation Act 1999* (PRA) from Dec 2001 to the present);
- Plantations accredited under the *Timber Plantations (Harvest Guarantee) Act 1995* (TPHGA) between July 1997 and Dec 2001;
- Existing plantations > 30 ha that predate the PRA and the TPHGA, and have not been authorised under either regulation. These must be authorised under the PRA before they can be re-planted; and
- Smaller plantations of 30 ha or less, classed as Exempt Farm Forestry, that do not need to be authorised under the PRA provided that any clearing of native vegetation is exempt from approval requirements under the *Native Vegetation Act 2003*.

Plantations accredited under the TPHGA are now deemed to be authorised under the PRA and must comply with the *Plantations and Reafforestation (Code) Regulation 2001* (PR Code). A verification process has commenced for these plantations, and to date 36 plantations (with an area of 1117 ha) have been verified as being established..

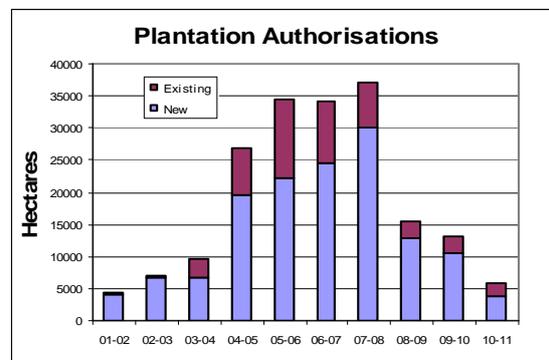
This profile provides an overview of plantation authorisations in New South Wales under the PRA between December 2001, when the PRA came into force, and June 2011.

The PRA is administered by the NSW Office of Primary Industries. The plantation authorisation process is undertaken by specialist plantation officers.

Plantation Authorisations

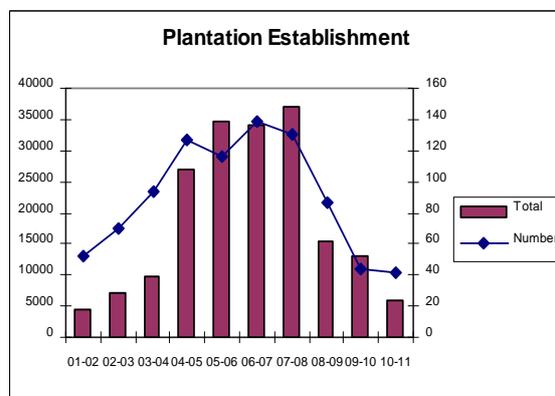
During the period from December 2001 to 30 June 2011, 891 plantation authorisations were issued, resulting in a plantation area of approximately 181,472 ha. This includes 618 new plantations (134,943 ha) together with existing plantations (48,411 ha) that have now been authorised under the PRA.

The total authorised area (as distinct from the plantation area) is over 216,893 ha. This includes approximately 35,335 ha of native vegetation that has been retained within plantations to be managed for biodiversity outcomes.



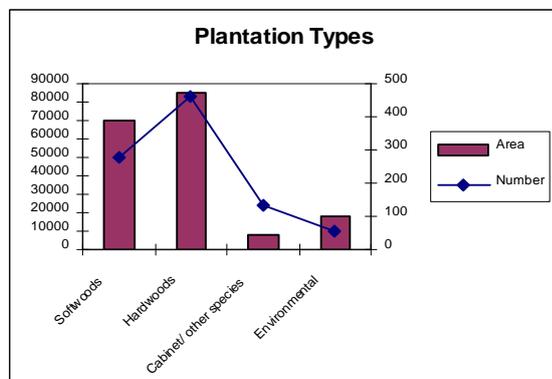
Plantation Types

Of the 181,472 ha of plantation authorised between December 2001 and June 2011, approximately 69,937 ha were softwood plantations (*Pinus* spp). Hardwood plantations accounted for about 84,701 ha, other species and cabinet timber plantations for 7,911 ha, and environmental plantings for 20,269 ha.



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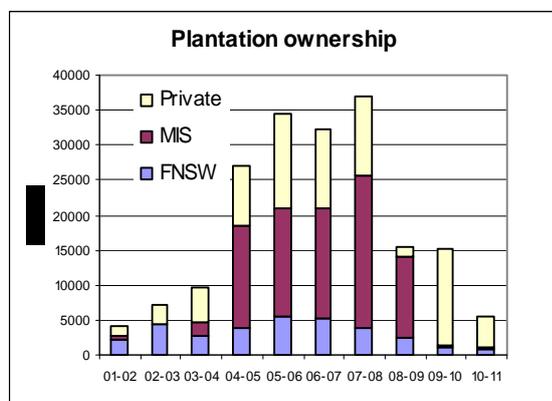


Plantation Ownership

Trends in plantation ownership have changed significantly since the introduction of the PRA in 2001. More than half of all plantations authorised between 2001 and 2003 were owned by Forests NSW, but this has dropped to just over 14% of the area of plantations authorised under the PRA by June 2011.

From 2003-2004, Managed Investment Schemes (MIS) emerged as major players in the establishment of new timber plantations, which continued until the global financial crisis of 2009. By June 2011 there were 283 MIS established plantations covering an area of 81,499 ha. This accounts for 37% of the area of plantations authorised under the PRA.

The remaining 49% of the area of authorised plantations is in the ownership of individuals and other plantation companies. The involvement of individuals and private companies has increased dramatically in 2009-2010 and 2010-2011.



Regional Distribution and Trends

For the period December 2001 to June 2011 the majority of plantation establishment activity was on the North Coast within the Northern Rivers CMA, and in southern NSW in the Murray, Murrumbidgee and Southern Rivers CMA areas.

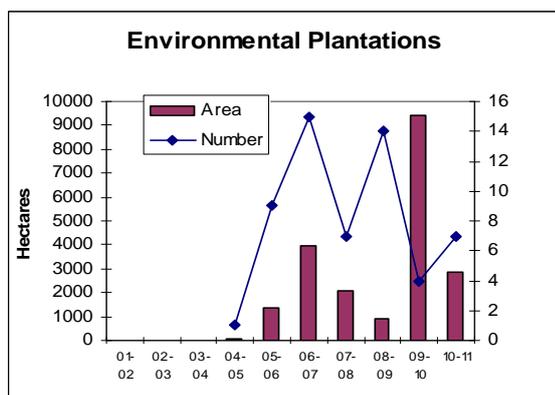
Almost 70% of authorisations during 2010-11 were in the Northern Rivers (36%) and Central West (32%) CMA areas. Significant areas of environmental plantations were established in the Central West CMA area during 2010-2011 (2,841 ha).

Plantation types (ha) within CMAs

CMA	h'wood	s'wood	other	enviro	total
Murray	318	23,701	7	14	24,040
Murrumbidgee	944	22,757	27	411	24,139
Border Rivers	4,834	0	0	0	4,834
Central West	109	4,675	19	5,337	10,140
Hunter Central	10,573	2,344	10	26	12,953
Lachlan	16	2,261	2,142	11,480	15,899
Namoi	638	0	0	0	638
Northern Rivers	64,662	3,633	5,647	0	73,942
Southern Rivers	2,574	10,291	59	0	12,924
Western	0	0	0	516	516
Hawkesbury	33	28	0	0	61
Sydney Metro	0	247	0	0	247

Environmental Plantations

Since 2005 there has been a rapid expansion in environmental plantations for carbon sequestration. Unlike timber plantations, these are not harvested but are used to obtain carbon credits. By the end of June 2011, fifty nine environmental plantations had been established covering an area of 20,669 ha. Most environmental plantations are located in the Central West of the State where predominantly Mallee species are planted.



Guarantee of Service

NSW Primary Industries is committed to delivering quality assessment services to its clients and has reallocated resources to meet the changing demands of plantation developers and the guarantee of service (14 days for complying applications and 40 days for non-complying applications).

A key part of the assessment process is the pre-application inspection where a NSW Primary Industries plantation officer will meet with the proponent on-site to discuss the requirements of the PR Code and make an overall assessment of the vegetation on site, the cultural heritage values, soils, and the impact on threatened species. Once this pre-application inspection has been undertaken a plantation application is lodged for assessment.

Of the 891 authorisations issued to 30 June 2011, 98% were complying applications (ie they complied with all the requirements of the PR Code). With the exception of the first few months of operation of the PRA in 2001, the average assessment time for complying plantations has been less than 6 days while for non-complying plantations an average assessment time of 24 days has been achieved.

Review of the PRA and PR Code

The statutory review which commenced in 2005 was finalised in late 2010. Approved amendments were gazetted and commenced on 1 January 2011. New provisions are now required for minimising bush fire risk, and application fees now apply for plantation authorisations.

Other Code provisions have been amended to upgrade them in accordance with industry best practice.

Auditing and Compliance

NSW Primary Industries plantation officers conduct random audits of authorised plantations to assess the level of compliance with the Code provisions, and to assess the effectiveness and efficiency of authorisation processes and procedures.

Since December 2001 there have been 116 audits of plantation operations. As a result of these audits, 17 Corrective Action Requests were issued requiring works to be undertaken in order for plantation operations to comply with Code provisions. Most of these were in relation to road drainage and drainage feature crossings.

One Penalty Infringement Notice was issued during 2010-2011 for a significant breach of the Code provisions.

The majority of plantations audited were found to comply with the regulations.

Future Direction

The PRA and PR Code continue to provide an effective regulatory framework to support the future development of plantations across NSW. This has been confirmed in the CSIRO's recent assessment of the Code against National Principles developed by the Federal Department of Agriculture, Fisheries and Forestry.

It is likely that the plantation estate in NSW will continue to grow to support the demand for wood products.

Added to this is the Federal Government's Carbon Pricing Proposal and the eventual introduction of an emissions trading scheme, which may generate a need for plantation forestry to offset carbon pollution once the scheme is operational.

Recent announcements in relation to the use of plantation biomass for biofuel and bioenergy production could also drive up interest in the plantation sector.

For further information

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