

Minister for

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#### Dear Mr Pender

On behalf of the Government of South Australia, I am pleased to provide you with the State's submission on the inquiry into the Australian Forestry Industry.

In line with the nature of your inquiry and South Australia's extensive expertise, the attached submission concentrates on plantations and its processing industry. Overall there needs to be a balanced view on plantations, taking into account their economic, environmental and social benefits as well as costs.

Industry opportunities will arise from improving profitability, encouraging innovation in underutilised resources, assessing import substitution possibilities and further promoting the climate change friendly nature of wood.

Measures to overcome constraints on the industry include:

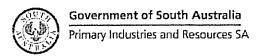
- more stringent anti-dumping measures by the Australian Government,
- funding for the Green Triangle Region Freight Action Plan,
- the Australian Government's renewable energy policy to consider heat production that replaces fossil fuels in addition to electricity, and
- the strengthening of workforce skills.

I trust this submission is of assistance to you.

Yours sincerely

Hon Michael O'Brien MP MINISTER FOR FORESTS

Encl: Submission to the Inquiry into the Australian Forestry Industry



#### INQUIRY INTO THE AUSTRALIAN FORESTRY INDUSTRY

Plantations form the backbone of South Australia's forest industry as clearing of native vegetation has not occurred since the 1970s.

Plantations have many benefits:

- Timber, biomass production for fuel, to a range of wood and paper products,
- seguestration of atmospheric carbon,
- enhancing biodiversity,
- can improve water quality,
- · can redress land degradation and soil salinity,
- diversify farm income,
- · generate regional employment and economic activity,
- · provide recreational opportunities, and
- contribute to SA's strategic directions as identified in our Strategic Plan <sup>1</sup>.

The South Australian Strategic Plan has six aims, growing prosperity, improving well-being, attaining sustainability, fostering creativity and innovation, building communities and expanding opportunities.

Given the developments that have occurred nationally in the forestry sector in recent years, such as the decline in harvesting of native forests and the maturing of a relatively recently planted hardwood pulpwood resource, the South Australian Government welcomes this inquiry. It is hoped that its findings will support this Government's position that the forestry industry can grow successfully alongside other land based activities. Discussion on how agreed recommendations can be resourced and implemented would be of value.

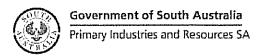
The South Australian Government also recognises that industry involvement is essential and has initiated a number of strategies to further develop a range of primary industries (such as *Food Strategy 2010-15*<sup>2</sup>, and *Wine: A Partnership 2015-20*<sup>3</sup>). An independent Forest Industry Development Board (FIDB) has prepared a draft forest industry strategy for the State in consultation with industry. The overarching social, environmental and economic aims can be found on online at http://www.pir.sa.gov.au/forestry/south\_australian\_forest\_industry\_strategy).

South Australia has extensive experience with plantation forestry and associated forest processing which spans over a century of industry research and development. Accordingly our comments for this National inquiry will focus on the plantation industry.

<sup>&</sup>lt;sup>1</sup> Government of South Australia (2007) South Australian Strategic Plan <a href="http://www.saplan.org.au/system/pdf/South-Australia Strategic Plan 2007.pdf">http://www.saplan.org.au/system/pdf/South-Australia Strategic Plan 2007.pdf</a> Adelaide

<sup>&</sup>lt;sup>2</sup> Government of South Australia (2009) Food Strategy 2010-15 http://www.safoodcentre.com.au/\_\_data/assets/pdf\_file/0017/123407/SNAPSHOT\_SAFoodStrategy\_Final.pdf

<sup>&</sup>lt;sup>3</sup> Government of South Australia (2010) *Wine Strategy 2010-15*, http://www.pir.sa.gov.au/ data/assets/pdf file/0010/126298/Wine partnership strategy.pdf



## Terms of Reference 1 - Opportunities for and constraints upon production.

### Opportunities for Australian forestry include:

- Improve the profitability of plantations by: recognising plantation wood as a renewable energy on par with other renewable energies, allowing carbon credits for plantations and carbon stored in harvested wood products, and encouraging further reinvestment in plantations.
- Given the timber and wood product import bill of \$2bn in 2009-10<sup>4</sup> and the possible impact of measures to combat illegal logging, identify the opportunities and constraints on greater substitution of imported forest products with locally processed products.
- Encourage industry innovation throughout the product cycle in particular, for engineered and other products for softwood and hardwood pulpwood.
- Further the promotion being done by Forest and Wood Products Australia highlighting the climate change friendly nature of wood (low energy intensity, carbon store, good insulating properties) as a building material compared with alternatives.

#### Constraints

In general it has been popular to call for additional constraints on the industry. However, this is contrary to the achievement of a level playing field and allowing market forces to determine economic outcomes.

#### Anti-Dumping

South Australia takes the view that while the Productivity Commission makes a number of valid points in its final report on Australia's Anti-Dumping and Countervailing System<sup>5</sup> there are instances where the State's industry sectors may need recourse to effective anti-dumping measures, particularly if they are facing, or about to face, material injury (usually manifested by price suppression, declining sales and falling employment).

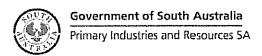
The South Australian Government is supportive of the Productivity Commission's recommendation to maintain an effective anti-dumping and countervailing framework so that manufacturers can make longer term, capital-intensive investments in the State's manufacturing sector. In fact stronger enforcement of anti-dumping measures may be critical, not only to attracting new capital-intensive investment, but to maintaining the viability of existing Australian operations.

Further, given the complexities of the current trading environment, including global supply chains and retail dominance in certain sectors, Australia's anti-dumping system needs to be beyond reproach in terms of procedural application. It also needs to be seen to accord equity to all parties. Streamlined investigation procedures and clarification of the material injury test would greatly assist in this regard.

Therefore, to maintain and strengthen Australia's anti-dumping and countervailing system, the South Australian Government requests that the Australian Government establish a formal legislative review, through the Commonwealth Department of Innovation, Industry, Science and Research to report through the Minister, to Cabinet, with recommended legislative amendments.

<sup>&</sup>lt;sup>4</sup> ABARE-BRS 2010, Australian forest and wood products statistics, March and June quarters 2010, Canberra,

<sup>&</sup>lt;sup>5</sup>Productivity Commission (2009) Australia's Anti-dumping and Countervailing System, Report No 48, Canberra.



#### Infrastructure

There is likely to be infrastructure needs in all states of Australia. The timber industry in the State's Green Triangle Region (GTR) straddles the border between the south-east South Australia and south-west Victoria. Export opportunities and local processing from the forest industry in the area are extensive. The South Australian and Victorian Governments recognised this and with local government, the timber and freight industries, considered the transport infrastructure and processes needed over the next 10 years or so to realise this potential.

The Green Triangle Region Freight Action Plan (FAP) is an outcome of the Green Triangle Freight Ministerial Summit of May 2008, convened jointly by the South Australian and Victorian Governments and which involved local government, the timber and freight industries and the Port of Portland. The Summit identified a need for a plan to ensure the appropriate land transport infrastructure and an aligned regulatory environment were put in place to accommodate the forecast increases in freight traffic in the region, particularly mineral sands and forest products to the Port of Portland, and possibly roundwood to Penola.

The FAP<sup>6</sup> was released in 2009 and outlines the GTR infrastructure needs and freight transport demands and defines the actions required to address them. These actions include:

- · road network enhancements,
- rail network enhancements, and
- regulatory reform.

Since the joint release of the FAP, both State Governments have been working to implement the recommendations by carrying out their own funding initiatives and by seeking Commonwealth Government support through Infrastructure Australia (IA).

In October 2009, the South Australian and Victorian governments lodged an updated joint submission with IA seeking Commonwealth funding for a package of infrastructure projects in the GTR. The IA report on investment priorities released in June 2010 identified the FAP as a project with 'Real Potential' but has not resulted in a commitment of funding by the Commonwealth Government. The States will continue to work with IA for Commonwealth funding for the FAP transport improvements.

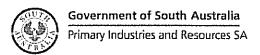
#### Workforce Skills

A skilled workforce that supports production, innovation and adaptation is essential for a strong and sustainable forest and forest products industry. Demand for skilled workers is increasing as the short rotation hardwood pulpwood plantations mature, particularly for skills in harvesting, transportation, timber processing, and also in re-establishing plantations. Many of the skills required to manage these processes are also sought by other regionally based industries, including agriculture and mining.

Most plantation resources are found in regional areas. This presents challenges, not only delivering services to develop skills, but also in attracting and retaining a skilled workforce. This challenge will increase as our population ages.

The FIDB has recognised a need to strengthen workforce capabilities. The ongoing development of government and industry partnerships to support training capability is noted. Such efforts should seek to maximise the opportunities of established mills as well as new ones, particularly in regional areas since this is where the need is greatest.

<sup>&</sup>lt;sup>6</sup>Governments of South Australia and Victoria (2009) *Green Triangle Region Freight Action Plan* <a href="http://www.transport.sa.gov.au/publications/pdfs/green\_triangle\_plan.pdf">http://www.transport.sa.gov.au/publications/pdfs/green\_triangle\_plan.pdf</a>



## Terms of Reference 2 - Opportunities for diversification, value adding and product innovation

### Value Adding

To encourage more value-adding of plantation roundwood there may be merit in working towards a National Forest *Products* Policy Statement which would accompany the National Forest Policy Statement <sup>7</sup> that was signed by all States and Territories and the Commonwealth Government. This would focus attention on the main issues that should be addressed from a national scale to enhance Australia's value adding of roundwood.

With respect to value adding pulpwood, the South Australian government notes the difficulty proposed Australian pulp mills have experienced attracting sufficient finance. It is also apparent that any unnecessary barriers need to be removed.

The range of benefits in establishing value added industries, including pulp mills, are considerable and include: significant regional employment, improved plantation profitability and productivity, and most importantly, the accountability and transparency of Australian pulp mills to stringent environmental standards that may not apply to imported pulp.

#### Innovation

Innovation is recognised as a path to competitive advantage and improved financial performance. According to a recent international benchmarking innovation study<sup>8</sup>, Australia lags behind in softwood sawmilling product and process innovation compared to competing countries. In addition we recognise that there is a need for more innovation of engineered and other products for softwood and hardwood pulpwood.

The National Primary Industries Research Development and Extension Framework (RD&E) has provided a valuable opportunity to reflect on the position of Australia's forest industry by producing, in early 2010, the RD&E Strategy for the Forest and Wood Products Sector. If it is appropriately resourced this will contribute to the rebuilding of an effective innovation system to enhance competitiveness in the longer term and should therefore be supported.

Another consideration is to improve the linkage between RD&E and the education and teaching sector, as suggested by the Australian National University 9.

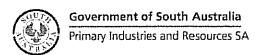
Productivity Commission<sup>10</sup> proposals to reduce research funding to primary industry sectors - including the forest industry - by reducing levy matching proposals, require careful consideration by the Australian Government.

<sup>&</sup>lt;sup>7</sup>Commonwealth of Australia (1995) The National Forest Policy Statement http://www.daff.gov.au/\_\_data/assets/pdf\_file/0019/37612/nat\_nfps.pdf

<sup>&</sup>lt;sup>8</sup> Hansen et al. (2010) in Bull, L (2010) Australia's future forest industry – a cause for celebration or commiseration? Australian National University, Canberra.

<sup>9</sup> Bull, L (2010) Australia's future forest industry - a cause for celebration or commiseration? Australian National University

<sup>&</sup>lt;sup>10</sup> Productivity Commission (2010) Rural Research and Development Corporations, Draft Inquiry Report, Canberra.



#### Terms of Reference 3 - Environmental impacts of forestry

Care needs to be taken to ensure the issues surrounding the impacts of plantations are placed into perspective, where possible.

### Impacts of Plantations on Land Availability

Plantations share of farmland in 2009 was only 0.3% nationally (Gavran and Parsons 2010)<sup>11</sup> though this percentage may be greater in some higher rainfall areas. Therefore, there is a range of other factors that affect land availability for agriculture, including, but not limited to:

- relative profitability of non-agricultural land uses such as mining,
- conversion to private and public conservation,
- changes to land use planning and zoning, usually making rural land available for residential use, and
- infrastructure needs such as roading.

Other land and plantation issues are addressed in Terms of Reference 7.

## Impacts of Plantations on Water

In releasing its *Guidelines for Plantation Forestry in South Australia 2009*<sup>12</sup> the South Australian Government considered the impact of dryland plantations on water by requiring buffer zones from waterbodies for new and subsequent rotations.

The National Water Initiative<sup>13</sup> recognises that change of land use to large-scale dryland plantations is a concern where water catchments are fully allocated, over allocated, or approaching full allocation.

With respect to groundwater catchments, there are several differences between an irrigation pump and a tree, in particular:

- · there is a natural limit to the water used by trees but not for irrigation pumps, and
- pumps are a 'point' source of water consumption while trees are a 'diffuse' user.

Given this, it is difficult to develop a universally agreed policy to manage the water consumed by land use changes that fits within an existing irrigation entitlement framework. The South Australian Government has taken the first step in this regard and produced a Statewide Policy Framework "Managing the water resource impacts of plantation forests" which sets out high-level principles and provides guidance to ensure that water-affecting activities are identified and managed within sustainable limits. It has two main instruments to control water use (including reducing allocations), licences and permits. Prior to this a cap was placed on plantation expansion in the South East of South Australia.

<sup>&</sup>lt;sup>11</sup> Gavran, M and Parsons, M (2010), *Australia's Plantations 2010 Inventory Update*, National Forest Inventory, Bureau of Rural Sciences, Canberra.

<sup>&</sup>lt;sup>12</sup> Government of South Australia (2009) Guidelines for Plantation Forestry in South Australia, Adelaide http://www.pir.sa.gov.au/forestry/programs/farm\_forestry/guidelines\_for\_plantation\_forestry\_in\_south\_australia\_2009

<sup>&</sup>lt;sup>13</sup> Commonwealth of Australia, *Intergovernmental agreement on a National Water Initiative* (2005) http://www.nwc.gov.au/resources/documents/Intergovernmental-Agreement-on-a-national-water-initiative.pdf

South Australian Government (2009) Managing the water resource impacts of plantation forests, http://www.waterforgood.sa.gov.au/wp-content/uploads/2010/11/wr\_forest\_water\_summary\_brochure.pdf



The South Australian Government has now introduced the Natural Resources Management (Commercial Forests) Amendment Bill 2010 that includes two legislative tools to manage forest water impacts (forest water licences and a forest permit system). The Bill proposes granting plantations with water rights to manage all water users in a transparent and equitable manner.

Recommendations about which tool to apply where there are significant impacts on water availability, will be made by regional Natural Resource Management Boards in their water allocation or regional plans. These boards are responsible for water resource management in South Australia. Different water and plantation provisions could therefore apply in various parts of South Australia.

Dryland farm forestry, as distinct from plantations, will not be subject to water licensing or permit systems but will still be accounted for in regional water balances and water allocation plans.

As it is harder to assess and monitor groundwater, compared to surface water resources, Since 2008, the South Australian Government has commissioned independent scientific reviews to improve understanding of forest water impacts and resource management. It is important to support and undertake research that distinguishes between different water uses and water allocations and takes into account all the relevant considerations, including rainfall. The final response should be commensurate with the risk.

Ideally dryland plantation and water regulation should minimise cross-border impacts if part of the same catchment, to avoid perverse or adverse outcomes, and preferably be consistent across jurisdictions to minimise costs and confusion to industry and other water-use stakeholders. This is particularly important in Australia where some forestry firms operate across states.

# Win-win outcomes in balancing environmental costs with economic opportunities

The *Development Act 1993* is South Australia's principal land use planning legislation. It provides for integration between the natural resource management system and the land use system, to ensure future use of land is ecologically sustainable.

Term of Reference 3 implies that plantations only have negative environmental impacts. On the contrary they can contribute multiple benefits. Research conducted by the CSIRO<sup>15</sup>, the Joint Venture Agroforestry Program, Rural Industries and Research Development Corporation and the Forestry CRC, are examples of the information available to substantiate the range of natural resource and regional development outcomes from plantations, including:

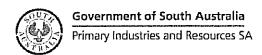
- · protection of soil resources from wind and water erosion,
- sequestration of atmospheric carbon,
- provision of biodiversity habitat and reduction of the effects of landscape fragmentation,
- amelioration of dryland salinity and protection of land from total degradation,
- protection of crops and stock from sun and wind and associated productivity gains (relevant to Term of Reference 5),

<sup>&</sup>lt;sup>15</sup>Gurr G M et. al. (2009) Farm Trees: Enhancing Biodiversity, Nature Conservation and Pest Control, RIRDC Publication No. 09/039

Robins L and Marcar N E (2007) Integrated Forestry on Farmland: Prospects for integrated forestry as a management tool for salt-source catchments, CRC for Plant-based Management of Dryland Salinity, Perth

RIRDC (2009) Fifteen Years of the Joint Venture Agroforestry Program - Foundation research for Australia's tree crop revolution, RIRDC Publication No. 09/063

Cawsey, E. M. and Freudenberger, D. (2008) Assessing the biodiversity benefits of plantations: The Plantation Biodiversity Benefits Score. Ecological Management & Restoration, 9: 42–52. doi:10.1111/j.1442-8903.2008.00386.x



- generation of regional employment and economic activity (relevant to Term of Reference 5),
- recreation and tourism (relevant to Term of Reference 5),
- renewable energy (relevant to Term of Reference 6), and
- diversification of farm income (relevant to Term of Reference 7).

Therefore plantations and agriculture can readily co-exist in the landscape with appropriate strategic development and natural resource management planning.

Plantations and any embedded remnant vegetation communities in plantation estates offer considerable biodiversity benefits, particularly habitat provision. In fact the conservation of biodiversity is being increasingly recognised as a key part of managing existing plantations and the establishment of new ones. Best practice techniques include:

- Retaining and protecting native forest remnants and wetlands within plantation landscapes to provide important habitat for a wide range of species such as birds, mammals and reptiles.
- Retaining and protecting native vegetation along watercourses and ridgelines as these areas can be valuable dispersal routes for some species.
- Actively managing pest animals and plants within plantations and nearby vegetation to reduce competition pressure and predation upon native species.
- Establishing corridors between native vegetation remnants to provide shelter, food and protection from predators by imitating the structure and diversity of native vegetation.
- Ensuring activities within plantations do not unduly affect native species including those in nearby native vegetation.

Concern is sometimes expressed about plantations use of rural chemicals. All Australian chemical users (including the forest industry) are controlled via the Australian Pesticide and Veterinary Medicine Authority system that manages chemical use registration and labelling. The Environment Protection Authority in SA supplements this with agreements between the relevant parties if there has been an incident and a responsible polluter identified.

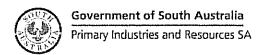
Forestry is often a minor user of rural chemicals, as low as 0.7%<sup>16</sup> of pesticide use, and significantly, is usually only applied to very young plantations.

Innovation to develop rural chemicals with improved efficiency and lower residues could assist both plantations and other primary industry land based activities to further reduce any impacts.

In South Australia almost all plantations are certified to national or international environmental standards and is therefore demonstrably sustainable. The Australian Forest Certification Scheme was developed for Australian conditions and its adoption throughout industry and throughout the wholesale and retail chains should be encouraged.

The South Australian Government also promotes sustainable forest management through its plantation guidelines<sup>12</sup>. These guidelines were developed in consultation with the forest industry, government agencies and other relevant stakeholders, and summarises mandatory requirements along with industry practices that deliver appropriate environmental, social and economic outcomes.

<sup>&</sup>lt;sup>16</sup> Tomkins, B (2009) *Use of Agricultural Chemicals in Plantation Forestry*, Central Victorian Farm Plantations Committee Occasional Paper 01/09.



## Terms of Reference 5 - Social and economic benefits of forestry production

There are a number of well researched papers showing that plantation forestry is one of the main contributors to social and economic regional development<sup>17</sup>. Benefits vary depending on whether the plantation industry is being established, harvested or is a mature estate. Regional benefits of plantations specific to South Australia can be provided on request.

Socio-economic benefits include: the generation of regional employment and economic activity, improved farm productivity, providing tourism, public recreation services and sustainable building materials.

Notwithstanding the relatively small area occupied by plantations the industry has a large physical and visual presence in the landscape in comparison to other land using industries. A lack of promotion has exposed the industry to criticism and tends to limit its opportunities to respond to various issues. Resourcing to improve this situation should be developed. The plantation forest industry is yet to adequately promote this contribution.

Multiple use plantations near urban areas can be significant areas of public open space for recreation and tourism. They are particularly valuable as they can accommodate a wider range of recreational activities than native forests set aside for conservation.

Commercial<sup>18</sup> and social benefits from farm forestry plantations are also relevant to Term of Reference 3.

# Terms of Reference 6 - Potential energy production from the forestry sector

Opportunities exist in the energy sector for the forest industry due to the nature of the business - trees that sequester carbon and products that store carbon can be used as a renewable energy source. Policies need to be developed that provide a level playing field with other renewable energy sources especially when they are cheaper greenhouse gas abatement<sup>19</sup>. At the same time it is necessary to mitigate against any unintended outcomes.

The current Australian Government's renewable energy policy and regulatory environment rewards electricity production that replaces fossil fuel derived electricity. While electricity production from biofuels receives the same treatment, heat production replacing fossil fuels, does not. This biofuel potential from plantations is currently unrealised in Australia.

The European Commission <sup>20</sup>considers heat and power from biomass/biofuels as renewable energy sources. It has a number of well-known advantages such as: reducing carbon emissions if managed appropriately, it is a proven technology and it can provide base-load capacity.

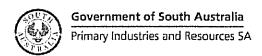
<sup>&</sup>lt;sup>17</sup> Forest and Wood Products Research and Development and Bureau of Rural Sciences (2005) *Socio-economic Impacts of Plantation Forestry*, Canberra http://adl.brs.gov.au/brsShop/data/pc13288.pdf

Schirmer J, Loxton E. and Campbell-Wilson A. (2008) *Impacts of land use change to farm forestry and plantation forestry:* a survey of landholders http://www.planningplantations.com.au/assets/pdfs/sustainability/social/GreenTriangleCentralVicStudy.pdf

Department of Natural Resources and Environment (2002) Forestry as Agriculture, A landholders' guide to plantation and farming economics in Gippsland. http://www.plantations2020.com.au/assets/acrobat/Plantations\_Farming\_Gippsland.pdf

<sup>&</sup>lt;sup>19</sup>Mitchell, C and Harper R (2011) Status and prospects of carbon sink forestry in Australia, Outlook 2011 Proceedings, Climate Works Marginal Abatement Cost Curve, ABARES, Canberra

Sodra, Sveaskog, Vattenfall (2010) Biomass for heat and power, http://www.europeanclimate.org/documents/Biomass\_report\_-\_Final.pdf



## Terms of Reference 7 - Land use competition between the forestry and agriculture sectors

### Implications of competing land uses for the cost and availability of timber, food and fibre

It is unlikely that plantations will increase their impact on land availability for agriculture in the foreseeable future due to:

- changes in ownership of the former managed investment scheme plantations,
- the likelihood that some will not be replanted for a second rotation (ForestWorks 2010)<sup>21</sup>, and
- improved profitability for agricultural land based activities (Martin and Phillips 2011)<sup>22</sup>.

Furthermore, the area of wheat and other crops in Australia has increased from 13 million hectares in 1970 to 28 million hectares in 2009. In the same period, total farm area fell from 495 million hectares to 409 million hectares (Davis 2010, <sup>23</sup> Gavran and Parsons 2010<sup>11</sup>). As plantations are now only 2 million hectares and less than 0.3% of farmland nationally, other factors (as outlined under Terms of Reference 3 above) are competing more substantially for farm area and therefore having a greater impact on food production.

Some commentators are concerned that projects for the proposed Carbon Farming Initiative (CFI) may impact adversely on food production. The Department of Climate Change and Energy Efficiency <sup>24</sup> considers that ongoing agricultural returns will exceed the one-off returns from increasing carbon storage or greenhouse gas abatement. Therefore reforestation is more likely to occur on marginal rather than productive farm land.

To further address community concerns it is likely that all CFI projects will be required to have all regulatory approvals and requirements from all levels of government before receiving credits.

#### Harmonising competing interests

Plantation forestry and agriculture can and do, readily co-exist in the landscape with strategic development and natural resource management planning. This will need greater synergies between local and state governments, regional development, primary industry and NRM priorities.

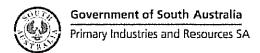
From an economic and social point of view, diversification of primary production in a region is good business and risk management. It provides economic security by not being dependent on one commodity market. In addition, forestry and agriculture use similar associated businesses (transport, machinery, farm chemicals, manufacturing) and service industries (mechanics, agronomist/foresters, legal, financial etc.) which maintains the skills base.

<sup>&</sup>lt;sup>21</sup> ForestWorks (2010) ForestWorks Conference Report, "Australia's Place in the Changing Global Forest Product Market", 9 September 2010, Melbourne.

<sup>&</sup>lt;sup>22</sup> Martin, P and Phillips, P (2011) Farm Performance: broadacre and dairy farms – 2008-09 to 2010-11, Australian Commodities, March Quarter 2011, ABARES, Canberra

<sup>&</sup>lt;sup>23</sup> Davis, G (2010) *Balancing land use for production of food, fibre, and energy*, Australian Forest Grower National Conference Proceedings, Mt Gambier.

Department of Climate Change and Energy Efficiency (2010) Design of the Carbon Farming Initiative Consultation Paper, Canberra <a href="http://www.climatechange.gov.au/government/submissions/~/media/submissions/cfi/cfi-consultation-paper-pdf.ashx">http://www.climatechange.gov.au/government/submissions/~/media/submissions/cfi/cfi-consultation-paper-pdf.ashx</a>



## Opportunities for farm forestry

In 2010 the estimated area of farm forestry in Australia was 100,000 hectares<sup>23</sup>. This diversifies income sources and contributes to a wide range of natural resource management benefits: biodiversity conservation, soil and water quality protection, carbon sequestration, stock and crop protection and carbon trading.

It would therefore be valuable to build on the vision provided by the *Farm Forestry National Action Statement 2005*<sup>25</sup> and further realise the benefits from widespread integration of forestry with other primary production activities, especially in low rainfall environments.

<sup>&</sup>lt;sup>25</sup> Department of Agriculture, Fisheries and Forestry (2005) Farm Forestry National Action Statement, Canberra