



***Forestry development in Northern Australia: cross sector synergies
with mining, grazing and indigenous enterprise opportunities***

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Forestry analysis: research overview

- strategic study into challenges and opportunities for forest and timber industry in Northern Australia



Stage 1

Overview of the forestry and forest products industry and preliminary evaluation of forestry opportunities



Stage 2

Socialisation of the Stage 1 Overview and preliminary evaluation report



Stage 3

Final prioritisation of needs and opportunities for industry investment, research and development, and policy and strategic action to support forestry in northern Australia



- literature review
- regional workshops with stakeholders: Cairns, Nhulunbuy, Darwin, Kununurra
- expert consultations (research partners, industry, practitioners)
- Stage 1 report → Stage 2 report → Final report (April 2020)
- inform future R&D, investment and policy
- ongoing **Industry Development Alliance**

Research partners:

- Timber Qld
- NT DPIR
- QDAF
- USC

Forests in northern Australia, by forest type

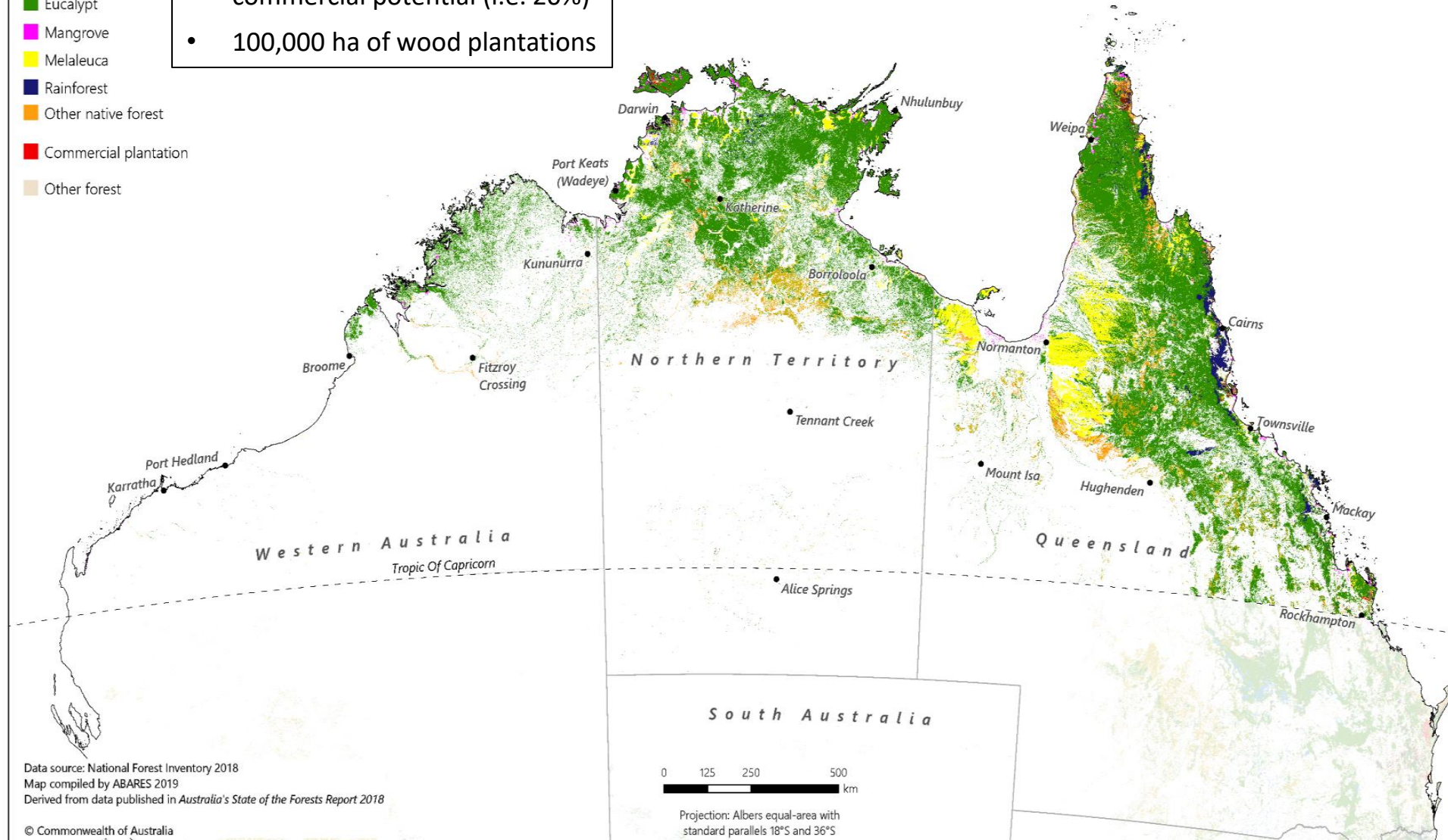


Australian Government
Department of Agriculture
and Water Resources
ABARES

Forest type

- Acacia
- Callitris
- Casuarina
- Eucalypt
- Mangrove
- Melaleuca
- Rainforest
- Other native forest
- Commercial plantation
- Other forest

- 48% or 63 Mha of forests in northern Australia
- 13 Mha of native forest with commercial potential (i.e. 20%)
- 100,000 ha of wood plantations



Data source: National Forest Inventory 2018
Map compiled by ABARES 2019
Derived from data published in *Australia's State of the Forests Report 2018*

The Indigenous forest estate, by land ownership and management category for northern Australia



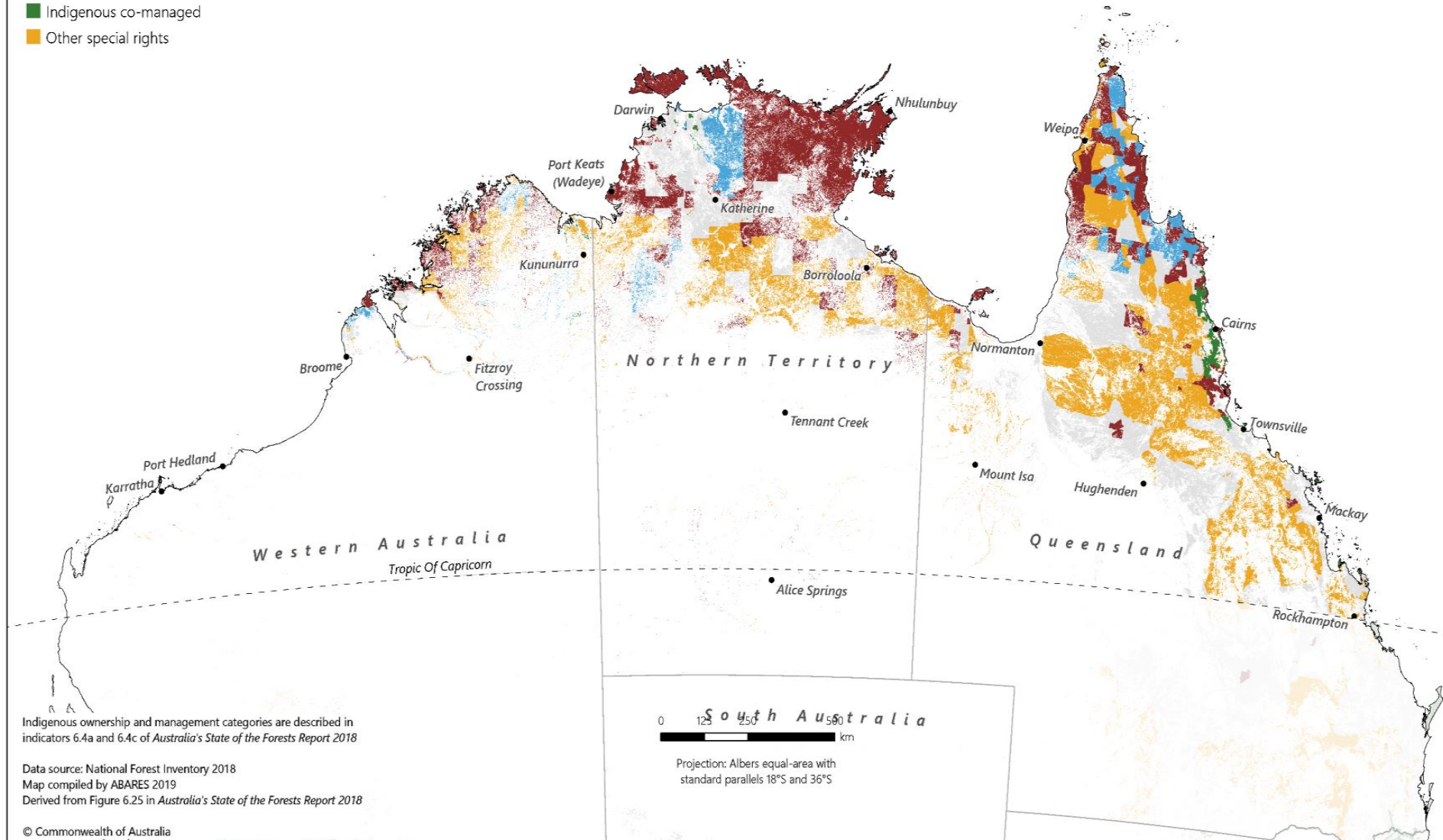
Australian Government
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ABARES

■ All other forest

Indigenous ownership and management category

- Indigenous owned and managed
- Indigenous managed
- Indigenous co-managed
- Other special rights

- 73% (46 Mha) forests indigenous owned or managed



Forestry in the north

- approx. **\$100 m** in output
- > 1800 direct & indirect jobs
- 100K ha plantations at or nearing harvest age
- native forest potential based on low yield but extensive resource

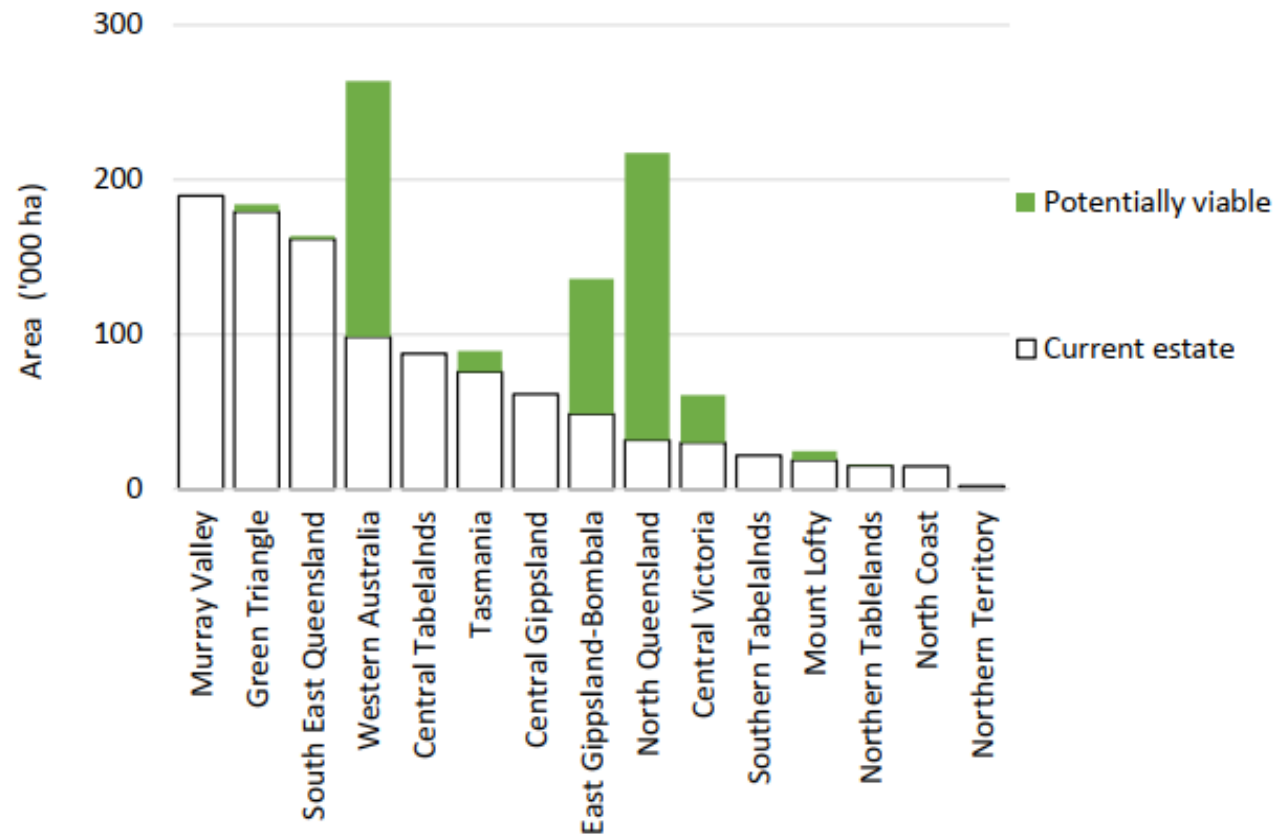


Sector	Regions
Hardwood fibre plantations (i.e. pulpwood or bioenergy)	Tiwi Islands
African mahogany (exotic hardwood) plantations for sawn product/EWPs	Ord River, Douglas Daly, Katherine
Pine sawlog plantations (e.g. framing)	Far North Queensland
Sandalwood plantations for pharmaceutical/fragrance markets	Ord River, Douglas Daly, Katherine
Native forest (eucalypt) for sawlogs (high durability, appearance grade)	Cape York East Arnhem Land Far North Queensland

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Pine plantation expansion: FNQ potential



Note: Potential softwood plantation estate refers to potentially economically viable agricultural land. Estimates of economic viability are based on average milldoor log prices from ABARES 2016–17 GVP survey, ABARES yield models, and an assumed transport distance of 75 kilometres from forest to mill.

Source: Whittle and Downham 2019 (ABARES).

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Land costs

Distance to
mills

Rainfall &
soils



Cross-sector linkages

- timber demand is rising
 - could treble value of production to **\$300 m** pa and generate an extra **600** direct jobs in next 5-10 years
1. Mine site rehabilitation with forestry
 2. Indigenous forestry enterprise development (native forests)
 3. Silvopastoral systems with commercial plantation tree species

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Mine site rehabilitation

Opportunities

- add value to mining land-use through revegetation with productive forestry species (e.g. biomass, timber)
- economic diversification post-mining (East Arnhem, Cape York)

Needs

- R&D on revegetated and/or planted forests with commercial species
- collaboration between indigenous owners, mining industry and the forestry industry
- silvicultural skills and training in addition to environmental management

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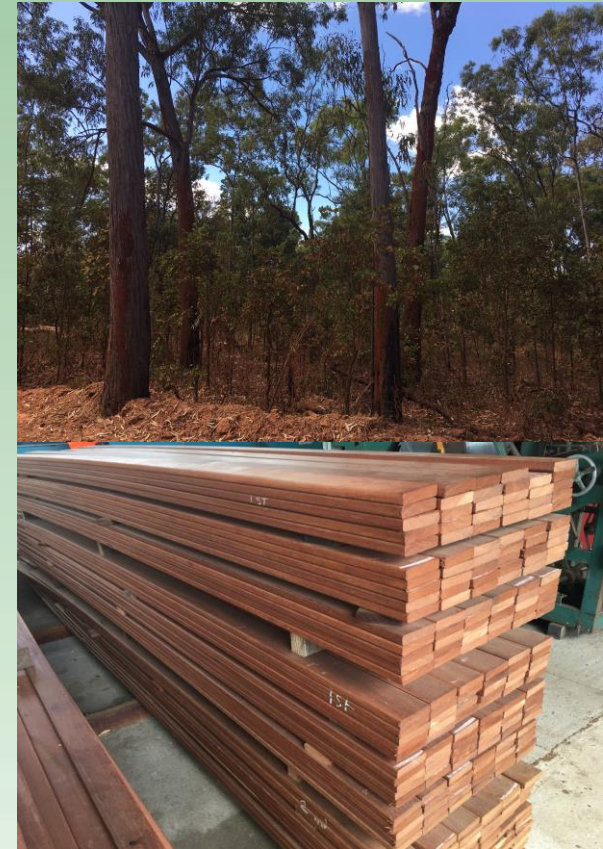
Indigenous forestry development

Opportunities

- 13 Mha native forest with commercial potential
- economic development, jobs, timber production

Needs

- better engagement models between industry and indigenous landowners
- commercial native forest inventory
- training and workforce development: forest management, harvest & haulage, processing, marketing



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Silvopastoralism

Issue

- new greenfield plantation investment has stalled over past two decades
- high-up front costs, long time period until harvest return (low IRRs)

Opportunity

- large area of suitable forest and grazing land
- integration can provide a new investment vehicle
- can improve early cash flow, diversify income and reduce costs (e.g. weed control), plus carbon sequestration (e.g. CN2030)

Needs

- applied field trials and bioeconomic assessments
- quantify trade-offs and net returns of mixed systems

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Electorate	Morayfield	Warrego	Gympie	Maryborough	Cook	Average
Residents surveyed	649	609	607	608	647	
<i>Would you be more or less likely to vote for a political party or candidate with policies in support of Queensland's local forest products and timber industry?</i>						
More likely	48.0	61.6	62.2	63.5	56.2	58.3
Less likely	19.8	17.6	16.7	12.4	21.6	17.6
Vote unchanged	32.2	20.8	21.1	24.1	22.2	24.1
<i>In your opinion, how important do you think forest industries such as wood production and timber processing are to regional Queensland?</i>						
Very important	51.1	63.3	66.6	71.5	58.6	
Somewhat important	32.9	25.2	23.9	21.6	24.1	
Somewhat unimportant	6.7	4.4	6.1	2.6	12.2	
Very unimportant	3.6	2.4	1.5	1.6	1.4	
Unsure	5.8	4.6	1.9	2.8	3.8	
Somewhat important and very important	84.0	88.5	90.5	93.1	82.7	87.8
<i>Do you agree or disagree that the Queensland Government should be doing more to support and grow local timber industry jobs and decrease our reliance on imports?</i>						
Strongly agree	72.3	80.4	76.1	77.8	74.8	
Agree	16.5	11.5	14.7	14.7	14.2	
Disagree	4.9	3.2	4.9	4.0	5.2	
Strongly disagree	2.0	2.2	2.0	1.6	3.5	
Unsure	4.2	2.7	2.2	2.1	2.3	
Agree and strongly agree	88.8	91.9	90.8	92.5	89.0	90.6

uComms polling (Sept 2020)

- regional
- industry footprint
- some marginal



Summary

- forestry can contribute to a reimagined north
- can complement other major sectors in the north:
 1. mining activity
 2. indigenous development
 3. grazing industry
- investment capital is not limiting – but underlying investment environment is (derisking is required)
- short term (silvopastoral trials) and long-term (forestry capacity building) RD&E is needed

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