REPORT ON SURVEY OF NSW NORTH COAST PRIVATE NATIVE FOREST HARVESTING CONTRACTORS

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PREPARED BY JAMAX FOREST SOLUTIONS FOR THE NSW DEPARTMENT OF PRIMARY INDUSTRIES

Jamax Forest Solutions
"We can see the forest through the trees!"

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SURVEY OF PRIVATE NATIVE FORESTRY HARVESTING CONTRACTORS

INTRODUCTION

The NSW North Coast has around 2.9 million hectares of private native forests spread across over eighty thousand individual holdings. Information about the state and socio-economic significance of these forests has not been quantified at a scale that is useful for forest policy makers or those with an interest in forest management.

It is recognised that the contractors that undertake timber harvesting on private native forests play a critical role in the timber supply chain and, at an operational scale, their knowledge of the industry and private native forest timber resources is second to none.

CONSULTANCY BRIEF

As part of a two-year project that seeks to quantify the importance of these forests in terms of their timber producing capacity, the employment they generate and the contribution they make to the State's economy, the Department of Primary Industries (DPI) engaged Jamax Forest Solutions to assist it with gathering information to gain further understanding of:

- the scale and value of private native forestry (PNF) on the NSW north coast
- the profile of PNF contractors;
- the functional role that PNF contractors play in the supply chain;
- the perspectives of PNF contractors regarding their operating environment, the state of the forests upon which they rely, and private native forest landowners.

AIM OF CONSULTANCY

To undertake a qualitative survey of PNF log harvesting contractors on the NSW north coast that taps into their knowledge of the native forest industry and private native forest timber resources.

METHODOLOGY

The methodology for the survey comprised four stages:

Stage 1: investigation and identification of the timber log harvesting contractors[1] that regularly operate on private land on the NSW north coast through the development of a database of North Coast PNF contractors;

Stage 2: a survey of the major timber harvesting contractors who operate on private land on the north coast (estimated at between 20 and 50) using a standard questionnaire;

Stage 3: collation and summary of the numerical data collected in the contractor survey; and,

Stage 4: interpretation and presentation of all the information collected in the contractor survey within a comprehensive written report.

CONSULTANCY OUTPUTS

The project aims to provide:

- information about the extent and character of private native forests on the NSW north coast and their multiple-use values.
- information about existing timber resources and current and future production levels.
- insight into local perspectives and perceptions about timber production in private native forest.

[1] Excludes most small PNF contractors and contractors that only cut fencing, firewood and/or minor products

- a report identifying opportunities and constraints on the future management of north coast private native forests for timber production and other values.

TARGET AUDIENCE OF CONSULTANCY OUTPUTS

The information gathered by this survey will be relevant to:

- forest policy makers
- Local Government and Local Land Services
- owners and managers of native forest
- timber industry bodies, native wood processors, and forestry consultants
- the Commonwealth's State of the Forests Report and its national carbon inventory

RESULTS

For Stage 1 of the project, Jamax Forest Solutions compiled a database of PNF harvesting contractors from numerous sources, including:

- existing PNF contractors known to Jamax Forest Solutions;
- Forestry Corporation of NSW past and current contact lists for native forest harvesting contractors;
- north coast timber industry contracting and processor contacts;
- Department of Primary Industries north coast timber industry survey contact list;
- online searches

The original number of "potential" contractors who were either known to be harvesting contractors or have had some involvement in private native forest harvesting on the NSW North Coast was 126 entities.

Of these, 19 entities were found not to be operating as harvesting contractors on PNF and were excluded from the database for the following reasons:

Table 1: Reason for exclusion from the database of PNF contractors

	Scale				
Reason for exclusion from the database	**Large** (>10,000m³ p.a.)	**Medium** (3,000-10,000m³ p.a.)	**Small** (<3,000m³ p.a.)	**Unknown**	**Grand Total**
Excluded – FCNSW only	5	2		1	8
Excluded – Haulage only				1	1
Excluded – landowner				1	1
Excluded – retired	3	1		1	5
Excluded – working interstate	1				1
Part of another contracting business	1				1
Uses other contractors	1		1		2
Grand Total	**11**	**3**	**1**	**4**	**19**

A sample of the remaining 107 potential harvesting contractors were approached to complete the qualitative survey (attached as Appendix 1). The sample targeted the larger contracting companies as a priority, with 94% of the largest PNF harvesting companies surveyed and 44% of the contractors of a known scale.

Please note that unless otherwise noted elsewhere, all data detailed in this report is derived from and limited to the completed surveys. It is estimated that the data derived from the surveys represents approximately 68% of total PNF production on the NSW north coast.

Table 2: Number and percentage of PNF Contractors surveyed

	Scale				
	Large (>10,000m³ p.a.)	**Medium** (3,000-10,000m³ p.a.)	**Small** (<3,000m³ p.a.)	**Unknown**	**Grand Total**
Completed survey (Jamax Forest Solutions)	16	6	2		24
Completed survey (Department of Primary Industries)	1				1
No response to repeated attempts			2	26	28
Uncontactable – contact details changed		1	1	5	7
Uncontactable – no contact details		1	6	12	19
Interviewed in sawmill survey		2	2	1	5
Not contacted[2]	1	7	9	6	23
Grand Total	**18**	**17**	**22**	**50**	**107**
% surveyed	94%	35%	9%	0%	23%
	44% of contractors of known scale				

SCALE AND VALUE OF PNF ON THE NORTH COAST

The number of contractors/crews currently operating on PNF

Of the remaining 107 "potential" harvesting contractors, 49 companies are known to be currently engaged in private native forestry operations on the north coast. A further 5 companies are known to have ceased operating in private native forestry.

There are a further 53 entities whose status as a PNF contractor is not known, as they have either failed to respond to repeated attempts to contact them, changed their contact details

[2] No attempt was made to contact contractor due to known scale of operation or time constraints

from the information used to develop the database or have no contact details that could be tracked down.

Table 3: Contractors currently operating on PNF

	Scale				
	Large (>10,000m³ p.a.)	Medium (3,000-10,000m³ p.a.)	Small (<3,000m³ p.a.)	Unknown	Grand Total
Currently working on PNF	18	15	15	1	49
Not currently working on PNF			3	2	5
Status unknown		2	4	47	53
Grand Total	**18**	**17**	**22**	**50**	**107**

The number of FTE jobs in PNF contracting

There are 49 contracting companies known to be currently engaged in private native forestry operations on the north coast. These companies manage 64 harvesting crews that employ no less than 138 FTE operators. The 25 contractors surveyed manage 40 of these crews and 100 FTE operators.

Table 4: FTE jobs in PNF contracting

Scale	No. of crews	No. of FTE operators
Large (>10,000m³ p.a.)	29	71
Medium (3,000–10,000m³ p.a.)	19	46
Small (<3,000m³ p.a.)	16	21
Grand Total	**64**	**138**

Again, whilst the survey sampled 94% of the large PNF contractors and 44% of contractors of a known scale, the potential number of crews/operators employed in PNF on the north coast could be substantially more than this if only a proportion of the entities for which data was unable to be collected were included.

The amount of timber being harvested from private native forests

Results from the survey indicate that the annual volume of timber harvested by the 25 survey respondents is approximately 329,000 tonnes p.a. (275,000 m3), including 158,398m^3 of high quality sawlogs, poles, piles and girders. Based on the scale of the remaining known private native forest contractors, it is estimated that the surveyed contractors account for approximately 76% of the annual volume from private native forests on the north coast and that the potential overall annual volume harvested on the north coast is likely to be closer to 431,000 tonnes p.a., including over 250,000m^3 of high quality sawlogs, poles, piles and girders.

Table 5a: Annual volume of timber by product harvested from PNF on the north coast

	Product					
	HQ & girders	**Poles & piles**	**Salvage**	**Fencing**	**Firewood**	**Total**
m^3	137,120	21,278				
tonnes			110,218	4,373	25,271	
Converted to Tonnes	164,544	25,534	110,218	4,373	25,271	**329,939**
	50%	**8%**	**33%**	**1%**	**8%**	

Note: conversion factor is 1 m^3:1.2 tonnes

Table 5b: Estimated total volume of timber by product harvested from PNF on the north coast

Row Labels	**Large**	**Medium**	**Small**	**Unknown**	**Total**	
Completed survey	17	6	2		25	
Not surveyed	1	11	20	50	82	
Grand Total	**18**	**17**	**22**	**50**	**107**	
Production of surveyed contractors (tonnes)	286,067	43,360	512		329,939	76%
Est. production of non-surveyed contractors (tonnes)	16,827	79,493	5,120		101,441	24%
					431,380	

Note: Estimated production = Average production of contractors of a known scale x number of non-surveyed contractors of a known scale.

Whilst 71% of respondents indicate that the annual volume has remained constant over recent years, 29% indicated that the volume has been decreasing. This may be due to landowner motivation to undertaking PNF, as 30% of contractors surveyed indicated that landowner motivation to undertake PNF was linked to cattle prices, i.e. when cattle prices were high (as they have been recently), landowners don't log. Several contractors also commented that landowners were reluctant to have any form of Government involvement in the management of their native vegetation, particularly by the NSW EPA.

Interestingly, despite good market conditions, no contractor indicated that their annual volume had increased. Most PNF harvesting contractors supply a variety of timber processors (range 1-50 customers) with each supplying 9 customers on average. 75% of PNF harvesting contractors must meet their customer's Chain of Custody requirements to access markets from PNF.

The number and size of properties harvested under PNF

The annual volume was harvested from 139 properties (range 1-30 per contractor) with each harvesting contractor harvesting between 100-3000 gross hectares per annum from an average of 6 properties per annum. The total gross area harvested by PNF operations was approximately 18,260 hectares annually.

Most harvesting contractors generally only undertake a visual assessment of each property to determine if it is viable to harvest. Whilst factors such as scale of operation, species, % of high quality log products, access, proximity to markets or current operation, ground conditions, etc. will affect the decision, on average contractors require a minimum volume of $575m^3$ (range $125-1250m^3$) or 23 loads (range 5-50 loads) of log products to warrant undertaking the work.

Some contractors also assess potential properties based on a minimum area and require a minimum harvestable area of at least 20 hectares (though this can be less if their current operation in working an adjoining property).

The majority of PNF harvesting contractors had noticed a steady decline in log size and quality on private property over the last 10 years. Contractors thought that, over the last 10 years, the number of PNF contractors had:

- decreased in the Hunter region
- remained stable in the Mid North Coast region, and
- increased slightly in the North Coast region.

The gross annual turnover of all PNF contractors and capital investment

Results from the survey indicate that, as a minimum, PNF harvesting contractors have invested more than $25.6M in plant and equipment across the north coast. The annual turnover of the harvesting contractors surveyed totaled in excess of $22M.

Table 6: Capital investment and annual turnover in PNF on the north coast

	Capital Investment ($K)	Annual Turnover ($K)
Average	$1,068	$1,118
Minimum	$75	$20
Maximum	$3,000	$2,800
Sum	**$25,635**	**$22,365**

Table 7: Current equipment operating in PNF on the north coast

Harvester	Processor	Skidder	Dozer	Excavator	Truck
25	5	37	30	45	32

76% of the harvesting contractors surveyed operate fully mechanised harvesting operations on PNF with 30 mechanised harvesters/processors employed across 29 of their crews.

Mechanised harvesting has been widely adopted in the NSW forest industry following a spate (6) of fatalities to manual fallers in just 6 months in the early 2000’s. Forestry Corporation of NSW led that change with the introduction of contract harvesting at the time and is currently phasing out the last of their hand falling contracts and mandating the use of mechanical harvesters in all of their operations. Operations on PNF have kept pace with those changes.

KEY FINDINGS: Scale and Value of PNF on the North Coast

AS A MINIMUM:

- 49 HARVESTING CONTRACTORS ENGAGED IN PNF ON THE NORTH COAST
- EMPLOYING 64 CREWS AND 138 FTE OPERATORS
- PRODUCING 329,000 TONNES (275,000 M3) OF TIMBER, INCLUDING 158,398M3 OF HIGH QUALITY SAWLOGS, POLES, PILES AND GIRDERS

PROFILE OF PNF CONTRACTORS ON THE NORTH COAST

Contractor experience – years in PNF

Results from the survey indicate that the PNF harvesting contractors that were surveyed have an average of 28 years' experience (range 3-71 years) in harvesting native forest on private property on the north coast. Many of the harvest contracting businesses are generational family businesses with a long history in timber harvesting on the north coast with experience totaling 661 years across the sample of 25 businesses.

Table 8: Experience of harvesting contractors in PNF on the north coast

	Experience (years)
Average	28
Minimum	3.5
Maximum	71
Sum	661

Four of the surveyed businesses have been operating in the private native forestry sector for more than 50 years, with the longest being in business for 71 years. Whilst the newest entrant to the PNF sector has only been in business on PNF for 3.5 years, they had previously been in business harvesting on State Forest for 10 years prior to a period as an earthmoving and mining contractor.

Contractor by area

Table 9 gives a breakdown by broad geographical regions of the contractors, their crews and numbers of operators. The regional breakup aligns roughly with the regional boundaries of the previous Forests NSW administrative boundaries of:

- Hunter – Hawkesbury River in the south to Nabiac in the north and west to the New England Highway

- Mid North Coast – Nabiac in the south to Macksville in the north and west to the New England Highway
- North Coast – North from Macksville to the QLD border and west to the New England Highway

From the PNF contractors surveyed, the majority of PNF activity occurs in the Mid North Coast and North Coast Regions with 80% of PNF contractors and 88% of their crews and operators employed north of Nabiac.

Not surprisingly, the volume of timber harvested from PNF on the north coast mirrors contractor activity with 83% of the volume coming from forests in the Mid North Coast and North Coast regions, as shown in Table 10. Average volumes achieved per contractor were also similar across regional areas on the north coast, though they range from 500-26,000m^3/tonnes for various contractors.

Table 11 shows the product breakdown by region and highlights the volume of lower value products generated by operations in the Hunter. This not only reflects the lower quality of the native forest resource in the Hunter but also the areas proximity to a ready market for these lower value products, such as domestic pulpwood for Weathertex and the firewood markets of Sydney and the southern tablelands.

Table 9: Contractor, crews and operators by Region

	Large			Medium			Small			Total		
Region	No. of contractors	No. of Crews	No. of Operators	No. of contractors	No. of Crews	No. of Operators	No. of contractors	No. of Crews	No. of Operators	No. of contractors	No. of Crews	No. of Operators
Hunter	3	3	7.5	1	1	4	1	1	1	5	5	12.5
Mid North Coast - Hunter	1	1	3	1	2	6				2	3	9
Mid North Coast	5	10	26.5	2	4	9				7	14	35.5
North Coast	8	15	34	2	3	9	1			11	18	43
Grand Total	**17**	**29**	**71**	**6**	**10**	**28**	**2**	**1**	**1**	**25**	**40**	**100**

Table 10: Volumes (tonnes) by Contractor by Region

	Large		Medium		Small		Total		Average
Region	No. of contractors	Volume	No. of contractors	Volume	No. of contractors	Volume	No. of contractors	Volume	
Hunter	3	47,594	1	7,800	1	512	5	55,906	11,181
Mid North Coast - Hunter	1	16,650	1	5,600			2	22,250	11,125
Mid North Coast	5	90,657	2	17,760			7	108,417	15,488
North Coast	8	131,167	2	12,200	1		11	143,367	13,033
Grand Total	17	286,067	6	43,360	2	512	25	329,939	13,198

Table 11: Product volumes (tonnes) by Region

	HQ & girders		Poles & piles		Salvage		Fencing		Pulp/Firewood		Total	%
Hunter	19,610	35%	2,794	5%	22,696	41%	200	0%	10,606	19%	55,906	17%
Mid North Coast - Hunter	7,800	35%	1,200	5%	10,250	46%	750	3%	2,250	10%	22,250	7%
Mid North Coast	51,594	48%	4,980	5%	36,205	33%	3,423	3%	12,215	11%	108,417	33%
North Coast	85,540	60%	16,560	12%	41,067	29%		0%	200	0%	143,367	43%
Grand Total	**164,544**	**50%**	**25,534**	**8%**	**110,218**	**33%**	**4,373**	**1%**	**25,271**	**8%**	**329,939**	**100%**

Table 12: Capital investment and turnover by Region

	Large			Medium			Small			Total			Average	
Region	No. of contractor	Capex ($K)	Annual Turnover ($K)	No. of contractor	Capex ($K)	Annual Turnover ($K)	No. of contractor	Capex ($K)	Annual Turnover ($K)	No. of contractor	Capex ($K)	Annual Turnover ($K)	Capex ($K)	Annual Turnover ($K)
Hunter	3	3,700	1,420	1	150		1	75	20	5	3,925	1,440	785	288
Mid North Coast - Hunter	1	1,000	1,500	1	500	300				2	1,500	1,800	750	900
Mid North Coast	5	10,630	5,100	2	520	2,500				7	11,150	7,600	1,593	1,086
North Coast	8	7,930	10,550	2	1,130	975	1	1,000		11	10,060	11,525	915	1,048
Grand Total	**17**	**23,260**	**18,570**	**6**	**2,300**	**3,775**	**2**	**1,075**	**20**	**25**	**26,635**	**22,365**	**1,065**	**895**

Table 13: Age of equipment by Region

	Large			Medium			Small			Total		
Region	No. of contractors	Equipment	Av. Age (years)	No. of contractors	Equipment	Av. Age (years)	No. of contractors	Equipment	Av. Age (years)	No. of contractors	Equipment	Av. Age (years)
Hunter	3	32	22	1	5	25	1	3	20	5	40	22
Mid North Coast - Hunter	1	6	8	1	6	20				2	12	14
Mid North Coast	5	40	10	2	10	22				7	50	12
North Coast	8	60	14	2	12		1			11	72	14
Grand Total	**17**	**138**	**14**	**6**	**33**	**22**	**2**	**3**	**20**	**25**	**174**	**16**

Conversely, PNF contractors in the North Coast region actively target properties with a high proportion of HQ log products, such as high quality sawlogs, poles, piles and girders. In doing so, there is a risk that contractors will high-grade the bush, leaving the forest in a degraded state. This concern is clearly recognised by the majority of PNF contractors in the North Coast region, with a clear desire to see development of markets for harvest residues. Not surprisingly, PNF contractors in the Hunter region acknowledge the need for residue markets and whilst most believe they currently have sufficient markets to place existing material into, most would like to see improved value-adding options for residue to lift their overall turnover.

The lower average value of the product mix capable of being generated by PNF operations in the Hunter Region is also reflected in a lower level of capital investment and annual turnover for PNF contractors based in the Hunter Region (Table 12) and the average age of equipment (Table 13). The average annual turnover for operation in the Hunter region is 74% less than PNF contractors in the Mid North Coast and North Coast regions.

The average age of equipment for PNF contractors is 16 years, though ages range for various pieces of equipment from 1 to 35 years. However, the average age for equipment in the Hunter region, at 22 years, is almost twice the average age of the equipment of contractors in both Mid North Coast and North Coast regions.

66% of surveyed PNF contractors work full time on PNF with the other 33% also having harvesting contracts with Forestry Corporation of NSW. All contractors hold the same levels of insurance, workers compensation, public liability on PNF as they do for working on the public State forests.

Similarly, all but one contractor stated that all their operators hold the same qualifications/proficiencies through Riverina TAFE, as they would if they were working on State forest

KEY FINDINGS: Profile of PNF Contractors on the North Coast

- 80% OF PNF CONTRACTORS AND 88% OF THEIR CREWS AND OPERATORS EMPLOYED NORTH OF NABIAC
- 66% OF SURVEYED PNF CONTRACTORS WORK FULL TIME ON PNF AND 33% ALSO HAVE HARVESTING CONTRACTS WITH FORESTRY CORPORATION OF NSW
- HIGH VALUE PRODUCTS COMPRISE 72% OF THE PRODUCT MIX FROM OPERATIONS IN THE NORTH COAST REGION AND ONLY 40% IN THE HUNTER
- AVERAGE ANNUAL TURNOVER FOR CONTRACTORS IN THE HUNTER REGION IS 74% LESS THAN OTHER PNF CONTRACTORS
- AVERAGE AGE OF EQUIPMENT IS 16 YEARS BUT RANGES FROM 1–35 YEARS
- CONTRACTORS HOLD THE SAME LEVEL OF INSURANCE AND THEIR OPERATORS THE SAME PROFICIENCIES AS THEY WOULD IF WORKING ON STATE FOREST

ROLE THAT PNF CONTRACTORS PLAY IN THE SUPPLY CHAIN

Types of harvesting arrangements

PNF harvesting contractors are very active in the promoting PNF to landowners and are often the initial point of contact for landowners wanting to log their properties. In 73% of cases, PNF contractors secure harvesting work through direct contact with landowners.

Whilst in 74% of cases, the landowner has already contacted the NSW EPA and received a PNF PVP before they have made contact with a harvesting contractor, for a landowner, making contact with a PNF harvesting contractor is very much a hit-and-miss affair. There is currently no databases, source or directory of (suitably qualified and professional) PNF contractors and the EPA refuse recommend contractors or provide their contact details to landowners. However, several contractors have stated that EPA officers have been known to advise landowners on who **not** to use.

Table 14: Who find the PNF properties for the contractor

Who finds the PNF properties?	
Sawmill	**11%**
Direct contact with Landowner	**73%**
Landowner approaching contractor	36%
Contractor approaching landowner	7%
Combination of the above	30%
Consultant/intermediary	**16%**

Business relationship between the PNF contractor and the landowner?

As would be expected where the PNF harvesting contractors is often the initial point of contact with the landowner regarding the actual harvesting of their property, 68% of the time, the landowner receives payment for their timber directly from the PNF contractor, who harvests and sells the logs for the landowner and pays the landowner a stumpage.

Table 15: Payment arrangements for landowner stumpage

Who pays stumpage to the landowner?	
Contractor harvests, sells logs and paying landowner a stumpage	68%
Sawmill employs contractor to harvest & pays landowner a stumpage	9%
Landowner employs the contractor to harvest	0%
Consultant employs contractor to harvest and pays landowner a stumpage	23%

Where the PNF harvesting contractor harvests, sells the logs and pays the landowner a stumpage, only 56% of PNF contractors regularly use a formal contract, a further 8% of PNF contractors use a formal contract sometimes and the rest have no formal agreement between the parties.

Where PNF harvesting contractors do utilise a formal agreement, the documents themselves can vary markedly in the level of detail and items covered. The agreement can be as uncomplicated as a simple rate agreement to a complete, full blown, formal harvesting contract or wood supply agreement.

Table 16: Contractual arrangements between the landowner and the PNF harvesting contractor

Formal contract or informal arrangement?	
Formal contract between the parties	56%
Sometimes (usually offered by the contractor)	8%
Informal agreement	36%

In 68% of business cases, the PNF harvesting contractor manages the sale of the logs to the customer and charges the customer a delivered price (harvest + haul + stumpage) and is responsible for paying each party (haulier, landowner and themselves) their share. In a further 23% of cases, a third party, such as forestry consultant, manages the transactions, bills the customer a delivered price and pays all parties. In only 9% of cases, the sawmill or other timber processor, engages the PNF harvesting contractor directly and the landowner and haulier are all paid directly by the customer.

Table 17: Basis of payment of PNF harvesting operators

Basis of payment to operators	
Wages	67%
Contract/piece rate/%	21%
Hourly rate	4%
Combination	8%

67% of PNF harvesting contractors employ their operators on wages, whilst 29% of contractors seek to incentivise their employees by paying them on a mixture of contract, piece rate, % of production. Of those that seek to incentivise their staff, 8% pay their operators a base wage that is topped up through a performance incentive payment. Several contractors are known to fluctuate between wages and production incentives based on the particular block their crew is operating in or due to general market conditions.

Table 18: PNF harvesting contractor's relationship with hauliers

Hauliers	
PNF harvesting contractor has their own truck(s)	75%
PNF harvesting contractor uses subcontractor or independents	25%

75% of surveyed PNF harvest contractors own their own truck(s). Most believe that owning their own truck(s) provides them with the flexibility, availability and provides positive production pressure on their harvesting crews if they know the truck will be back for another load. The drivers of PNF harvesting contractor's own truck(s) are either paid on a fixed % of the haulage rate or wages. Independent contractors are paid a $/tonne/km haulage rate.

KEY FINDINGS: Role that PNF Contractors play in the supply chain

- PNF CONTRACTORS SECURE HARVESTING WORK THROUGH DIRECT INITIAL CONTACT WITH LANDOWNERS IN 73% OF CASES
- 74% OF LANDOWNERS ALREADY HAVE A PNF PVP BEFORE THEY MEET A PNF HARVESTING CONTRACTOR
- 68% OF THE TIME, THE LANDOWNER RECEIVES PAYMENT FOR THEIR TIMBER DIRECTLY FROM THE PNF CONTRACTOR
- ONLY 56% OF PNF CONTRACTORS REGULARLY USE A FORMAL CONTRACT
- IN 68% OF BUSINESS CASES, THE PNF HARVESTING CONTRACTOR MANAGES THE SALE OF THE LOGS AND IS RESPONSIBLE FOR PAYING THE HAULIER, LANDOWNER AND THEMSELVES
- 75% OF SURVEYED PNF HARVEST CONTRACTORS OWN THEIR OWN TRUCK(S)

PNF HARVESTING CONTRACTOR PERSPECTIVES

On landowners and their knowledge of forestry and silviculture

Due to their long association with PNF, PNF harvesting contractors are well placed to comment on landowner attitudes, expectations, aspirations and drivers when it comes to private native forestry. Some of those observations are best reproduced in their own words and an assortment of their comments on PNF ownership and landowner attitudes are reproduced below.

According to PNF harvesting contractors, landowners can generally be categorised as either traditional farmers or “tree-changers”.

The traditional farmer, particularly cattle, is seeking to supplement or diversify the income stream of their agricultural enterprises through logging. These landowners like to log when cattle prices are low but want to slow/stop logging when cattle prices pick up.

Whereas, the tree-changers, people moving out of urban areas to get back to nature, are generally more environmentally motivated, though they often have less experience and knowledge of forestry. Many are motivated about maximising their income and don’t understand the PNF restrictions or silvicultural requirements.

> *“city buyers more interested in $, cattle properties affected by cattle prices”*
>
> *“still integrated into cattle business re cattle prices”*
>
> “*still farmers with bush acres, often frustrated by Govt interference; rules & regs designed for poor performance, not best practice”*
>
> “↑ *enviro awareness; $ is driver; can't go where landowner want you to cut; more Sydney owners/smaller blocks; don't realise that logging is sustainable”*
>
> *“Greener attitude; require retention of areas/trees without realising impact on current or future bottom line”*

> *"Landowners have more idea what timber is worth; mix of tree changes and traditional cattle properties"*

> *"Yes, tree changers in the market, real estate agents advertise that property will run more cattle than it can and there's a cut of timber, turns out it can't support that much cattle so they turn to timber to pay for it. Run out of money and sell and it starts all over again"*

> *"Greener; new younger city dweller looking for a tree change"*

PNF harvesting contractors often must combat the "bad news" stories that proliferate about the timber industry and how past landowners have been "ripped off". At present, there is no champion for PNF contractors and all are tarred with the same brush in the eyes of some landowners. This suggests there is a need for engagement with landowners seeking to look at their options for **all** their native vegetation needs, to provide appropriate information and guidance on their PNF choice of contractors.

A certification scheme for PNF contractors could also alleviate some landowner concerns.

> *'Want to deal with individuals, not companies. Debtors are better payers, shorter terms = more farmer friendly"*

> *"PP more common, landowners keen to log; PP loggers HAD a bad name, now more professional and doing a better job, not ripping landowners off"*

> *"Landowners are increasingly suspicious of timber industry (loggers) and have a bad news story about someone getting ripped off"*

> *"Difficult getting trust, very cautious from past bad news stories - money up front"*

> *"Landowners a bit "sketchy" due to bad news stories; young cockies taking over or new buyers cashing in"*

Whilst many PNF landowners are aware of PNF requirements, many still don't know or don't want to know. Many landowners don't want to deal with government (at any level) and particularly the NSW EPA. There is a real need to engage with these PNF landowners to educate, motivate and coach them through the PVP process.

"lots of tyre kickers, don't want EPA or PVP, just want you to take 20 loads and go"

"wanting to cut harder & more often; % of better species/quality sawmill pays more; cattle price influence, mix 50:50"

"Yes, don't want EPA (Government) involved (had 2 pull out because EPA was to be involved); lot more weekenders, city buyers"

"Not really, more motivated to harvest their bush; more aware with what's required, better informed, more information available (internet)"

"more awareness/commitment to environmental responsibilities; more city owners; cattle prices low, they log"

"lot of landowners are more environmentally aware"

"Current block owned by agri business and recently purchased by Chinese investors; others want to cut 2x what's allowed

On landowners and their knowledge of forestry, forest silviculture and forest productivity

The survey highlights the need for engagement with (potential and current) PNF landowners to educate and guide them in forestry, specifically forest silviculture and productivity, was clearly revealed in the responses PNF harvesting contractors gave when describing their perceptions of landowner knowledge of growing trees for timber.

- 82% of PNF landowner had poor to very poor knowledge of growing sawlog quality timber
- 67% of PNF landowner had poor to very poor knowledge of the value of their trees/timber
- in 83% of PNF harvesting operations, very few areas (0-20%) are either thinned or large gaps created to promote the growth of a future merchantable crop of trees
- 67% of PNF harvesting contractors believed that the majority to vast majority of landowners were only interested in maximising the income from their forest

The survey results highlight that the majority of landowners are not thinking beyond the current harvest and have little or no knowledge of sustainable forest management.

Those landowners that did express an interest in other priorities apart from the income from their forest indicated to the PNF harvesting contractor that their "other" priorities were either:

- 50% wanted to keep a crop of future growers for another cut, often in 10-15 years
- 25% wanted positive environmental outcomes and didn't want a mess
- 25% wanted to improve the grazing capacity for cattle and farm infrastructure - dams, fences, house sites

The finding that 25% of PNF PVP holders believe that PNF is a means to improve grazing capacity, rather than stimulate good regeneration, is another example given by harvesting contractors as to why more engagement with landowners is required.

The survey responses highlight the lack of information currently available to landholders interested in exploring their PNF options. For landholders who know little about forestry, there is currently nowhere to go for free independent advice. There has been no formal training offered or provided to either landholders or forestry contractors by the EPA in at least the last 4 years. In the absence of any guidance from the EPA, landholders tend to rely heavily on contractors and mills, who themselves may not possess the requisite technical skills to provide appropriate forestry advice.

Harvesting contractors noted that many landholders have forests that are unproductive and in poor health (e.g. degraded by high grading over many decades) and that many forests need thinning or resetting to restore their health but there was little encouragement or advice on how to do so. The majority of PNF harvesting contractor survey responses observed that, most landowners demonstrated a lack of any knowledge of silviculture or forest productivity and that the focus of EPA officers was not on helping landholders improve forest health and productivity, but rather on minimising environmental impacts and compliance with the Code. Several harvesting contractors surveyed stated that some EPA officers do not recognise the importance of tailoring silviculture to different forest types and structures.

Several harvesting contractors surveyed stated that some EPA Private Native Forestry Officers advocate for minimal disturbance harvesting operations that, in their view, will continue to high-grade those forests, rather than promoting biodiversity or replenishing the site with vigorous regeneration. Similarly, in areas of the far north coast that have historically lacked residue markets, several sawmill-associated harvesting contractors also promoted such minimal disturbance harvesting operations to landholders as the right way of harvesting, as, in the view of the author, a means of minimising the volume of low quality sawlogs the mill was obliged to take.

Based on the author's experience of over 25 years as a practicing forester in native forests on the north coast, it is vital that high standard silvicultural practice and expertise be provided to landholders to enhance overall forest health and biodiversity. In addition, greater recognition of the role of PNF contractors is also needed through targeted support and training for this group.

Table 19: PNF landowner's knowledge of growing sawlog quality timber

PNF landowner's knowledge of growing sawlog quality timber	
Very poor	52%
Poor	30%
Okay	18%
Good	0%
Very good	0%

Table 20: PNF landowner's knowledge of the value of their trees/timber

PNF landowner's knowledge of the value of their trees/timber	
Very poor	46%
Poor	21%
Okay	21%
Good	12%
Very good	0%

Table 21: Proportion of landowners only interested in maximizing the $$

Proportion of landowners only interested in maximizing the $$	
Few (0-20%)	16%
Some (20-40%)	4%
Half (40-60%)	13%
Majority (60-80%)	17%
Vast majority (80-100%)	50%

Table 22: Proportion of thinning or create large gaps to promote the growth of a future merchantable crop of trees

Proportion of thinning or gap creation	
Few (0-20%)	83%
Some (20-40%)	9%
Half (40-60%)	0%
Majority (60-80%)	4%
Vast majority (80-100%)	4%

Table 23: Proportion of landowners want to harvest in a way that promotes the growth of their future crop trees

Landowners who want to harvest to promotes the growth of their future crop trees	
Few (0-20%)	42%
Some (20-40%)	12.5%
Half (40-60%)	25%
Majority (60-80%)	8%
Vast majority (80-100%)	12.5%

Many PNF harvesting contractors acknowledged that the lack of adequate residue markets, particularly in tablelands hardwoods and the northern part of the Mid North Coast and North Coast regions, was also a contributing factor to poor forest health, silvicultural and regeneration outcomes.

The lack of markets for harvesting residues has forced many contractors to look for alternative markets themselves to aid the economic viability of their harvesting operations and aided the extraction of high value products. Several contractors have developed markets for firewood, salvage, landscape sleepers, fencing and mining timber. PNF contractors believe that additional material needs to be removed from the forest to revitalize and regenerate forests that have had a long history of high grading. Several contractors pointed out that any future residue processing facility would need to be mindful of minimising haulage distances to ensure they were viable, suggesting a hub mentality.

Several suggested as much as 25tonne/hectare is left behind on average or 60% of the biomass after you remove the log. Though several contractors also commented that the current BA limits would likely impeding their ability to fully utilise some of this available material.

Several North Coast region harvesting contractors didn't see the lack of residue markets as an issue, as they intended to continue to harvest only the best trees (e.g. high-grade the bush), bypassing defective trees and only taking the HQ logs. Some commented that they would just not harvest poorer blocks.

> *"Not necessarily, we don't buy it. Steer clear of low quality bush, so don't generate too much residue or salvage. Most owners don't want their property hammered, so we steer them away from cutting too much low quality. Retain for BA."*

These views demonstrated a lack of consideration of forest silviculture and a shortsighted approach to harvesting PNF, as forests will continue to be degraded and stagnate if such practices prevail.

A lack of a market for harvest residue material is also seen to be a problem for landowners, though some suggested that PNF landowners are simply not aware of the problem. Unfortunately, some landowners think that low value timber, such as firewood, has much higher value, as they compared firewood to retail value ($2000/tonne when bagged).

Most PNF harvesting contractors believe that landowners would rather have the residue removed, not only for the extra revenue, but to "clean things up" and reduce the subsequent bushfire hazard.

On the NSW EPA as a PNF regulator, the PNF PVP system and other consents

Even though 73% of PNF landowners already have a PNF PVP through the NSW EPA before they meet a harvesting contractor, 78% of landowners understand very little (0-20%) about the PNF requirements.

Table 24: Proportion of landowners that understand the PNF requirements

Proportion of landowners that understand the PNF requirements	
Few (0-20%)	78%
Some (20-40%)	4%
Half (40-60%)	9%
Majority (60-80%)	9%
Vast majority (80-100%)	0%

As those 73% do have a PNF PVP, only 50% of PNF contractors have had to arrange PNF PVPs on behalf of the landowner. Of those that do apply for PNF PVPs, on average, PNF harvesting contractors:

- arranged for 8 PNF PVPs a year (range 2 to 40)
- reported the process took 9 weeks for each PNF PVP (range 3 to 30 weeks), though several contractors stated that the time was highly dependent on the individual EPA Officer
- reported the process can routinely blow out to 12 months or more if the NSW EPA is asked to review either Old Growth or Rainforest mapping.

In relation to the review of Old Growth and/or Rainforest PNF contractors raised concerns about the NSW EPA reviewing both forest types when only one had been requested for review, and more often than not, the result seeing more areas excluded from harvesting than before the request. As a result (and due to the anticipated delay in getting an approved PNF PVP), PNF contractors indicated a reluctance to seek a review of old growth and/or rainforest despite clear evidence in the field of the boundaries being incorrect.

Of the PNF Harvesting Contractors surveyed 91% believe that they have an okay-very good relationship with NSW EPA. When asked to describe their experiences in dealing with the NSW EPA, they offered the following comments:

- *Limiting information available in landowner packs, e.g. threatened species, prescribed streams, need to check online. OG/RF review takes too long. EPA won't identify EEC line in the field but will when they want to prosecute you. One EPA officer stated PNF PVP approval should be taken off EPA and go back to DPI, who can provide guidance.*
- *need more training for new operators on PNF Code, etc.; haven't seen any training for more than 10 years*
- *always done better; process not difficult but individuals can make it difficult*
- *Fair*
- *good people just doing their job; think they feel under resourced*
- *delays in PVP approval is frustrating; only deal with XXXX*
- *No run ins with EPA; easy to get on with*
- *EPA are reactionary, very rarely see them for routine audit, rather 3rd party complaint; understaffed; audits on SF have dropped off as they have increased on PP*
- *Relationship is entirely dependent on the EPA officer, some are good, another wanted to shut operations down during protest action as a result of 3rd party complaint/involvement*
- *Waiting for the dog to bite you*

- *Had a few audits - Ok*
- *Very long time taken by EPA to respond to issues e.g. RF/OG; issues mapping - inaccuracies, boundaries 40-50m away from actual; overlap/slip with property boundary and PVP; unannounced visits and unsafe entry into work site*
- *If you do the right thing, they stay away. XXXX has been very helpful, esp. when looking at western work*
- *EPA have a job to do, no problems*
- *had a couple of audits - OK, Grafton EPA officers are OK*
- *Good relationship, contact EPA to have a look if in doubt but EPA didn't like to give advice or "yes/no"; opinion of different EPA officers varied from each other and the rules*
- *No problems, don't see them much*
- *depends on individual, not a lot of dealings/rarely seen until lately*
- *No real issues with EPA; need to speed up process; EPA doesn't have staff or time; local EPA wanted to audit before crew left but never happened.*
- *EPA interpretation of gully stuffer for sill log at base of fill; landowner coerced to give evidence against contractor when landowner hadn't organised signoff of PVP; delays*
- *cliff/rocky outcrops a big issue in Putty - EPA been out to review an area with 10 loads but only 6 trees available. Isolates vast tracts of shelfy country. Stated Code not written for XXXX but done nothing about it; can't operate in gullies is having a huge impact on resource; fined for crossing unmapped DL where landowner wanted a dam; fined for cutting leaning tree from a DF bank*

- *pleasant & workable relationship; difference in interpretation of Code; had 2 audits, no action required but lacked direction from EPA officer who just state the EPA line and won't give advice/interpretation. "won't stick their neck out and give advice but will come gunning for you if you get/interpret it wrong (in their eyes)*
- *EPA officers standover contractors, threaten to call the police, no respect for bush workers; EPA officers advise landowners not to cut then or not to use harvesters; attitude up the @#$%*

Table 25: PNF contractor's relationship with NSW EPA

PNF contractor's relationship with NSW EPA	
Very poor	4%
Poor	4%
Okay	30%
Good	9%
Very good	52%

Only 3 of the 24 PNF harvesting contractors surveyed had experience in seeking other approvals. The most common type of "other" approval was seeking development consent in Local Government Areas where the LEP forestry was permitted with consent. The number of approvals varied from 2-5 per year, with most finding the process of dual consent, very difficult to navigate. The time taken to get approval varied from 4-12 weeks.

On the rules of harvesting

When asked what were the **hardest** rules to comply with, PNF Harvesting Contractors raised issues with the following FPC conditions and offered the following comments:

<u>Endangered Ecological Communities (EEC's)</u>

- *EPA not prepared to make a call and identify boundary in the field, leaving the decision to less qualified people (contractor/landowner). If you do get EPA out in the field, they have 3 different opinions/boundaries*
- *moving goalpost, previously an EEC would cut out if other species present, now can have a "sprinkle" of other species. Have to identify yourself but EPA won't commit to a decision on in/out, won't draw a line in the sand. But they will prosecute you if they think you got in a different location that where they would have put it.*
- *difficult to identify in the field and left solely with the landowner*
- *EEC goalposts keep changing – gone from limited number of species to anything is possible*
- *what's mapped isn't EEC in field;*

<u>Old Growth</u>

- what's mapped, isn't *OG in field; OEH/EPA field review still results in OG 99% of the time, even with stumps, snig tracks, etc.; different interpretations of Code by different officers*
- *stumps throughout but still called OG after OEH review due to crown size. BUT STUMPS ALL THRU IT*
- *stumps in OG; no real problems*
- *OG where there **is** stumps, sidecuts, etc;*
- *OG difficult to identify in the field and left solely with the landowner*
- *OG where there are stumps;*
- *what's mapped isn't OG in field;*
- *OG/RF – not OG/RF, stumps throughout. Delays in reviews, don't get done. RF review with 30% HWD canopy still called RF – viney scrub.;*

<u>Cliffs/rocky outcrops</u>

- cliff *faces*
- *rock difficult to identify in the field and left solely with the landowner*

Basal Area

- *not very accurate way at estimating stocking*
- *don't really understand it and no guidance available. Same with drainage, etc. Would jump at the opportunity for PNF training*
- *BA retention limits good regeneration outcomes;*
- *BA limits don't make sense for good regeneration, seem to be more about evening out supply rather than growing future trees - no science.*
- *some EPA officers "interpret" that BA must meet the min everywhere, no average*
- *clash between good silviculture and BA limits;*
- *too many trees retained for good regeneration; BA count is time consuming and costly;*
- *BA can give several different answers, treated as a guide, not a hard and fast rule/measure.*
- *being able to measure BA in thick understorey*

Habitat & recruitment trees

- *retaining them where none exist*
- *H trees where there are none (less of a problem in tableland forests);*
- *R trees where there are no H trees.*
- *H&R trees due to interpretation by EPA staff, e.g. leave next cohort R tree but fall the Q log, EPA won't be happy*. Biggest tree won't necessarily be next/best H tree.

Endangered species

- *comes down to EPA interpretation if you have complied if something is discovered during an operation, despite no requiremenrt for species surveys*

Drainage spacing/slope

- nit picking about best placement vs prescribed distance
- road drainage & crossings

Drainage feature protection

- *UDL – try to identify in the field – banks vs DD*
- *1st order streams that aren't drainage lines – wasted resource for no reason and extra effort/cost to avoid;*
- *creek reserves on features that haven't run water in 2 years is crazy*
- *Drainage line exclusions – can't get harvester to fall out/in leads to more sidecutting to get access to fall away;*
- *staying* out of UDLs,

When asked what were the **most costly** rules to comply with, PNF Harvesting Contractors raised issues with the following FPC conditions and offered the following comments:

- *Roading and crossings*
- *Preharvest inspections*
- *harvesting for small volume*
- *Drainage*
- *Drainage and crossings. Construction of new roads but that's business*
- *All rules are*
- *roading and road drainage*
- *BA due to impacts on future growth/productivity*
- *Roading - rutting and the interpretation of different EPA officers varies*
- *None*
- *finding EECs - time taken backwards and forwards to EPA → crew standowns for a week or so*
- *1st order streams that aren't drainage lines - wasted resource for no reason and extra effort/cost to avoid*
- *Roadworks can be costly*
- *Road drainage - cost to contractor not landowner.*
- *Crossings for small volumes*
- *None really*
- *road drainage, gravel and crossings*
- *Nothing at present but concerned re changes to be like SF, i.e. gravel, pipes, etc.*
- *sidecutting around UDLs; road works , esp. crossings*
- *BA - hopping in and out of machines; creek rules → lose resource unnecessarily*
- *road drainage, establishing new crossings*
- *Going into NP; hold-ups/standowns waiting for approvals*

On the NSW Government's role in PNF and their PNF review

PNF Harvesting Contractors raised the following issues:

Challenges to the PNF contractor's business:

- *Keeping blocks far enough ahead and keeping landowners from rushing off elsewhere to get their property logged for fear of rule changes*
- *Competing with SF prices, who are cheaper and guarantee supply; own logs processed better; increasing operating costs, e.g. wages; confidence to invest; have needed to diversify my business to futureproof*
- *change in Govt policy; attract growth rather than using the stick approach*
- *Keeping employees*
- *Finding forests with enough poles*
- *finding good blocks; price; costs increasing; operating conditions*
- *Availability; roading access and wet weather capacity*
- *As FCNSW focussing on HQ product, availability may become limited; more liaison required on PP*
- *No-one is controlling sustained yield off PP and there is no knowledge of the PP resource to make those decisions*
- *politics and different agendas; perception of the public and Government needs to change to recognise industry as sustainable*
- *Keeping blocks in front of crew*
- *new native veg rules - offset areas will lock-up PP resource*
- *Finding good blocks in front; keeping quality of logs to mills; security not such an issue because its always been like this, would be good though*
- *Availability of timber - no. of properties is getting harder; good paddocks are locked up for looking at because owners don't understand PNF is sustainable*
- *Weather; finding and keeping good employees*

- *Finding good enough blocks; lack of salvage market*
- *Price - need some rate increases; haulage distances to reach markets increasing*
- *Govt and PNF PVP review; SEPP 44 esp. feed trees; Biodiversity Bill; EPA ratcheting up conditions → all compliance codes. If compliance becomes too difficult, too difficult to continue → lock-up forests → bushfires, etc.*
- *Rules & regulations - PNF, Council load permits; EPA current blitz; uncertainty about future makes it difficult to look at investing in new/replacement machines; can't see 5 years in front of you*
- *finding blocks that haven't been overcut; getting timely approvals - caused 4 week standowns last year*
- *finding economically viable blocks; negotiating high enough rates to make it viable; finding experienced staff or unskilled willing to put in the necessary training*
- *finding economically viable blocks; negotiating high enough rates to make it viable; finding experienced staff or unskilled willing to put in the necessary training*
- *Greens trying to shut the industry down; koalas more important than jobs*

<u>Challenges to the PNF contractor's business:</u>

- *Green influences and politics getting involved*
- *Don't want it to stop - forests need active management; depends on management of PNF PVP; contractors are skilled enough to do the PVPs, just need a auditor to Code standards; outcome based, not prescriptive - most decisions should be common sense.*
- *create new or bigger stick; PR relationship by EPA rather than achieving outcomes in the bush*
- *If they lock it up or apply more restrictions due to the popular opinion*
- *rules get harder; reduced available timber; harder to get; increased cost of getting timber out*
- *Shutting the industry down. Also own 2 sawmills.*
- *Important for the future of FCNSW business, so need BA reviewed to ensure forests are regrowing; more science about what is reserved on PP*
- *Get harder; dealing with Greens for preferences; inefficiencies in operations*
- *Native Veg laws, over the top changes; OG/RF is bullshit - it doesn't exist on PP; forest types need changes*
- *Grey areas*
- *stricter rules, EPA being pushed to be stricter; landowners already reluctant to log for fear of prosecution/fines - missing out on available resource.*
- *Won't know until we see the results*
- *they have no idea, some Uni student will do it and stuff it up.*
- *making it harder - increases risk to business*
- *locking up areas.*
- *Influence of greens without science; political preferences*
- *don't know what review will come up with, esp. if similar to SF; too hard, won't be able to work*

- *Not going to do much, try to appease everyone; backdoor deals, politics, not common-sense.*
- *No common-sense - status quo or worse; black & white rules - not related to damage/outcomes, no wash in roads, etc, couldn't show fault, judge made EPA pay contractor's court costs.*
- *more restrictive; more difficult for contractors to find work, markets and employ local people; unknown outcomes - devil you know scenario; ratcheting up conditions, not the other way.*

KEY FINDINGS: PNF Harvesting Contractor perspectives

- 82% OF PNF LANDOWNER HAD POOR TO VERY POOR KNOWLEDGE OF GROWING SAWLOG QUALITY TIMBER
- 67% OF PNF LANDOWNER HAD POOR TO VERY POOR KNOWLEDGE OF THE VALUE OF THEIR TREES/TIMBER
- 67% OF PNF HARVESTING CONTRACTORS BELIEVED THAT THE MAJORITY TO VAST MAJORITY OF LANDOWNERS WERE ONLY INTERESTED IN MAXIMISING THE INCOME FROM THEIR FOREST
- IN 83% OF PNF HARVESTING OPERATIONS, VERY FEW AREAS (0-20%) ARE EITHER THINNED OR LARGE GAPS CREATED TO PROMOTE THE GROWTH OF A FUTURE MERCHANTABLE CROP OF TREES
- 91% OF CONTRACTORS BELIEVE THAT THEY HAVE AN OKAY-VERY GOOD RELATIONSHIP WITH NSW EPA
- ON AVERAGE, PNF HARVESTING CONTRACTORS:
    - ARRANGED FOR 8 PNF PVPS A YEAR (RANGE 2 TO 40)
    - THE PROCESS TOOK 9 WEEKS FOR EACH PNF PVP (RANGE 3 TO 30 WEEKS), THOUGH SEVERAL CONTRACTORS STATED THAT THE TIME WAS HIGHLY DEPENDENT ON THE INDIVIDUAL EPA OFFICER
    - THE PROCESS CAN ROUTINELY BLOW OUT TO 12 MONTHS OR MORE IF THE NSW EPA IS ASKED TO REVIEW EITHER OLD GROWTH OR RAINFOREST MAPPING.
- ONLY 3 OF THE 24 PNF HARVESTING CONTRACTORS SURVEYED HAD TO SEEK OTHER APPROVALS

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APPENDIX 1: QUESTIONAIRE

Questionnaire for North Coast PNF Harvesting Contractors

To be completed by face to face or phone interview

(COMMERCIAL IN CONFIDENCE)

Interview No.		Date	
Name of Interviewer			
Name of Contractor			
Contractor's business name			

1. How many years have you been working as a private native forest harvesting contractor?

    years

2. What geographic area do you operate in?

3. What volume (m^3 or tonnes) of native timber did you harvest last year*? (If truck loads, specify truck volume and conversion factor, if applicable)* and how many customers did you supply. Of the customers you supplied how many required you to satisfy Chain of Custody requirements?

Private Property Log Type	Volume (m^3 or t)	No of customers*	Chain of Custody required? (Y/N)	Notes
HQ sawlog & girders				
Poles and or Piles				
Salvage sawlog				
Fencing Timber				
Firewood				
Total all PP logs				
FCNSW State forest (all log types) If applicable				

*specify if a single customer is taking different products

How many properties was this from?

and approximately over how many hectares (gross area)?

ha

4. Was this volume and area 'above' or 'below' or 'similar' to what you normally harvest (*circle applicable answer*)?

ABOVE/BELOW/SIMILAR

5. Do you work full time in private native forest harvesting (*circle correct answer*)?

YES/NO

If 'NO', what proportion of your work time is spent:

a. doing other work (excluding harvesting on State forest)?

%

b. harvesting on State forests?

%

6. How many crews do you have and how many staff do you employ?

Crews (No.)	Operators (No.)	Full time (No.) Part time (No.)	Time spent harvesting private native forest (%)	Time spent harvesting on State forest (%)

7. What equipment do you use? *(general – hand falling and/or harvester [include base type], skidder, dozer, forwarder, dump excavator/processor)* How old are the machines? What is the total value of your equipment likely to be?

	Machine Type	Machine Age (yrs)	Estimated Value $
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
		total	

8. What was the value of your business turnover last year? (Note answers to this question will be pooled to estimate the value of the overall industry and its socio-economic importance).

$

9. How do you get harvesting work? *(e.g. through a sawmill, by landholders making contact with you, by you approaching landholders, combination of the above, other means – e.g. forestry consultants, please allow full answer)* What proportion from each?

10. Which of the following arrangements best describe your harvesting business?

Possible Harvesting Arrangements	%
1. You harvest and sell logs, paying landowner a royalty	
2. Log buyer employs you to harvest and pays the landowner royalty	
3. Landowner employs you to harvest for them	

4. **Intermediary employs you to harvest and pays the landowner royalty**	
5. **Other (specify)**	

a. If 10.1 best describes your harvesting business, do you use a formal contract (*circle correct answer*)?

YES/NO

b. What is the basis of the payment you (and your employees) receive for harvesting?

Basis of Contractor payment (wages/stumpage sale /delivered sale)	Basis of payments to harvesting crew (wages/stumpage sale /delivered sale)

c. What arrangements (if any) do you have with your log haulier(s)

Log Haulier	Arrangement (haulier works for me / haulage is an independent contractor / haulier works for mill / other)

11. Who are you influenced by the most when negotiating a harvesting arrangement – the landowner, the log buyer, both? Does this vary for different log products?

Product	**Landowner/Log Buyer**
HQ sawlog & girders	
Poles and or Piles	
Salvage sawlog	
Fencing Timber	
Firewood	

a. If 'YES', what do these contracts set out? *E.g. payment levels, how the forest will be left including snig tracks, log dumps and harvest residue*

12. If approached by a landowner or their agent offering timber for sale, how do you work out if their forest is worth harvesting?

13. What is the minimum volume (or area or vol/ha) of timber (i.e. high and low quality sawlogs, girders, poles, piles and fencing timber) you would consider harvesting given reasonably good access to a block within your working circle?

M3

14. Over the past 10 years have you noticed many changes in the ownership and attitudes of PNF resource owners?

15. Of all the landowner properties that you have assessed how would you rate the owner's knowledge of growing sawlog quality timber?

(very good = 5, good = 4, okay = 3, poor = 2, very poor = 1)

16. Of all the landowner properties that you have harvested how do you rate the owner's knowledge of growing sawlog quality timber?

(very good = 5, good = 4, okay = 3, poor = 2, very poor = 1)

17. How do you rate landowners knowledge of the value of their trees/timber?

(very good = 5, good = 4, okay = 3, poor = 2, very poor = 1)

18. What proportion of landowners do you think are only interested in maximizing the income from their forest?

(vast majority (80-100%)=5, majority (60-80%)=4, about half (40-60%)=3, some (20-40%) =2 few (0-20%)=1)

a. For the landowners with 'other' interests what are their priorities?

19. Is the lack of markets for low quality timber and or non-preferred timber species a problem for your business?

20. In your opinion, is the lack of markets for low quality timber and or non-preferred timber species a problem <u>for landowners</u>?

21. Of the private native forests that you harvest what proportion (% by area) would you either thin or create large gaps to promote the growth of a future merchantable crop of trees?

(vast majority (80-100%)=5, majority (60-80%)=4, about half (40-60%)=3, some (20-40%) =2 few (0-20%)=1)

22. Of the landowners that you deal with, what proportion want you to harvest in a way that promotes the growth of their future crop trees?

(vast majority (80-100%)=5, majority (60-80%)=4, about half (40-60%)=3, some (20-40%) =2 few (0-20%)=1)

23. Of the landowners that you deal with, what proportion understand the PNF requirements on private property?

(vast majority (80-100%)=5, majority (60-80%)=4, about half (40-60%)=3, some (20-40%) =2 few (0-20%)=1)

24. What proportion of landowners wanting to harvest their forests have an approved PNF PVP?

%

25. Do you arrange PNF PVP's for landowners who don't have them? (*Circle answer*)

YES/NO

a. If not who does?

26. How many PNF PVP's for landowners did you negotiate last year?

a. How do you find it on the whole? Very easy = 5, very difficult = 1

27. How long does it normally take for people to obtain a PVP?

weeks

28. How would you describe your relationship with the NSW EPA as the regulator of PNF (very good = 5, good = 4, okay = 3, poor = 2, very poor = 1)?

Please describe your experiences.

29. What are the hardest (Forest Practices Code) rules to comply with operationally? (*List in order with hardest first*)

30. What rules in the Forest Practices Code are the most expensive to comply with? (*List in order with most expensive first*)

31. What proportion of landowners wanting to harvest their forests have required any other form of approval, e.g. development consent?

%

32. Do you arrange other approvals, like development consent, for landowners who don't have them? (*Circle answer*)

YES/NO

a. If not who does?

33. How many other approvals, like development consent, for landowners did you negotiate last year?

b. How do you find it overall? Very easy = 5, very difficult = 1

34. How long does it normally take for people to obtain any other approval, like development consent?

weeks

35. Over the past 10 years have you noticed any changes in the availability, quality and or size of the logs that you harvest from PP (e.g. less or more available, better or worse, larger or smaller)?

36. How many contract harvesting crews work on PP in the same working area as you?
   a. Has the number of crews working on PP in your working area changed over the last 10 years (*circle correct answer*)?

Number of crews in your area:
INCREASED/DECREASED/SIMILAR

37. How do you rate the quality (productivity and silvicultural condition) of the forests on PP generally and compared with State forests *(only answer the latter if you are familiar with both)*?

38. What type of insurances do you carry to undertake your harvesting business?

Insurance type	Level of cover	

39. Have you or your crew had any formal training, tickets or qualifications related to forestry and timber harvesting? If so please provide details of the type of training and when you did it.

Operator	Training/qualification	Year

Operator	Training/qualification	Year

Operator	Training/qualification	Year

40. What are your biggest challenges in keeping your business running harvesting native timber on PP? *(e.g. finding forests with enough accessible good quality timber,*

selling timber for a good enough price, roading costs, keeping employees, operating conditions etc.)

41. The NSW government is going to undertake a review of the way private native forestry (PNF PVPs) operations are regulated and their operating rules; this has already occurred for agricultural PVP's (i.e. Biodiversity Conservation Bill and Local Land Services Amendment Bill).

   a. What would you like to see come from the Government's review of PNF?

b. What concerns if any do you have about the Government's review of PNF?