



Softwoods Working Group

MEETING MINUTES – Savoy Club Myrtleford

10.00 am to 11.41 am - Friday 26th August 2022

1. Welcome, Opening Remarks

Peter Crowe welcomed everyone to Myrtleford with acknowledgment of country.

Present:

Anne Partridge (HVP)
Phil Clements (SWG/MRFH)
Terese Adams (SWG/MRFH)
Peter Crowe (SWG/MRFH)
Diana Gibbs (DG Partners)
Trevor Ierino (ISC)
Michael Borowick (ForestWorks)
Edwina Hayes (RDA Murray)

Marg O'Dwyer (NSW P & C)
Richard Kaine (D & R Henderson)
Graham Church (Alpine MDF Industries)
Sam Little (Benalla Timber)
Mick Evans (HVP)
Kara Zdrzalka (DJPR)
Ian Davies (FCNSW)
Gary Monshing (Carter Holt Harvey)

Online:

Belinda Legenberg (Hyne)
Deb Kerr (VFPA)
Dean Hawkins (Visy)
Jake Lazarus (Hume Forests)
Matt Stubbs (CGRC)
Victor Violante (AFPA NSW)

Glen McGrath (SVC)
Heather Wilton (GHSC)
Greg Blackie (GHSC)
Mark Brown (USC)
Michael Clancy (Groves & FIC)
Will Jeremy (ASC)

2. Apologies Accepted as per below:

David Graham (CGRC)	Tim Cleary (ForestWorks)
Mary Hoodless (RD Murray)	Bernard Gaffney (ISC)
Rab Green (AKD)	Julia Ham (SVC)
Rachel Whiting (RDA Riv)	Hugh Dunchue (Agriwealth)
Adam Farquharson (FIC)	Ray Krippner (PF Olsen)
Nathan Trushell (DJPR)	Grant Shelton (DR Henderson)
Ross Potter (DJPR)	Carlie Porteous (AFCA)

3. Minutes of Meeting held Friday 27th May 2022

Moved – Anne Partridge Seconded – Greg Blackie

CARRIED

4. Business Arising from/Amendments to Previous Minutes

4.1 NIL

5. AFPA Update – Victor Violante, Deputy CEO, CEO AFPA NSW

5.1 A lot happening heading into November:

- COP Conference with Prime Minister Anthony Albanese attending and with Chris Bowen, feature forestry on world stage, working with international and national stake holders to be part of, and lead, side-events.
- Dianna Gibbs elected new chair of AFPA this week prior to COP.
- Collaborating with others for COP to develop a couple of events.
- One with National Farmers Federation and other international farming groups around sustainable farming, its future and the part plantation forestry can play.
- Other is around forestry partnering with international forestry groups primarily to highlight the need for more wood fibre globally. Have commissioned as a group a consultant to model the future wood supply, demand, gap is and what we need as a world producing wood fibre.
- Also working on a domestic policy trying to knock into shape policy from former coalition govt committing \$86 Million dollars for a program to support plantation establishment in Australia in the form of grants to be co-funded by industry and State Government. Unfortunately, this did not progress as there was not a lot of consultation with industry or State Government prior to announcing. Now talking with Federal Government around rescoping this to rediscover a plan looking at working with farmers and NFF on what it could look like now.
- Relationships with new Government is going well, very positive and good engagement, especially Senator Murray Watt, recommitted to everything from the election.

6. Industry Updates

Growers

Peter Stiles, FC NSW:

- Similar challenges to HVP with wet weather challenges, fire season ok and largely staying on track with customer demand.
- Planting good, plant until mid-September, hoping to finish the Tumut area with 6.5k ha, great survival as well with planting, 14 m seedlings, target was 2027 to complete fire replants but should be back on track by 2026.
- Rail project, a year ago received a government directive to wood from Walcha via rail, still working through receipt issues in Wagga, hoping movement in October.
- Other projects, wind farm grants closed 19th September and go to stage 2, good interest so far and researching potential sites and there will be plantation offsets that come with this.

Anne Partridge, HVP:

- Market and demand strong, there is talk of softening but not seeing this as yet and still doing full deliveries to all customers,
- Disruption due to illness from staff, suppliers and truck drivers, customers are having similar issues and the weather is having an impact also as it very wet.
- Very successful planting season, planting over 3k ha, twice normal program, in place to have most of fire areas finished, still a few hundred ha to finish off next year, record survival rates with nearly 100% survival at the moment.
- Working on new customer agreements to start July 2023 nearly signed.
- Also have a haulage tender in market at the moment, and not far from putting out harvesting tender as well to line up with agreements next July.

Processors

Richard Kaine, D & R Henderson:

- Moving along ok, weather and employment has been tough, through covid but close to getting numbers back in sawmill, best they have been at in regard to employment for 12 months. Weather conditions have been difficult.
- Chatter regarding market softening but haven't seen this yet, customers saying demand will slow over next 12 months.
- Doing structural upgrades around Christmas time.

Sam Little, Benalla Timber:

- Similar issues with employees, absentee due to Covid is huge.
- Major amount of money spent on equipment from New Zealand January.
- Market not softening as yet, been on road talking to customers and feedback that agricultural and rural business is going well.

Graham Church, Alpine MDF Industries:

- Facing the same challenges as others with employment and weather.

- Certification process since fires, adding value to products, but projects have fallen behind due to covid and waiting for machinery to arrive, made a significant investment but unable to get a return as yet.
- Energy use being huge and cost of energy affecting bottom line, tried to recover from market but not able to further. Freight costs high but shipping seems to be coming down.

Belinda Legenberg, Hyne:

- Market still strong, no softening but there is noise of potential soften next 24 months, wet conditions also impacting in log yard and process, reworking due to kilns not working as efficiently.
- Ongoing issues with employment but back to reasonable level of employment, challenge is new staff being unfamiliar with equipment causing downtime.
- Xlam continues to grow and construction coming back.

Dean Hawkins, Visy:

- Wet weather diabolical and haven't been able to run mill efficiently for months. Plan to have stacker reclaimer commissioned and up and running just before major shut in October. Thanks to SWG for assisting to get government grants to complete this.
- without stockpiles we would have run out of wood.

FIC

Michael Clancy:

- Still recruiting for Dallas's replacement and in the interim Adam Farquarson will be filling role as EO.
- TAFE delivering courses again, 5 courses run in the plantation forest operators skill set since June and another 4 before end of year, tapping into the Snowy Valleys Skills Development service funding \$1.9.m dollars spend before end June 2023.
- Phil Clements facilitated the last meeting, reviewing FIC objectives and determining if they are still current, consensus was that FIC still has an important role to play especially in the safety and training space.
- Impact on supply chain regarding new equipment.
- Employment going well and is stable, no hang-over of covid or flu which is good, core staff seem to be available.
- No further impacts from snowy hydro and it has settled into a new normal.

Other Reports: NIL

Local Government

Greg Blackie, GHSC:

- Roads due to the rain are under a bit of strain so changing priorities to heavy patching to keep going through the wet period, Jingellic one of the worst and copping a flogging, looking to gain extra funding to fix issues.
- Similar situation with supply issues so is a work in progress.
- With state government going into election mode, there are a lot of grants coming out but with short time frames so will focus on applying for these to alleviate road issues.

Matt Stubbs, CGRC:

- In the same boat as everyone else and chasing their tail, doing more reactive maintenance.
- Have an extension of time for \$700k up around Nanningroe when dry enough, also focus on Darbalara Road.
- Demerger talks and Matt promoted to Deputy GM. Demerging a big focus, not sure of timing but trying to expedite, uncertain with roles but Matt is hoping to stay Gundagai side.

Trevor Ierino, ISC:

- Have been working close with Anne, have a few public interface issues regarding the Stanley forest to improve safety.
- Working on a mountain bike park from Beechworth through Stanley forest, to find a way to work with VicForest.

RDA's Riverina & Murray

Mary Hoodless, NSW ORD Dept P & C:

- Elections coming up and lots of programs are being launched.
- A business case has been done by SWG for funding for Jingellic Road, believe that funding has been oversubscribed but it will show the Government that there is a huge demand for road funding.
- Believe there will be a revamp Growing Local Economies Fund, business fund will come out after this, also the Stronger Communities Fund ongoing.
- September Senior Leaders Tour for 4 days start 13/9 with 14 senior executives attending from the Sydney to show what Riverina is like, from Regional Health, Treasury, Committees in Justice, Education and Planning, Enterprise, Investment and Trade, Service NSW, Department of Regional NSW. Working with Peter Crowe on 14th September to tour harvesting.

Kara Zdrzalka (DJPR):

- Future projects, carbon farm launch and Gippsland GPIC, the team have done a great job in progressing the project and we hope for a public announcement soon.
- Waiting for programs to come out for hardwood transition.

Edwina Hayes, RDA Murray:

- Working on letter of support and applications for business case
- Building relations with new Federal Government and in process of following up face to face meetings to do with the job summit, our meeting is first meeting to say employment pressure is easing.
- Min. McBain coming to field day to launch Regional Strategic Plan, open invitation to SWG to attend, focus on immersion in agriculture and forestry as drivers for regional economies, driving home messages regarding environmental policies, social license and develop important, asked to invite any impacts around inland rail that message not getting through to let Edwina know.
- Mary developing presentation surround RDA's role in bush fire recovery anyone has anything they would like included let Edwina know.
- Working on migration legislation on what will happen after job summit.
- Around energy costings if anyone has any contacts in the renewable creation market to please let Edwina know.

Deb Kerr, VFPA:

- New Agricultural Minister appointed in June, just managed to meet her this week.
- Biggest issue is the supply into native mills, impacting contractors and mills supply in relation to litigation against VicForest and now weather will delay return to coupes as well.
- Under 100 days to Victorian elections VFPA finalized its policy platform and in process of presenting this to major parties.
- Working on a Victorian industry image program, hero-ing product wood produced in Victoria
- Two streams of work:
 1. expand estate overturn native forestry decision
 2. focus on carbon to net zero 2050.

7. ForestWorks Update – Michael Borowick, CEO

- Is new to industry and getting out meeting as many as can, working on issues and practical ways to solve these, working through contacts to develop strong communications, revamp structure once again.
- Election of Albanese Government ForestWorks hope to become important co-ordination role.
- Skills and job summit next week and some suggest forestry may get a little lost, spending time in Canberra in the next few days, mapping out issues, working towards developing and implementation of these issues.
- Hoping to reestablish ForestWorks nationally.
- If anyone would like to make contact please reach out.

8. Road Issues:

- Covered in previous updates.
- Diana Gibbs thanked those involved for letter of support for submission, program is to fund submission, now lodged and are quietly confident, Greg Blackie on behalf of GHC thanked Diana for her assistance on completing the application.

9. External Communications

10. General Business

- Members survey response will be collated and distributed to members however only seven responses received. Please [CLICK HERE](#) to view results.

11. Meeting closed 11.41 am

12. Next Meeting: Friday 25th November 2022 at Tumut.



Peter Crowe, OAM
Chair