

AUSTRALIAN FOREST DEVELOPMENT INSTITUTE and AUSTRALIAN FOREST GROWERS

ORIGINS AND PURPOSES Comments by Michael Hall dated 1995

A) GENERAL SUMMARY

The Australian Forest Development Institute started and has remained as a voluntary organisation, which represents private forestry and tree growing for all purposes nationally. The name change in 1990 was not a change in direction.

The origins of A.F.D.I. came from a group of Sydney poplar growers who formed the "Forestry Development Institute" in 1965 and were mostly based in the Colo district. Their main concerns even in those early years were marketing, technical information and taxation provisions at State and Federal levels. The first President was H.J. Green followed in 1967 by Alan Guymer. Both were active poplar growers. The legal entity, Australian Forest Development Institute was incorporated as a company in 1969 following increasing interest and membership. Special mention should be made of Dr. John Kerridge, who was a prominent Sydney Psychiatrist and the first poplar planter in the Colo district and a founding member. He lost his life in 1970 in a car accident returning from his Colo plantations.

Only two pine growers, John Curvers and Peter Gausson were members in the first years but they were very influential in providing the Institute's future directions. Peter Gausson was to be President from 1970 to 1982 in the formative years of the organisation and in particular in the amalgamation into the Institute of the Private Forest Owners Association. The latter was born after the Sirex wood wasp was found on mainland Australia in 1960 with Chairman, Geoff Chandler, of A.P.M.Forests Pty Ltd. It had membership of all the major industrial pine growing companies in southern Australia for the purposes of raising money on a levy system to aid the C.S.I.R.O. and State Services in introducing controlling organisms. Amalgamation occurred in 1975 when the Private Forest Owners Association with Chairman at that time - Michael Hall - accepted the need for a private forestry viewpoint to be put to Governments in all aspects of forestry and wholeheartedly joined A.F.D.I. that had had since 1969, the foresight to have a legal charter and memorandum of association. In some respects A.F.D.I. is unique among private forestry organisations in the world in that its membership is made up of Companies who are also buyers of wood, city investors and farmers. Mostly such organisations are split between the individual growers and companies.

The single element that "helped" A.F.D.I. to mature as an organisation in its early years was another disaster, this time to the poplar growers and that was the chance introduction in 1972 into Australia and New Zealand of the *Melampsora* rust that caused devastation among the main clones of poplars planted - *angulata* strains of *Populus deltoides*. The Institute because of its identification with the sector was able to obtain remarkably quick assistance within N.S.W. from the Forestry Commission (Roger Hartigan) and Department of Agriculture (John Walker), and Federally from the Forest Research Institute (now C.S.I.R.O.) in Canberra, (Dr. Ken Eldridge and the Australian National University (Dr. Bill Heather and Professor Pryor). So quick was the finding and re-introduction of rust resistant clones that plantings since 1975 have been of resistant types. Notable poplar growers were Keith Lober and Eric Bearn who were instrumental in providing encouragement to this sector and in the re-introduction of rust resistant clones. Keith Lober was Vice President of A.F.D.I. from 1976 to 1984.

Private forestry in Australia seems to have its origins in pests and diseases!

At the same time as the major amalgamation into A.F.D.I. of the Private Forest Owners Association, the forest industry was having a major self assessment in the Forwood Conference which was the first stock-take of growers- public (State services) and private growers (mainly companies) and the industrial processors comparing their aspirations and setting targets for plantation extension. An on-going committee was formed called the Joint Committee of Forest Growers to discuss mutual problems on which A.F.D.I. represented the private sector.

Since then there has been several national forestry councils including the Forestry and Forest Products Industry Council (F.A.F.P.I.C.) 1984-1988 on which A.F.D.I. as a member was represented by Michael Hall initially and then by Stephen Ollerenshaw. This came under the umbrella of the Australian Manufacturing Council and was one of its more successful industry forums. When the Federal government lost interest in these Councils at the end of the 1980s there was a vacuum created that has still to be fully replaced. Instead Cabinet instituted a number of major and costly inquiries notably the Resource Assessment Commission, National Plantation Advisory Committee and Working Group on Sustainable Development in Forestry because Cabinet itself could not make decisions between the use and non-use of native forests. Finally in December 1992 as a result of these inquiries there was the signing by all mainland Premiers and the Prime Minister the National Forest Policy Statement. This was hailed by both sides of opposing factions as a basis for the future. (Tasmania refrained initially as the State said that it had a better document in the "Salamanca" agreement on the same topic but in 1995 also signed the Statement.)

However, in coming to terms on the detail the Federal Departments of Environment and Primary Industry were not able to even reach a working arrangements with the States who manage the forests and forest policy has been stalled ever since. As far as plantations are concerned a new group "Plantations Australia" was formed in 1995 and is to be serviced by the National Association of Forest Industries although not all its members are also members of NAFI. The Australian Forest Growers is a member through its President, Geoff McArthur.

The main considerations in all these councils have been the communication between the growers and processors; appraising the industry in total and looking to future directions and in particular informing Government on aspects on trade and the Closer Economic Relations with New Zealand. There has also been concern at educating the community at large on the forestry and forest products industry. Few people realise its economic importance - greater than wheat and wool combined - nor the impact of forest product imports on the country's balance of payments. (Net \$1 billion 1986/87: \$2 billion in 1994/95).

In 1977, the Institute first produced its quarterly magazine "Australian Forest Grower" under the Editorship of Geoff Wilson and this has been a source of technical information for its members. Geoff Wilson is a free-lance journalist and an enthusiast for tree planting for all sorts of reasons following his visit to New Zealand in 1973 as a winner of a travelling award by Dalgety Ltd. where he visited the properties of Neil Barr, Jim Pottinger, Peter Smail and others. He could see that Australian farmers had much to learn from these pioneers of farm forestry in using Australian species, wood production for furniture timbers and the benefits of shelter and the emergence of agroforestry as a land use.

Again in 1977, A.F.D.I. held its first private forestry conference in Traralgon with a very wide range of papers, which opened up the possibilities of tree growing for many land owners. For example plantations for city based investors for superannuation and the eventual development of a Code of Practice for Investment Companies which has now become a model for other primary industry groups; the assistance schemes that some of the major companies have introduced to assist individual growers, received publicity and helped spread the schemes to other regions.

Other Conferences followed. Launceston in 1979; Mt. Gambier in 1982; Coffs Harbour in 1984; Bunbury in 1990; Mt. Buffalo in 1992 and again in Launceston in 1994.

In April 1988, the Institute was granted the privilege to hold an International Conference by the Bicentennial Committee to celebrate Australia's native species both here and abroad. It was an international conference with some 400 participants and 120 papers given. It was held at Albury and was opened by the Governor-General, Sir Ninian Stephen. R.L. Newman and Partners managed the conference and it was indeed successful in its content and purpose. Special mention needs to be made of Bob's efforts as it was indeed a mammoth undertaking for a voluntary organisation and attracted much interest from overseas, particularly from developing countries but this added to the costs greatly. It raised the stature of the organisation but at some financial stress, which took some time to absorb in spite of Federal government support.

The Institute and A.F.G. has been well served by the Forest Services and C.S.I.R.O. at these Conferences by providing expert speakers but also in assisting in their organisation. Of all the encouragement received none has been greater than that of the late Dr. Wal Gentle of NSW. He was a party in the formation of the Institute in the late 1960s and a very regular speaker at Conferences. However, his biggest impact in private forestry has probably been in his part in the Everett/ Gentle Inquiry in Tasmania in 1977 which defined the importance of private forestry for that State and gave important guidelines for the future that are applicable nationally. It is rare for such reports to be implemented even in part. However, in this case the recommendations have been taken up fully.

In the mid 1970s Chapters were starting to form on a State basis. The first was the Southern Chapter in 1976 comprising Victoria, Tasmania and South Australia and the second in Western Australia in 1977. The Tasmanian Chapter formed in its own right in 1978, and Queensland and Northern Territory in 1980 and South Australia in 1986. The aim is for the Chapters to pursue the regional interests but also to report to the Council for reconciliation at National level.

The Institute provided 'seed money' in 1980 to start a correspondence course in Trees on Farms at the Macmillan Rural Studies Centre in Warragul, Victoria. One other T.A.F.E. College at Yass in N.S.W. has taken this course up modified for local conditions.

The Institute has operated on a voluntary basis with a paid National Secretariat from 1981 to 1989 based in Launceston and later at Albury under the forestry consultant Robert L. Newman and Partners. Before that Peter Gausson doubled as Executive Director and National President for the period 1976 to 1981. Andrew Sneddon and later Alistair Hazard as Secretary and Malcolm Reid as Treasurer were honorary office bearers in the early 1970s.

From 1982 to 1990, the National President was Michael Hall with David Bills and Garth Massy-Greene as Vice Presidents. From 1990 - 1994 the President was Bob Paterson, Mechanical Engineer from Melbourne followed by Geoff McArthur Forestry Consultant of Perth in 1994. Vice Presidents are Frances Clarke, farmer/agro-forester from NSW and Ross Henderson, farmer and manager of a growers' Coop in NW Tasmania.

In 1989, at the suggestion of Bob Newman, a major decision was made to have the national secretariat in the National Association of Forest Industries (NAFI) office which had just formed in Canberra with one of their staff being full time on the Institute's affairs. Freed from administrative duties, he offered to take up a new part-time position of National Policy Director to assist the council in formulating policies and placing these before relevant Ministers at both Federal and State levels. The National Policy Director is continuing with Michael Hall from 1991 to 1994 followed by Alan Cummine who is the current incumbent. Alan has been able to be much more active within the Canberra bureaucracy and ministerial offices from his previous experience as a bureaucrat in Canberra.

The Executive Officer at the NAFI was Narelle Kindler from 1990 - 1993 and followed by Lyn Day who is the present incumbent to undertake the servicing of membership and the Councillors and formal meetings.

In 1990, the Institute changed its name to Australian Forest Growers mainly from the initiative of the West Australian Chapter. It was thought that the name was somewhat pretentious and gave a wrong impression on its function as a lobby group.

This suggestion was actually tabled by Michael Hall for the same reasons and voted on at the AGM in 1975 but was easily defeated!

THE AUSTRALIAN FOREST GROWERS TO-DAY:

A.F.G. as a national body has been recognised by Federal and State Governments and the forest industry in representing in particular the smaller individual grower. The Chapters are likewise represented on State Government Committees. A.F.G. is a member of "Australian Plantations"

A.F.G. has an "observer" position on the NAFI Board.

Membership is diverse as it comprises industrial forestry companies, city based forest and plantation owners, farmers, nursery owners, consultants, and generally people interested in trees for all purposes. The total is over 700 with individuals having the same votes as large companies. It is interesting to compare this with equivalent bodies overseas, which usually have separate organisations for individual growers and large industries. The philosophy is that there are more things in common than in conflict so that there is much to lose by being separate.

The Institute is self-funding with occasional grants from the Federal Government for conferences or to provide more technical information and for field day activities. Subscriptions are based on size of ownership. However, companies have the same single vote that individuals have.

Communication:

One of the main aims of A.F.G. is to communicate technical information about forestry and tree growing to its members, potential members and to the community in general.

(a) A journal, *Australian Forest Grower* is produced quarterly which has a wide range of news and information both in Australia and abroad. This is mostly but not completely self-supporting financially from subscriptions and advertising. Since 1986, the Editor has been Joseph Vondra with Francis Clarke as managing councillor.

(b) The Chapters hold field days, seminars and meetings periodically to cover items of particular importance in the Chapter. The Tasmanian Chapter has funded visits by the Presidents of the New Zealand Farm Forestry Association.

(c) Competitions are run to award individual growers for innovations in forest management and tree growing.

(d) Nationally the Institute holds Conferences each two years when formal papers and field days are organised.

ISSUES

One of the major roles of A.F.G. is to put a private forestry viewpoint to Governments on a wide range of issues. These include the Private Forestry Inquiry in Tasmania; Senate Inquiry on Woodchipping; House of Representatives Standing Committee on Land Use and Financial Aspects of Conservation and Environmental Issues; Senate Committee Inquiry into All Aspects of Forestry; Codes of Forest Practices in Tasmania and Victoria; Code of Nursery Practice to Prevent the Spread of *Dothistroma Rust*; Resource Assessment Commission, various Industry Commission Inquiries into forestry - the last being on Value-adding.etc. These are listed in Appendix A. of AFGHIST.word

Taxation:

One issue for the life of the Institute and A.F.G. has been on taxation and the impact of this on the individual grower where the returns are very "lumpy" and are hit hard at marginal tax rates. This came to a particular head in 1985/86 when the Federal government proposed to "quarantine" the costs of primary industry from other income flows. This would have had a very detrimental effect on investors seeing plantation forestry as a means to accrue a superannuation type benefit in retirement. The measures were withdrawn. The problems of lumpiness are still being pursued, as are the charges that "forestry is a tax shelter". We are pointing out to the Government that the current tax provisions benefit (net present value) the Treasury to a greater extent than the grower even with immediate deductions of all costs at the start of a rotation, because of the high marginal tax rates when income finally is received.

The principle has been to remove disincentives from forestry investment and the importance of these has been highlighted in all the Government Inquiries to date.

Andrew Sneddon initiated much of this work in the 1970s and was taken up by Ross Flanery, Bob Newman and Ross Fabian more recently. A field day organised by Herb Bennetto was very influential in removing the quarantining provision in 1985. The work by Ross Fabian finally yielded an ATO Tax Ruling on Forestry in 1995.

Insurance:

The Institute (and A.F.G.) since 1978 has had a group insurance scheme to try to achieve premiums commensurate with the risk. While competitive rates have been achieved for the most part, there is still need for much effort both at the individual grower level to reduce risk by better management and for the Institute to provide better statistics on losses. The losses are very irregular with many years of nil losses as opposed to the very few years of high loss. Peter Gaussen, Lauchlan Wright, Ross Flanery, Tony Wheatley and Bob Newman have undertaken the main negotiations over the years. The current chairman is Ian Wildy of Perth.

Marketing:

Marketing has always been seen as a problem in some areas and with some species (Poplars). In some regions market guarantee schemes are available from the industries but not in all and the Government supplies often take first share with the private growers able to sell only when demands are high. The first branch to form was in northeastern Victoria under Frank Deans and Bob Paterson. The most successful has been in Tasmania under Ross Henderson where higher volumes and closeness to ports has led to export sales from individual growers in finding markets by pooling volumes. Another COOP has recently formed in Gippsland, Victoria.

The private sector sees itself as an important part in this plan complementing the wood supplies from the State in the timber growing regions of the nation. A.F.G. has a role to see that there is some overall planning to match wood supplies with demands by processors. This is best done at regional levels.

Research Funding:

A Research and Development Forest Industry Corporation has been formed in which a levy is made on processed wood but does cover both primary and secondary phases of the industry. The funds are directed to such bodies as C.S.I.R.O. and Universities from a levy as wood is sold. Such funds are added to at 50 cents per \$ from Federal sources. The administration is by a Government approved council composed of N.A.F.I. members. A.F.G. wanted to be levied directly and have a place on this Board but this was not accepted.

Encouragement of Tree Growing on Farms for All Purposes:

Land degradation due to erosion and salinity is among Australia's biggest problems. There is a number of State and Federally based organisations trying to make people more aware of the problem and trying to supply remedies.

A case can also be made for wide-scale tree and forest planting for positive aspects to improve our rural landscape, to purify effluents as well as provide wood resources including furniture timbers on land in private ownership.

A.F.G. has a commercial bias and sees tree planting to not only overcome land degradation but also provide a source of revenue. We believe that farmers appreciate that approach as can be seen from the great response that the New Zealand Farm Forestry Association has received from that country's farmers with little cost to the taxpayer. The philosophy is that it is best for farmers to tell other farmers and the A.F.G. has always had farmers on its council.

We have over the years through the Journal, from field days, conferences and tree farmer awards tried to spread the most innovative techniques. Names such as Keith Lober (poplars), Garth Massy-Greene (poplars and macadamias); Bruce Downie, Francis Clarke, Ken Crawford and the Silburns (agroforestry with radiata pine); Don Vincent (native forests); and Jock Nichols (eucalypt plantations); David Jenkins and John Fenton (whole farm planning) have all been featured.

B ORIGINS IN MORE DETAIL:

(Summary from Geoff Wilson AFG Vol 6 No 2 June 1983.)

FDI - Forest Development Institute had its inaugural meeting on 10th December 1965 at ICI House, Macquarie St., Sydney. A provisional constitution had been prepared beforehand and was accepted by the meeting as a "basic procedure".

The main movers were Messrs. E.N. Bearn, J.W. Curvers, and Drs. J.C.Kerridge and H.R. Kemp with assistance from Mr. R. Black, and R. Johnstone Extension Officers of the NSW Commission. Another NSW Commission Officer was Dr. Wal Gentle who maintained that he was responsible for the word "development" in the organisation's title. The latter was to have a distinguished career with the Commission ending up as Commissioner and very influential in policy issues on Australian forestry - Government and private.

In the original document, the objectives of the Institute were:

- * present a common view to all tiers of Government and planning boards on the production, promotion and utilisation of timber;
- * to secure a general acceptance of standards and principles conforming to requirements of afforestation, economic soundness, high ethics and public interest without prejudice to the interest of individual members;
- * to serve and safeguard the interests of members.

The FDI had as its first Chairman, Mr. H.J.Green, Secretary/Treasurer Dr. B. Block: Vice Presidents: E.N. Bearn, Dr. J.C.Kerridge and J.W. Curvers - all active poplar growers who were Sydney professionals with plantations mainly in the Colo Valley which flows into the Hawkesbury. In 1967, Alan Guymer became President and other leaders were Jim Hay and George Opferkutch of the Federal Match Company which later were absorbed into Bryant and May and who were planting large areas at Grafton.

The latter talked Peter Gausson into growing some poplars at Port Stephens but these failed due to the nature of the poor sandy soils. They also suggested that he join this new group. He did so and was secretary and

treasurer initially and then President in 1969. Peter and John Curvers were the only pine growers in the group. Membership at this time was about 25 members.

When a nominee company of Australian Paper Manufacturers bought out the Port Stephens investment company with Peter Gaussen as M.D., Peter carried on as its manager for a period until the company sold the holdings to AMP. As manager he was invited to attend early meetings of the Private Forest Owners Sirex Association, which was formed by the big companies in the southern states in 1962 after Sirex, hit the mainland in 1960. Its first Chairman was Geoff Chandler of APM Forests. Peter saw the need for a wider grouping to represent private forestry in Australia and suggested that the "Sirex" should be removed from the title which was done. At the same time F.D.I. tried its hand at lobbying in Canberra and the first attempt was a disaster. When the F.D.I. members arrived to argue a case they found that a private company was lobbying on an opposite tack and the resulting shambles made the organisation a joke among public servants. Peter resolved that in future there would be joint consultations before hand and a national organisation was required.

The Sydney business and professional men who set up F.D.I. had a proper constitution and the corporate standing of A.F.D.I. was easily achieved thanks to their foresight. The Private Forest Owners Association lacked these formal measures.

PERIOD 1965 - 1969 FROM THE JOURNAL

The first issue was in June 1967 with a foreword from Hon Jack Beale, MLA explaining the Government's loan scheme for pine and poplar plantations. The President, Alan Guymer welcomed this initiative and the assistance coming from the Forestry Commission mentioning R.M. Black. There were technical articles by Professor Lindsay Pryor on poplar planting in Australia; use of fertilizers by DR. Wal Gentle and case studies from poplar growers - E. Bearns, G. Opferkuch and J. Hay.

The Institute gave evidence to a select Committee of the Legislative Assembly of NSW in 1967 on taxation, rates, land tax and Government assistance.

Insurance was raised in the second issue as well as utilisation of poplars by Lindsay Bryant, Deputy Chief of Wood technology of the Forestry Commission.

140 attended a Bi-annual meeting in Sydney with speakers from the Commission and its own members. Papers in the journal gave assessments of costs and returns for radiata pine; comparison of poplar economics with dairying; taxation and technical information on tissue testing of poplars for fertiliser needs.

In June 1970, the Journal was taken up entirely with a comprehensive consultant's report for the Institute aimed at both Federal and State Governments by B.V. Walsh from New Zealand. "The Responsibilities of Governments towards inducing private enterprise to undertake tree farming". This gave estimates of future demands; discounted cash flows for pine and poplars and a discussion of incentives to the private sector and the needed for a coordinated approach by Governments to plan expansion expeditiously.

A marketing committee was formed in 1970 consisting of Messrs Bearns, Davidson, Guymer, Brain and Dr. Nash as the poplar plantations were developing.

PERIOD 1970-1975 FROM *NEWSLETTER*

President Peter Gaussen, Vice Presidents Alan Guymer and John Curvers with Councillors Doug. McFarlane, Peter Britton, W. Davidson, G. Gipps, Keith Lober and S. Scott. Secretaries/Treasurers Andrew Sneddon and Alistair Hazard.

The Newsletter was introduced in December 1970 as a previous "Journal" was too costly.

Membership in 1974 was 70.

POPLAR GROWING WAS THE MAIN EMPHASIS:

Dr. Ken Eldridge of the Forest Research Institute, Canberra, described the need for seedlings of *Populus deltoides* to study provenances from United States. These would be set out at various sites in Australia and to compare these with the clones being used at the time and finally to release the best after testing at Tumut, Cobram and Colo (on Eric Bearns property.) Professor Pryor, ANU, had been working on introductions for the previous ten years.

The University of New England conducted a regional development study on poplars for the northern rivers of NSW and said that their profitability was positive whereas beef, dairying and sugar cane were negative. At the same time 82 farmers had planted trial plots of poplars of an acre each in the Dorrigo-Kempsey districts to test soils and clones.

The first recorded incidence of the poplar rust - *Melampsora medusae* - was reported at Wright's Creek on 28/1/72 in the McDonald Valley of the Blue Mountains in NSW. Within weeks it was found throughout NSW. A meeting was held in March 1972 with experts from NSW - Roger Black, Extension Officer; Roger Hartigan, Forest Pathologist; John Walker, Dept. Agriculture; Chris van Kraayenoord, Soil Conservation, New Zealand; Bill Heather, ANU and FRI Canberra. It was a very productive meeting. Some *angulata* strains of poplar were affected most but the Colo trials showed also that there were some unaffected. It was indeed fortuitous that the trials had been in place and that four earlier selections of resistant strains on Eric Bearns property looked promising with good growth and form.

Keith Lober a prominent early grower who started his plantings in 1969 was optimistic and said that he would continue to plant poplars using the best information as it came along. A field day was held on his integrated cattle (Hereford/Devon) and poplar plantation in September 1972 where the trees were up to three years old and pruning and grazing regimes were shown.

In May 1973, spraying was ruled out in favour of tolerant clones. The Forest Research Institute in Canberra had some 300 clones in stool beds and was conducting provenance trials on Government land and did not want to release clones until checked over a five-year period. They wanted to use at least 20 clones in any one plantation to avoid excessive relatedness.

Messrs. Bearns, Davidson, Hassal, Alcock and Lober established a nursery at Windsor and were able to offer 12 clones for the 1975 year. They recommended that at least 5 clones be chosen in any one plantation.

Progress was moving quickly at a practical level thanks to Eric Bearns.

The Dungog Shire Council in April 1974 had a field day on its sewerage farm to examine new rust resistant clones with high growth rates and was very appreciative of the help it had received from AFDI members.

In May 1974, Dr. Graham Gipps reported on poplars in Europe - silviculture and marketing. 200,000 ha in the PO valley in Italy alone. At the time there were 2 - 3,000 ha mainly in NSW.

The AFDI was invited to Canberra in March 1975 to see the poplar research - control of rust at the ANU through Dr. Bill Heather and breeding through the FRI - Dr. Colin Matheson and Dr. Eldridge. This was an eye-opener as hitherto AFDI was publicly critical of the assistance from governments apart from extension officers in NSW Commission and chose to do their own nursery development. Communication had somehow broken down for several years.

TAXATION

Taxation has always been on AFDI's agenda. Andrew Sneddon was the major expert in this field "with deputations and discussions in Canberra with strong recommendations for a more attractive tax atmosphere for forest growers." (December 1970.)

In 1970 the Institute (through Andrew Sneddon and Alistair Hazard) wrote to the Premier of NSW, Sir Robert Askin and again to a Senate Inquiry in 1972 with a submission on Death and Estate Duties. The submission said that due to the lengthy period for plantation maturity, taxation should recognise that the death of a tree farmer should not require the premature realisation of those assets. When timber is felled and sold death duties are finally payable on the net proceeds after all costs including replanting costs are deducted since death of the tree farmer. The rate applicable would be the rate applying at the time of death. As well there would be an obligation by the inheritors to maintain land with the forests or plantations under a perpetual covenant prohibiting its use other than for primary production as defined by the Income tax Assessment Act.

In March 1972, the Institute was concerned that several growers were having deductions of forestry costs queried by the taxation department in NSW. The problem was what size would be considered sufficient to be considered a "business like" operation. Alan Guymmer was co-ordinating members' responses on this issue.

The Council was hopeful in 1972 that State Land Tax would be abolished in NSW for primary production.

In 1973, the Institute prepared a submission to the Bureau of Agricultural Economics on taxation for private forestry.

The report came out in January 1974 and conceded that the Pitt and Collins St farmers did require another income to develop plantations and concluded that "it is not clear whether economic consequences of "tax farming" are adverse or beneficial". An argument which was to re-appear ten years later from another Government!

In 1975, the Industries Assistance Commission held an inquiry into rural production and Messrs Sneddon and Hazard prepared a submission on the taxation of private forestry. They argued for a recognition of the different time frame for timber growing compared with other crops. It was recommended that income be spread over the rotation period and at a fixed rate of 35%.

ASSISTANCE SCHEMES

The NSW Government in 1972 introduced changes to their farm woodlot scheme first set up in 1966, which increased the size of the loans available up to \$50 per acre for pines and \$80 per acre for poplars. The loans were interest free for 15 years for pine and 7 years for poplars and there-after at 4.5% for the remaining period of 30 years and 15 years respectively. Maximum area was increased to 150 acres. However applicants were restricted to farmers in residence. Mortgage was required for loans over \$500 as well as insurance cover. Industrial and investment companies could not be recipients.

It was at this time that the Federal Government was assisting the States through the Softwood Agreement Bill and questions were asked why the Liberal government was not providing a proportion of the funds to private enterprise. This was discussed at Australian Forestry Council and it was suggested that the taxation regime was favourable; Departments gave advice and made concessions on the provisions of planting stock. It was noted that the NSW Department put up its pine seedling prices from \$10 to \$25 per 1000 at this time!

ECONOMICS OF PRIVATE FORESTRY

President Peter Gaussen and Vice President Alan Guymer gave a seminar on June 7th 1972 to 40 attendees on "Tree Farming for Profit" at the University of NSW. Alan spoke of poplars with internal rates of return between 12% - 22%. The former for a non-resident farmer who did everything on contract and the latter by a resident farmer who had the land. Peter Gaussen spoke of establishing a commercially successful pine plantation and the need to consider soil productivity, closeness to markets and silvicultural regimes to produce maximum sized logs of high value.

MARKETING

Three of the earliest planters had thinnings ready for sale in 1970 and formed a marketing committee. These were Messrs Bearns, Curvers, Davidson, Guymer and Brain and Dr. Nash. A levy was to be struck at 1 cent per 100 super feet to defray costs of committee members. They aimed to conduct a survey on the future markets. At that meeting Alan Guymer and Eric Bearns said that they had previously identified - replacing imported aspen used in air conditioning; match splints; impregnated posts and wood wool.

A "Utilisation" Committee reported in June 1972 that P.G.H. Industries in Tumut had processed 6,000 super feet of poplar which had been cut into 4" boards and kiln dried and dressed and under test by the Department of Wood Technology of the Forestry Commission. Also a sliced veneer company in Sydney was pleased with the results of slicing 5 year old poplar supplied by Alan Guymer.

Four main markets were seen for poplar - FURNITURE where gluing, nailing screwing and machining properties were favourably acknowledged; WOODWOOL because of its colour, elasticity and neutrality; PENCIL MANUFACTURE and SLICED VENEER.

In 1974, the FORWOOD Conferences were convened to study reports from technical sub-committees of forestry in Australia and where the industry was heading. There was a meeting in April to receive information and another in November for detailed review and voting on initiatives. The Institute made submissions on contentious issues and was a party to the Marketing Sub-committee.

ORGANISATION OF PRIVATE FORESTRY IN AUSTRALIA

In 1972, the President Peter Gaussen had discussions with the Private Forest Owners Association in Melbourne with a view for closer ties. This organisation was established in 1961 by the large industrial owners of radiata pine plantations in Tasmania, South Australia and Victoria to combat the finding of the Sirex wood wasp on the mainland near Melbourne in 1960. This organisation had as its Chairman Geoff Chandler, General Manager of APM Forests Pty Ltd and raised considerable sums for CSIRO's efforts in Europe based near London to find parasites and introduce them to Australia where the outbreaks were occurring. This work was still going on in 1972 but the P.F.O.A. could also see the need for a private forestry lobby group on general issues of forestry and was attracted to the model set up by the poplar growers principally near Sydney. Peter Gaussen reported in his Presidential address in 1972 of fruitful talks in merging but at first each knowing of its each other's lobbying positions to speak with one voice in Canberra.

The AFDI was lobbying for representation on the main forestry bodies in the country.

In October 1974 at a meeting of PFOA, which Peter Gaussen attended, it was noted in the minutes that "subsequently it is likely that the AFDI and PFOA will amalgamate on a formal basis". This was to occur from May 1975 bringing in a membership of industrial growers with some 200,00 ha. AFDI was to form Chapters in 1976 with the Southern Chapter representing Tasmania, Victoria and South Australia under Vice President Michael Hall, Councillor Geoff Wilson and Lauchlan Wright from PFOA having an inaugural meeting in April 1976.

In 1974 also saw the breakthrough when the Australian Forestry Council approved a joint sub-committee from representatives of private growers and AFC Standing Committee. Initial members were J.L.Henry, F. Moulds, J.Thomas from Standing Committee, M.Hall from the PFOA and Peter Gaussen of AFDI. An initiating meeting was held on 5th February and a second on November 27th in Canberra.

Main topics set out at the time were:

Planning and location of future forestry developments and the proper statistical recordings of plantings and harvesting for public and private owners throughout Australia:

Land purchase policies for afforestation to reduce competition in land prices:

Common environmental problems that were emerging at the time - pine plantations and woodchipping:

Marketing the resource: Joint marketing might even be a possibility:

Taxation and government encouragement to private forestry. There were possibilities that private plantings would reduce government expenditure in the short term and increase taxation revenues in the long term through private plantation development:

Research. Private growers should be represented in future research meetings to decide on programs.

Training of forest operatives.

INSURANCE

In May 1973 a letter by John Curvers outlined two problems with insurance at that time - too expensive and that insurance companies wanted insurable value to equate to actual realisable stumpages and not to account for the potential value (discounted) of immature plantations.

LAND USE PLANNING AND CODES OF PRACTICE:

John Curvers was outspoken on the rights of individual landowners to make their own decisions on land use and operations without interference from Governments. This raised some problems with the Institute of Foresters. On the other hand Peter Britton who was also a member of IFA tried to adopt a position for AFDI of accepting obligations in how operations could be performed to protect the soil itself but at the same time should receive some concessions for the long-term dedication required for tree growing.

PERIOD 1976 TO 1982 FROM *NEWSLETTER and AUSTRALIAN FOREST GROWER*.

AFDI's ORGANISATION:

The membership of the Institute was 140 in 1976.

The Council asked the President, Peter Gausson to take on the part time position of Executive Director because of the increasing workload.

The stature of AFDI was growing with AFDI taking responsibility for private forestry including industrial forestry with the amalgamation with the Private Forest Owners' Association in 1975 and acceptance by Government bodies in AFDI's participation in the Australian Forestry Council's sub-committee's - Joint Committee of Forest Growers; Forest Resources; Pest and Diseases Committee and CSIRO's Advisory Committee.

There were also a growing number of inquiries into forestry at both federal and state levels, which kept the executive busy. The general submissions from 1976 to 1994 were drafted by Michael Hall. Submissions on taxation were written by specialists. These will be cited specifically.

The main one in 1976/77 was the Tasmanian Inquiry into Private Forestry, which was conducted by Justice Everett and Dr. Wally Gentle, Ministerial Advisor, NSW. In hindsight this was probably the most successful inquiry ever held on forestry issues. It was positive, it sought realistic solutions and to the credit of the Tasmanian Government all recommendations were to be taken up at State level and resulted in beneficial changes. Probate duty was removed almost immediately in Tasmania followed shortly in Victoria.

AFDI was charged by this Inquiry to join the State Government in encouraging the Federal Government to make changes in the Australian Taxation Act to encourage private forestry. Andrew Sneddon was to prepare the major submission on taxation changes following the Everett/Gentle Inquiry which was well received by

The Tasmanian Farmers Federation and the Tasmanian bureaucrats - notably John Quick, Assistant Commissioner (Private Forestry) who was appointed following recommendations from the Inquiry for a private forestry division in the Commission and a Private Forestry Board. A major submission was made in 1978, but it was another matter to reach Treasury in Canberra and this had to await the National Forest Policy Statement of 1992 following numerous inquiries into forestry, which included statements on taxation disincentives. A ruling was finally achieved in 1995!

In 1977, The magazine *AUSTRALIAN FOREST GROWER* was initiated under Geoff Wilson as its enthusiastic and professional editor to replace the Newsletter.

The Institute was growing rapidly and membership at the end of 1977 was to double to 280 over the previous year.

In 1977, the Institute held its first national conference at Traralgon, Victoria, with Geoff Wilson as convenor. Michael Hall managed the program and local arrangements, while Mary Wilson the catering. It was a wide-ranging conference and it was very pleasing to have contributions from all States, New Zealand and United States from all types of organisations in 50 papers. It was opened by the Premier of Victoria, Sir Rupert Hamer. AFDI received great support from the forest services and companies as 300 people attended. Some very influential farm/foresters attended - mostly from New Zealand - Neil Barr and Mike Malloy, but Les Schultz, General Manager of APM Forests who was host to the Conference remarked that AFDI had not encouraged too many uncommitted local farmers to come to learn and more importantly to plant! This was true. (This "failure" was to occur at other conferences with the exception of conferences held in Tasmania and Western Australia - and particularly at the International Bicentenary at Albury in 1988 where we had more South African sawmillers than local farmers!)

Dr. Wal Gentle's summary and comments on the papers given at the completion of the Conference were particularly apt and can be re-read even in the 1990s with considerable benefit. Vol 1 No 4 p4-12.

Some key initiatives were started at this conference. One of them was to develop a code of practice for afforestation companies with the Institute of Foresters, Australian Forestry Council and investment companies themselves. This code was to go to the State Corporate Affairs authorities and finally when they were amalgamated AFDI got formal acceptance from Australian Securities Commission in 1991.

Another was to initiate a Tree Farmer award system at chapter and national levels largely following the patterns set by the American Forest Institute studied by Geoff Wilson under a Gottstein Fellowship in 1978.

Group insurance was also to follow, starting with Lumleys for the 1978/79 season for Institute members. The group scheme has made a major impact on both membership and finances over the years.

1977 also saw a chapter formed in Western Australia under Dr. David Fry with Mike Abbott as secretary. At the same time there was consideration in the creation of chapters in Tasmania and South Australia as it was always the intention for the Southern Chapter to be partitioned as State matters were quite different - between Tasmania and South Australia for example - and could not be covered readily. For Tasmania this occurred in 1978 and for South Australia in 1982.

Geoff Wilson was the main force behind the "Farm Forestry '78" event at Lardner near Warragul in November 1978 which had some unique features - Canadian log rolling by BC lumberjacks, use of old timber skills with

adzes. In addition, APM Forests established a demonstration agroforest and woodlot and herbicide plots for long term use. The first AFDI National Tree Farmer Award was made to Keith Lober for his cattle and poplar property on the Williams River near Dungog, NSW. Keith had overcome the problems of rust which decimated his first plantings by replanting with selected clones. A remarkable achievement in the time since *Melampsora* was first spotted in 1972. The Award was presented by the Prime Minister, Hon. Malcolm Fraser.

In 1979, NSW members thought that they should have a Chapter to cover that state, Queensland and the Northern Territory. This happened on May 28th with a native forest owner, Roger Greig as chairman. However, a new Northern Chapter formed in July 1980 with C. Ray as chairman taking over the Queensland and Northern Territory, creating a NSW (and ACT) Chapter. Peter Gausson commented that this was probably the final subdivision at the time and this has proved correct.

The second AFDI Conference was held in Launceston in October 1979. The conjunction of APPM and David Bills and the Private Forestry Division of the Forestry Commission under John Quick made this an ideal location. It featured many farmers who were in commercial forestry both in plantations and in native forest. Gerry Phillips was a most capable organiser. A summary by Michael Hall of the Conference appears in *Australian Forest Grower* Vol 2 No 4, December 1979.

One of the initiatives of that Conference was to start correspondence courses in farm forestry. This was taken up by Brian Clarke, Principal of the McMillan Rural Studies centre at Warragul, Victoria and the notes were written by Nan Oates and commenced in March 1981 and is still active. It was also taken up at TAFE Colleges in NSW.

New articles of Association were approved to accommodate the Chapter arrangements and this is also in the same issue of AFG referred to above.

The Senate held a very large inquiry into "All aspects of Forestry and Forest Products Industries" in 1980 with evidence taken in many places around Australia. Unfortunately it may have helped the Senators but failed to progress the sector. There was also a major effort on "National Conservation Strategy" in which AFDI's Vice President, Michael Hall was on the drafting committee representing "forestry". Both were to lose impact with the incoming Hawke Government in 1983 and essentially failed to introduce sustainable forestry as a conservation philosophy. These issues are still being fought over 12 years later.

In 1980, the Institute of Foresters had a conference to look at the decline of old trees in the rural landscape and this was a watershed leading to Greening Australia and the Landcare movement.

The Joint Committee of Forest Growers was continuing to meet and AFDI took the initiative to hire a consultant (Mr. Alf Sebire) to improve the private plantation forestry statistics in Australia by sending questionnaires to the membership. Results of this survey were available in 1979. The number of individual growers were low and the survey mainly reflected the large industrial companies. At this time a second FORWOOD Conference was being mooted to relook at the recommendations of the first. Some committees were reformed for this purpose. Forest Resource Committee under Dr. Les Carron was asked to have the resources up-dated. Malcolm Mann of APM Forests represented the small growers and AFDI. In the end there was never a FORWOOD Conference second time round but there was formed a council called Australian Forest and Forest Industry Council which contained membership of three groups - Standing Committee of the Australian Forestry Council, forest industry sector representatives and AFDI. It had 26 members, with Peter

Gausсен and Michael Hall representing the Institute. Its purpose was to brief the Minister. That was fine but it happened that a meeting was called and the Minister failed to appear! The first meeting was in February 1981. The feeling of AFDI at the time was that the Joint Committee of Forest Growers was achieving more useful dialogue as it was better focussed. (AFFIC had to turn itself into FAFPIC with Australian Manufacturing Council's imprematur and supporting servicing secretariat, but that was not until 1984 and a different government!)

Peter Gausсен gave a paper to a dinner meeting of the Sydney Timber Industry in March 1981 where he exhorted the sawmillers to "grow your own wood". Peter gave his last report in November 1981.

AFDI under Peter Gausсен's leadership had transformed AFDI into a national organisation with Chapters covering all the important forestry regions with active memberships. There were 351 members in September 1981.

The Institute had been recognised in representing private forestry. Its initiatives included the following - often with other parties involved:

- * beating the poplar rust with tolerant cultivars;
- * assisting in the control of Sirex wood wasp with introduced pathogens;
- * producing a code of practice for investment companies accepted by the State Corporate Affairs departments;
- * introducing trees on farms correspondence courses;
- * statement on taxation with the Private Forestry Council of Tasmania which was accepted by Standing Committee unanimously at one stage but a change of Minister in Western Australia wanted changes which no-one else wanted and the project was held up for a year but was finally presented to the Treasurer, Hon. John Howard on October 12th 1982. Change of Government again caused all this work to be in vain;
- * establishing a group insurance scheme for members;
- * forming an organisation which amalgamated individual growers and industrial growers with the latter often supporting and encouraging the former;
- * establishing a viable administration and a quarterly journal which was well respected;
- * establishing biennial conferences which had wide support nationally and from overseas. The calibre of the papers presented was high.

PETER GAUSSEN

Geoff Wilson wrote a tribute to Peter in June 1983 AFG (Vol 6 no 2.) He can take credit for "taking private forestry from insignificance to prominence; from something of a joke in the minds of the forest service chiefs to an undisputed and respected equal partner in Australia's tree growing development."

Peter came from England from a family with farming interests in Hertfordshire at the age of 16 in 1926 with seven and sixpence in his pocket. He went at first to relatives in Victoria - Armitage family - to settle in, but then started a career of engineering with BHP at Newcastle studying mechanical engineering and metallurgy. At the age of 22 years he became a shift engineer controlling 400 workers. Before and after the war he had interests in pharmaceuticals and started several companies, which he finally sold in 1947. He noticed an advertisement for a forestry company at Port Stephens, NSW, and thought they may want an engineer. It turned out they wanted bond sellers. He studied forestry and by 1955 was the company's Managing Director, which he held until the company sold out in 1965 having an estate of 6,900 ha. This led to his interests in the FDI initiated by poplar growers in the Hawkesbury region of NSW, but as a pine grower he always thought that the organisation should have a wider focus.

Two interesting facets in Peter Gausson's Career.

During the war Peter was seconded to the Government as a project officer making machine tools and small ships. This led to the making of one of the biggest lathes in the world that may still be in use at the Bendigo Ordnance factory. (It was in use in the early 1980s.) He has made his own lathes to make grandfather clocks as a hobby! At his house near Launceston he has two fully equipped workshops - one for woodworking and the other for metal and in his 87th year, he made a working model of a cable yarder which has been bought by North Forest Products to assist in training their logging crews.

The second is that when he first arrived he heard Reg Ansett complaining of the Government monopoly which restricted Reg's embryo bus line - Hamilton to Melbourne - from competing with the railways and Peter claims to have suggested to Reg that he starts an airline! Reg did so in the following year.

APPENDIX A

1979 Senate - Inquiry into "All Aspects of Australia's Forestry and Forest Products Industries". Judicial use of incentives required, and representation on the Standing Committee, Australian Forestry Council. **No effect.**

1978 C.S.I.R.O. Inquiry into "Problems of Forestry and Forest Product Industries". Suggested were technology to reduce the impact of scale on the efficiency of processing plants; harvesting technology for smaller log sizes; clonal testing in countries where our potential disease problems currently exists; furniture timbers from Australian species; use of waste water for tree crops and conservation of energy in plantation operations. **Subsequently all topics covered.**

1978. Tasmania - Board of Inquiry into Forestry Royalties and Charges. Policies were submitted on royalties which balances adequate return to an efficient grower with the ability of an efficient processor to pay, for long term mutual benefit.

1977 Industries Assistance Commission Inquiry into Timber and Timber Products. Pointed out the importance of the private forest sector and where small incentives could encourage significant resource development.

1977 NSW - Land Conservation in New South Wales. Land use decisions were complex and needed to be streamlined.

1976 Tasmania - Submission to the Board of Inquiry (Everett/Gentle) into "Private Forest Development in Tasmania". Discussed incentives in taxation, industry assistance schemes to landowners, dedicated forest schemes, etc. **Reported 1977 and fully implemented and still a trend-setter for the rest of Australia.**

1976 Joint Committee of Forest Growers, Australian Forestry Council on Forestry encouragement grants.

1976 Senate - Standing Committee on Science and Environment Inquiry into the Wood Chip Industry. **The importance of integrated logging was emphasised to the committee.**

1975 Industries Assistance Commission on "Fluctuations of Rural Incomes"; "Financing of Rural Research" and "Financing the Provision Of Rural Products." Submissions were made on the long term nature of forestry and the special requirements needed in taxation treatment. The first of these inquiries set up the averaging scheme for primary producers.

1973 Treasury, Primary Industry and Bureau of Agricultural Economics Interdepartmental Review of Taxation Concessions for Primary Producers. **The submission explained why in forestry another income was necessary and why investors were doing so for superannuation.**

1972 Senate Standing Committee on Probate and Death Duties. **Submission detailed the economics of plantation forestry and the impact of duties.**

1970 Consultant's Report for the Institute to Lobby Governments on Planning Future Supplies. "The Responsibilities of Governments towards Inducing Private Enterprise to Undertake Tree Farming". B.V. Walsh, MA. Economics Graduate and Solicitor, New Zealand.

1967 Select Committee of the Legislative Assembly of N.S.W. Upon the Timber Industry. **The Institute gave evidence from other countries on assistance schemes; rates, land taxes and taxation matters.**

COUNCIL MEMBERS FOR YEARS INFORMATION AVAILABLE.

YEAR	PRESIDENT	VICE PRES.	SECRETARY/TREASURER	COUNCILLORS
1965	H.J. Green	E.N. Bearns J.C. Kerridge J.W. Curvers	B. Block	G. Flamia W.D. Suthers J.P. Melocco B. Dunn F. Dunn B.Harris
1967	A.M. Guymer	E.N. Bearns	J.W.A. Curvers	C. Francis H.Dunn J. Green G.Flamia
1968	A.M. Guymer	E.N. Bearns W. Suthers J.P.Melocco	J.W.A. Curvers	C. Francis H.Dunn A.Kolnoky G.Flamia P.Gausсен
1969	A.M. Guymer	E.N. Bearns P.Gausсен T.M.Hassall	J.W.A. Curvers	C. Francis J.D.McFarlane A.Kolnoky G.Flamia D.L.Alcock
1970	P.W.Gausсен	A.M. Guymer J.W. Curvers J.D. McFarlane	A. Sneddon	H.Baisi P. Britton W.R. Davidson K.G. Lober C. Peaty S.R. Scott D. Shannon T. Nash
1972	P.W.Gausсен	A.M. Guymer J.W. Curvers J.D. McFarlane	S.Jacobs	A.Sneddon H.Baisi P. Britton W.R. Davidson K.G. Lober C. Peaty S.R. Scott D. Shannon T. Nash G. Gipps

1975	P.W.Gaussen A.M. Guymer J.W. Curvers	A. Hazard	A. Sneddon	D. Alcock P. Britton W.R. Davidson G. Gipps K.G. Lober S.R. Scott
1976	P.W.Gaussen M. Hall K. Lober	A. Hazard	M. Reid	G. Massy-Greene A. Sneddon P. Britton E. Bearn S. Ollerenshaw
1977	P.W.Gaussen M. Hall K. Lober	A. Hazard	M. Reid	G. Massy-Greene A. Sneddon P. Britton E. Bearn S. Ollerenshaw G. Wilson
1978	P.W.Gaussen M. Hall K. Lober	A. Hazard	M. Reid	G. Massy-Greene A. Sneddon P. Britton E. Bearn S. Ollerenshaw M. Abbott A. Wheatley
1979	P.W.Gaussen M. Hall K. Lober	A. Hazard	M. Reid	G. Massy-Greene E. Shield P. Britton R.L Newman S. Ollerenshaw L. Wright K. Andrews A. Wheatley
1980	P.W.Gaussen M. Hall K. Lober	A. Hazard	M. Reid	G. Massy-Greene E. Shield R.L Newman S. Ollerenshaw L. Wright K. Andrews A. Wheatley M. Abbott R. Greig

1981 P.W.Gaussen M. Hall A. Hazard M. Reid G.Massy-Greene
K. Lober D. Bills
R.L Newman
S.Ollerenshaw
L. Wright
K. Andrews
A. Wheatley
M. Abbott
A. Sneddon

1982 P.W.Gaussen M.Hall A. Hazard M.Reid G.Massy-Greene
K.Lober E.Shield
R.L.Newman
S.Ollerenshaw
L.Wright
K.Andrews
A.Wheatley
M.Abbott
R.Greig
C.D.Ray
R.D.Patinson