

# TREES GROW COMMUNITIES



**Benefits of plantation forestry to regional economy are “absolutely enormous” say locals.**



## **Dale Wagner is looking forward to a big year**

Eucalypt and pine plantations dependent on present federal government Managed Investment Schemes (MIS) are of huge economic benefit to south-eastern South Australia, according to Lucindale spraying contractor Dale Wagner.

Dale believes if the government withdraws from or tampers with MIS it may have real impact on Lucindale Spraying, an expanding business being built in partnership with Jerry Read.

Any change by government would also have consequences for a regional economy which has come to rely on MIS offering immediate tax deductibility for eucalypt and pine plantations established within a year of investment in the forests industry.

“Plantations are so very important to the regional economy because there is such broad participation,” he says. “Just look at all the investment, the number of people and amount of plant involved.

“It begins when land is bought or leased.

“Teams come in and remove fences and tidy up any fallen stuff. We come in and spray. Another crew rips tree lines and prepares mounds. We spray again. Another crew plants the trees. We spray again for insect pests. And down the track come the harvesters, the processing and trucking of product.

“Add it all up. It’s absolutely enormous.”

Dale Wagner and Jerry Read, both from the Lucindale area, came together from different directions after watching the spectacular rise and rise of the famous Green Triangle forests region of South Australia.

Dale, initially a welder with General Motors-Holden, in Adelaide, became a farmhand and, later, a property manager before buying into Lucindale Spraying.

Jerry, a career shearer, squeezed in 12 months of spraying with the local council before committing to the 50-50 business partnership.

They started with a hand-me-down Mercedes Unimog, a gargantuan but tired mechanical monster with almost 20,000 hours behind it, and two four-wheel-drive utes.

Today the utes have gone. The Unimog sits idle.

They’ve been replaced by new, highly-efficient plant: two Goldacre self-propelled spraying units (“the big 4400s,” Dale says proudly) and two Goldacre Prairie tow-behinds: all up around \$1.5 million worth.

Their territory runs from Padthaway in the north to Kalangadoo in the south, from Naracoorte in the east to Mt Vincent in the west – “and all areas in between”.

Last year they sprayed some 50,000 ha, with some 60 per cent of an expanding cashflow coming from farm cropping and about 40 per cent from forests.

Their plantation contract with Timbercorp consists mainly of eucalypts (bluegums), with contracts with other parties offering a smattering of pine.

Farm spraying includes pulse crops such as beans and canola; wheat, barley and oats; and potatoes.

They find their mix of farm and plantation clients provides a comfortable balance keeping them busy most months of the year.

“Eucalypts are on the way up around Lucinda,” says Dale.

“The soil, climate, rainfall and groundwater here suit them.

“The coming year is going to be big because plantation companies have been busy buying or leasing land.”

“The way things are going we’re a good chance to lift the forestry part of our business to 50 per cent in the next few years.”

Dale, whose limited spare time is divided between roles as head trainer (in the footy season) with Lucindale Football Club and drummer in a Lucindale rock band (“I’m

the one who makes all the noise”) sums up: “We’re building our business. So far it’s been good for us.

“Forestry is something best left to the private sector and MIS are the way to go.

“Any change to present MIS tax arrangements would effectively mean the Government would be taxing the industry.

“That would have an impact on our business and certainly on the regional economy.

“It would bugger things up.”