

TREES GROW COMMUNITIES



Plantation forestry boosts regional industry.



Mathew Burns - Statewide Forest Services Pty Ltd

Mathew Burns, one of the Tasmanian forest industry's high achievers despite his tender years, is ringing an alarm bell over the future of private investment in forest plantations.

Burns, who runs the contracting business Statewide Forest Services with his wife Cindy, warned the Australian Government against diluting tax arrangements for investors in managed investment schemes (MIS).

MISs drive the establishment of Australia's eucalypt and pine plantations, which have become the inevitable way of the future as access to the nation's native forests is increasingly restricted.

The Australian Government is reviewing the tax arrangements for plantation forestry, notably the immediate tax deductibility for plantations that are established within 12 months of the investment money being made available.

Mathew Burns today joined the nation's major private sector timber companies in warning of dire consequences if the 12-month rule were to be changed. He says there would be an investment drought.

"If any changes were made to managed investment schemes, the impact would be devastating on my business and other businesses that depend on me," he said from his business base at Granton, outside Hobart.

Statewide Forest Services works across the state. Its machinery is purpose-built for the tasks it undertakes, from the original land preparation to planting and maintaining the trees of the forest. The company's employees are also responsible for compliance with the Forest Practices Code and for fire management.

"In the past, companies employed their own staff to do the work. Now they contract that to businesses like Statewide Forest Services" Mathew said. "It's cheaper and more efficient for them to contract some tasks than put their own resources into the job."

His business has grown from himself and two other workers in 1995 to more than 60 today.

He was named the National Australia Day Council's Young Tasmanian of the Year in 2001.

He's building a business centre and workshop worth more than half \$500,000 and he has just won his first interstate contract, in South Australia, and he's looking forward to the future.

Sap flows through his veins. His father Barry and grandfather Reg worked in the forest industry. Barry Burns worked for Australian Newsprint Mills (ANM) for 42 years. Reg Burns was an Australian chainsaw champion. Mathew's mother Denise was a Kennedy and in Tasmania the Kennedy clan works for forestry. Denise was a receptionist for ANM at Maydena, now owned by Norske Skog.

Mathew and Cindy have three girls - Jessica 11, Mekyla eight and Amber four.

Mathew began his forestry career in the early 90s working in the bush with contractors Malcolm Larner and Cliff Barrett.

"I was approached by John Simpson from Norske Skog to see whether I was interested in working as a contractor to Norske, marking the boundaries of thinning operations in their pine plantations," he said.

"I saw it as a great opportunity. I'd been living from pay to pay. I had about \$400 in the bank.

"The company gave me a three-year contract which enabled me to employ two others. I got a \$6000 overdraft, bought a four-wheel drive ute and off we went."

He has never looked back.

"It just skyrocketed," he said.

“As I was working on the first contract I saw some different avenues for me to follow – planting, pruning, spraying, that sort of thing. Some new opportunities presented themselves. I said ‘I can do that’ so I bought another couple of utes.”

He secured more contracts, with Forestry Tasmania, Gunns, Forest Enterprises Australia and Rayonier.”

His work has expanded to include not only forestry operations but other aspects of land management such as roadside maintenance for local councils and clearing the land under hydroelectric power lines for Hydro Tasmania and Transend.

“We now have 60 on the workforce, a management staff of five, a fleet of 32 vehicles, four excavators, two dozers, two tractors, and nine ATV motorcycles,” he said.

His employees are working on at least 12 operations at any one time. His annual wage bill is \$1.8 million.

So much of his work is with companies like Forest Enterprises Australia and Gunns that Mathew is keenly aware of the downside of any changes to the tax regime for managed investment schemes.

“It would be devastating, just devastating,” he said.

“It just snowballs down the line. It’s not only me. It’s everybody I deal with. The tyre companies would feel it, fuel companies, local retailers.

“I reckon that 80 percent of my workforce operates between here and Maydena,” he said. “So they have an enormous impact in the Derwent Valley. If their future were to be jeopardized we would be in hell of a mess.

“You have to maintain the current taxation arrangements if you are to attract investment in plantation forestry.”