

AgriWealth Pty Limited

30 JUNE 2007 RADIATA PINE PROJECT



**2015-2016 Annual Report
(Part A)**

Legal Context

This annual report complies with Schedule 1 Part 4(h) of the Forestry Management Contract between AgriWealth Pty Limited and the Forestry Commission of New South Wales (now known as the Forestry Corporation of NSW (FCNSW)) for the AgriWealth 30th June 2007 Radiata Pine Project.

At the request of AgriWealth two reports have been prepared for this Project. This report (Part A) covers 580 hectares of the 1,410 hectare Project.

Background

This report covers *Pinus radiata* plantation established on seven properties within the Tumut Management Area (TMA) of the FCNSW Snowy Region. Planting of this project was completed in 2008.

Plantation Area

A review of the net stocked area of each plantation block was undertaken in mid-2015 using new aerial photo coverage (Table 1). This is the first review that has been undertaken since the completion of post plant survival assessments. The review captures mortality and natural attrition that has occurred in the last 6 years.

Table 1 – Updated Net Stocked Area

Plantation	Net Stocked Area in 2015 (ha)
Tinonee	294.8
Walkers	31.8
McLennan	26.6
Russell	29.8
E&P1 (Valley)	73.0
E&P2 (Valley)	105.0
Hansens 3	19.7
Total	580.6

The updated net stocked area which includes Forestry Right Land and Adjoining Land constitutes a change of minus 2.2%.

Growing Season

Rainfall in the Tumut management unit was average during the reporting period (Figure 1) with a drier spell occurring in spring, periodic rainfall in summer and above average rainfall in June. Total rainfall at Tumbarumba for 2015-16 was 979 mm compared to the long term average of 977 mm.

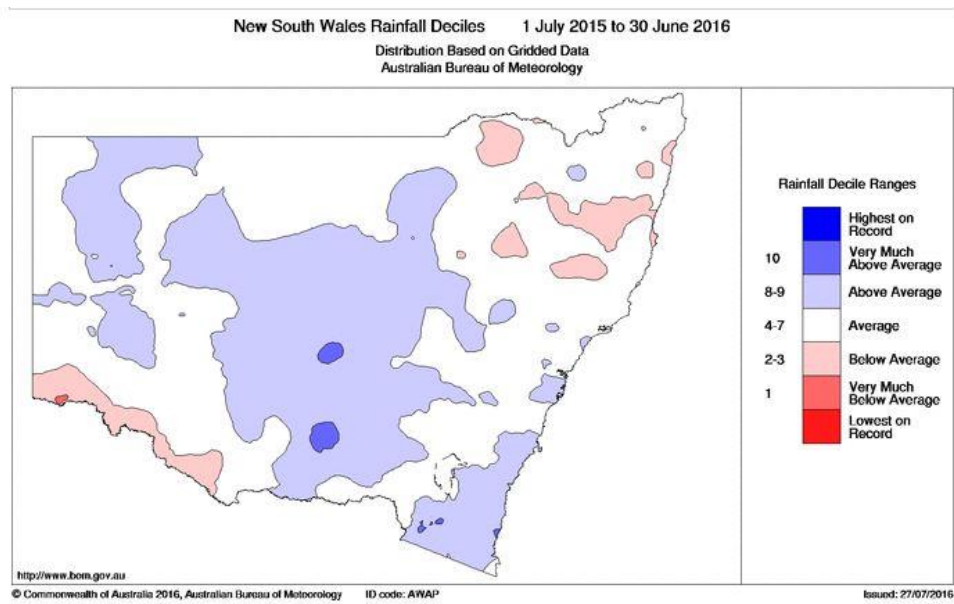


Figure 1 – New South Wales Rainfall Deciles – 2015-2016

Mean temperatures were above average (Figure 2).

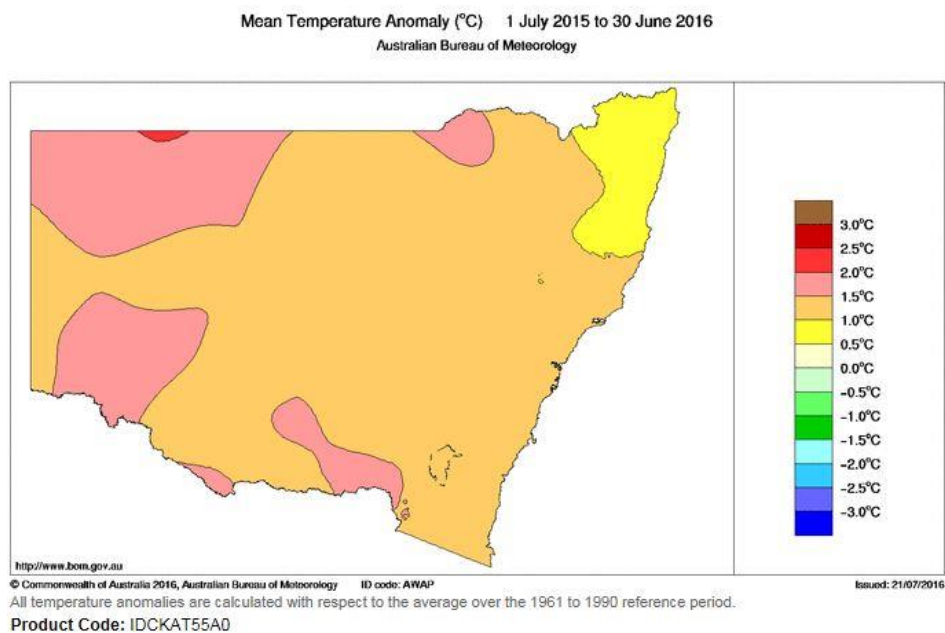


Figure 2 – New South Wales Temperature Deciles – 2015-2016

Stand Condition

Tinonee

The overall tree growth and condition in this plantation continues to be very good with a satisfactory stocking (Figure 3). The trees have developed to the stage where they are fully occupying the site and ‘crown closure’ has occurred, which has resulted in the needles and branches of the lower section of the trees dying off (Figure 4). This, in conjunction with the ongoing height growth of the trees, is leading to improving tree form, which in the lower areas of the plantation will improve the future wood quality.

No significant issues are currently evident in this plantation.



Figure 3: Tinonee August 2016 – continuing good growth and tree health



Figure 4: Tinonee - good tree form and lower branches dying off.

Walkers, McLennan, Russell and E&P2

These plantations have continued to grow well during reporting period, with good tree health being evident over the majority of the plantations. E&P2 is the best performing plantation of this group (Figure 5).



Figure 5: E&P 2 2008AC - July 2016 – healthy plantation condition.

Walkers (Figure 6) and McLennan (Figure 7) are growing less vigorously.



Figure 6: Walkers 2008AC (foreground) – July 2016



Figure 7: McLennan 2008AC July 2016 – Healthy trees mid ground



Figure 8: Russel 2008AC - July 2016

Russell (Figure 8) continues to exhibit below average growth, lower stocking, less height growth and poorer form trees, however recent growth is improving the condition of this plantation.

As previously reported, remapping has verified that some areas in Walkers, Russell and McLennan plantations are poorly or unstocked where they have been affected with poor drainage and the effects of cold air drainage and frost. Low stocked areas have much poorer tree form, which can be expected to affect future sawlog yields and value.

No other significant issues are evident in these plantations.

E&P1

The general condition of this plantation has again improved during the reporting period, but remains variable due to previously reported, unstocked and poorly stocked areas, partially successful restocking and damage from pest animals.

The plantation is now developing to an acceptable condition where the stocking is satisfactory. In these areas tree form is reasonable and continues to improve as the trees grow in height.



Figure 9: E&P1 2008AC – July 2015 – typical low stocked area, trees generally healthy.

Hansen

The plantation is continuing to perform well with good height growth and tree form. (Figure 10). The trees are now generally dominating the site and are outgrowing some localised areas of very heavy blackberry competition which has restrained the early growth of the trees in these sites.

There are some individual tree that have been subject to ongoing dothistroma needle blight infections. These trees are located adjacent to the larger drainage lines and are not numerous, thus the effect on the growth of the plantation as a whole is not significant.

No other significant issues have been observed.



Figure 10: Hansen 2008AC – plantation growing well – August 2016

Forest Health Surveys

Aerial forest health surveillance was undertaken in early August 2016 (Figure 11) and followed up with ground inspections. Preliminary reporting indicates no significant forest health issues are presenting in the 2007 Project properties.

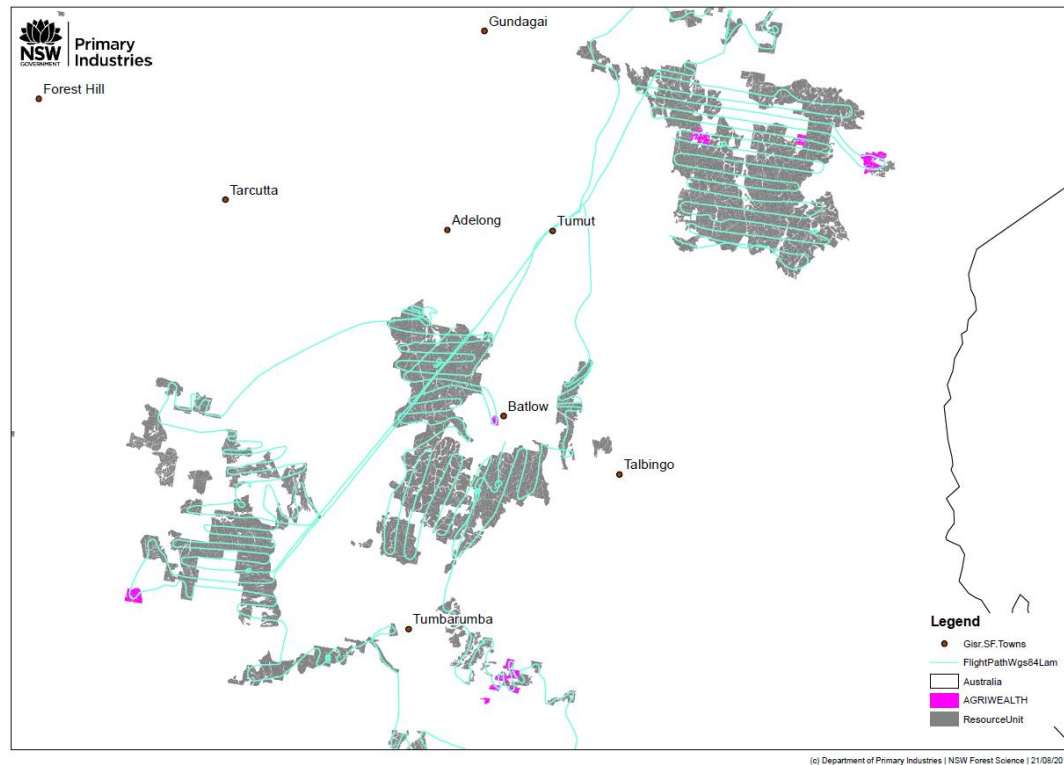


Figure 11: Aerial forest health surveillance flight path over Tumut Management Area – August 2016.

Biosecurity

Pest animals are present on all properties, but are not causing any significant damage due to the size and height of the trees. No other significant issues were identified.

Dothistroma needle blight is present on some properties in low levels, similar to other plantation areas in the region. Infection levels are generally low following seasonally dry conditions during late summer and early autumn. Treatment of Dothistroma is not recommended for the low level of infection currently observed.

Sirex wood wasp is present though out plantations in Southern Australia. FCNSW's implements a routine control program to release and monitor biological control agents across the Tumut Management area.

Fire Incidents

Forestry Corporation responded to a small fire on the 3 March 2016, to assist RFS and Murray River Forests. The fire was located about 0.5 km to the north of the Tinonee property and was contained quickly.

No other fire incidents have occurred within or close to any of the 30 June 2007 Radiata Pine Project plantations.

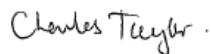
Summary of Activities Planned for 2016/2017

- Aerial forest health surveillance and monitoring
- Maintenance of roads and tracks
- Continue grazing at Tinonee to reduce excessive grass growth and associated fire hazard.
- Finalise road identification and signage of plantation fire roads for NSW plantations – compliance with Plantations and Reafforestation Code amendments.

Other Management Issues

In August 2016 FCNSW commenced implementation of a new inventory technique across their own and the Agriwealth estate that is expected to largely replace conventional ground based inventory for young and intermediate aged plantations. The approach uses laser pulses (LiDAR) emitted from a sensor on a plane to very accurately measure tree height and forest canopy structure. This data is subsequently matched with a series of ground based plots to derive stand level estimates of stocking, tree height and volume and has the advantage of providing these estimates for the entire forest landscape. It is anticipated that results from this work will be available towards the end of 2016.

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Monthly Rainfall Statistics

