

PORTFOLIO COMMITTEE NO. 7 - PLANNING AND ENVIRONMENT
Inquiry into Koala Populations and Habitat in NSW

Lyn Orrego - Representing the Nambucca Valley Conservation Association

Dear committee

Response to questions on notice, from the Committee Hearing at Coffs Harbour, 4 February 2020, Session 2.

Thank you for the email from Andrew Ratchford inquiring regarding the question on notice I undertook to provide re job impacts (see transcript) . I took the question on notice to refer to job effects of transferring the 175,000 hectares of State Forest within the bounds of the proposed Great Koala National Park into reserve status as National Park and so unavailable for logging. I began researching this and found that due to not being an economist I could not accurately say how many jobs would be effected . However I should have contributed what I could in any case and offer the following now:

How do we try to work our way to a clear and factual understanding of how many jobs would be lost or effected in some way if a.) the proposed Great Koala National Park was declared and 175,000 hectares that are currently State Forests is transferred to National Park tenure?

The answer is a.) to use actual facts who's source and basis is explained and referenced and
b.) to use these facts as stepping stones toward the information we seek.

I haven't the time to set about refuting the job loss claims of many timber industry bodies though it would be easy to do so. Inflation of the number of jobs in the timber industry and exaggerated and dubious multipliers of indirect jobs is the norm. Timber jobs have been in decline for years due to long term over cutting and the cutting of younger and younger trees as well as mechanisation.

Stepping stone facts

175,000 hectares is 10.28% of the 1.8m ha NSW public native forest estate (NSW Forestry Corporation Hardwood Division) .

Dean Kearney in his testimony to the Koala Inquiry said that about 50% of the 1.8m hectares is not part of the net harvest area (area that is actually logged in each forest harvesting operation) but is set aside for various conservation purposes. For example: Filter strips on riparian creek banks, land over 30 degrees in slope, lands subject to mass movement, mapped high conservation value old growth, mapped rainforest, mapped Threatened Ecological Communities and some buffer zones on threatened wildlife nest sites.

Based on this we can shift our job impact assessment from losing 175,000 ha from availability for harvesting to half of that, 87,500 hectares of net harvest area no longer being available due to being moved into reserved status.

In the 2018/2019 Annual Report of the NSW Forestry Corporation we find that the Hardwood Division of NSW FC had 'normalised earnings' of \$1.1 million for that year. Their softwood division (pine plantations) had "normalised earnings" of \$73m. The earnings for the Hardwood Division included earnings from the 230,000 hectares of hardwood plantations (which are not included in the proposed GKNP) so would reduce the \$1.1 to some degree. .. At a conservative guess we could say to \$1m pa is the normalised earnings fper annum for the entire Hardwood Division of NSW FC.

Further reducing this \$1m in value, the value of the subsidies from the public purse would have to be taken into account. I have not quantified these (for 2018/19) but in the past they have been substantial. An Australia Institute report of 2016 "Money Doesn't Grow on Trees...The financial and economic losses of native forestry in NSW" found that:

"Native forest logging by the Forestry Corporation of NSW generated losses of \$79m over the last seven years - discontinuing the practice could deliver significant benefits to the state of NSW."

So if 175,000 hectares of Hardwood State Forests (10% of the hardwood SFs of NSW) are taken out of timber production then 10% of \$1 million, is \$100,000 pa that would be no longer earned if the GKNP was no longer available for logging. By any account, even not including the huge ongoing subsidies and the fact that local government also subsidises logging costs due to FC not paying rates for road upkeep, the economic effect (which can be translated by others into jobs lost) of declaring the proposed GKNP is miniscule (likely actually to be a benefit rather than a loss) and easily compensated for by greater generation of income (and hence jobs) from Park management, forest restoration and tourism benefits to the region. A study from the late 1980's (which I can reference if necessary) but which comes to mind states that for 1 hectare of National Park, compared to 1 hectare of State Forest the economic value is three times as great. And this makes intuitive sense as well because no one seeks to visit a logged area and see the devastation of all they come to our area to see and enjoy.

Finally I note there is an economic study of declaring the GKNP in train (Destination NSW, Bellingen Council and Coffs Harbour Council) but I urge the committee not to hold off recommending the urgent gazettal of the proposed GKNP. Logging is occurring as I write in burnt AND UNBURNT areas of the proposed GKNP, further degrading the koala habitat and causing further koala losses within the proposed GKNP area. This is unacceptable.

Thank you for giving consideration to these further comments

Lyn Orrego

On behalf of Nambucca Valley Conservation Association