

Document tendered by

Ms Lisa Stone

Received by

Peta Heenen

Date: 5/4/2022

Resolved to publish Yes / No

Exclusive Politics NSW Forestry

\$20m loss: native forest logging last year cost NSW taxpayers \$441 per hectare

By Lucy Cormack and Nick O'Malley

March 15, 2022 – 5.00am

The state-owned Forestry Corporation suffered a \$20 million loss last year, with NSW taxpayers forced to pay \$441 per hectare to log critical native forests.

The net cost of destroying more than 13,500 hectares of red gum, ironbark and cypress trees - largely for woodchip exports and firewood - was \$6 million, while one-off recovery costs following the Black Summer bushfires soared to \$14 million.



Half of the state's native forests were scorched in the Black Summer bushfires. SAM MOOY

Critics have called on the government to join Victoria and Western Australia in phasing out the loss-making industry and instead bolster softwood plantations, which delivered a \$3873 profit for every hectare logged last year, the corporation's annual report shows.

The Western Australian government announced last year it would ban native forest logging from 2024 and released its transition package for workers last week. Victoria will phase out the industry by 2030.

Upper house Greens MP and forests spokesperson David Shoebridge said native forestry was “a dying industry that is damaging the state finances”.

“Ending native forest logging would allow the money currently wasted on destroying nature to be redirected towards protecting forests, growing the plantation estate and building sustainable jobs,” he said.

A recent study found stopping native forestry in the state’s south could produce a net economic benefit of about \$60 million, while reducing net greenhouse gas emissions by almost 1 million tonnes per year over the period 2022-2041.

Australian National University Professor Andrew Macintosh co-wrote the report, *Comparing the value of alternative uses of native forests in Southern NSW*, with Frontier Economics.

He said all state forestry corporations around the country were in the same position: “bleeding cash and with no foreseeable way to turn around”.

“If this was a true commercial operation it would be closed. It is only surviving because the state government is essentially choosing to underwrite it for an increasingly small number of jobs,” Professor Macintosh said.



Greens MP David Shoebridge said native forestry was “a dying industry”. DOMINIC LORRIMER

“It doesn’t take a genius to open the accounts for the last 10 years and work out the hardwood division is not making any money, and yes of course the fires made that situation worse.”

In NSW, the catastrophic 2019-20 fires burnt through 5.5 million hectares, four times greater than the previous worst fires recorded in a season, scorching about 50 per cent of the

state's native forests and a quarter of softwood plantations.

Agriculture Minister Dugald Saunders said state forests were managed sustainably to balance environmental protection, tourism and responsible timber production.

He said Forestry Corporation had updated its 100-year sustainable hardwood timber yield models to account for the impact of the bushfires.

Mr Saunders will front a hearing of budget estimates on Tuesday, along with Forestry Corporation chief executive Anshul Chaudhary.

Upper house independent MP Justin Field said ending native logging would take the pressure off other industries in the transition to net zero emissions.

"There is an economic and ecological imperative to take this step," he said. "The fires have changed everything, and it's time for them to take advantage of opportunities in sequestration and nature-based tourism. Industry needs a transition package."

A Forestry Corporation spokeswoman said the hardwood division provided recreation, four-wheel-drive and tourism opportunities as well as timber production, grazing, beekeeping and fire management.

The spokeswoman said expansion of the plantation estate was still part of the corporation's plan, however its focus has shifted to restock burnt plantations. It planted 16 million trees last year across its hardwood and softwood plantations.

The Forestry Corporation was recently hit with \$78,000 in five fines from the NSW Environment Protection Authority for illegal logging in Mogo, Bodalla and Boyne State Forests shortly after the Black Summer fires.

The penalty notices related to the destruction of hollow-bearing trees and critical habitat and a failure to protect feed trees and swift parrots.

Nature Conservation Council chief executive Chris Gambian said there was no rational economic argument to prop up the industry, calling for a package to help workers and businesses pivot to the "more profitable and sustainable" plantation sector.

"If you've got the scientists, the accountants and the people all saying it's time to end native forest logging, what is the government waiting for?" Mr Gambian said.

A guide to the environment, what's happening to it, what's being done about it and what it means for the future. [Sign up to our fortnightly Clear Air newsletter here.](#)



Lucy Cormack is a state political reporter with The Sydney Morning Herald. Connect via [Twitter](#) or [email](#).



Nick O'Malley is National Environment and Climate Editor for The Sydney Morning Herald and The Age. He is also a senior writer and a former US correspondent. Connect via [email](#).