

**INQUIRY INTO INTEGRITY, EFFICACY AND VALUE FOR
MONEY OF NSW GOVERNMENT GRANT PROGRAMS**

Organisation: South East Region Conservation Alliance

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Submission from South East Region Conservation Alliance (SERCA) to NSW Parliamentary Committee Integrity, efficacy and value for money of NSW Government grant programs

Contact:

1. General

This submission focusses on Bushfire Recovery grants to the timber industry, particularly on the South Coast.

At a time when over 80% ¹of State Forest area available for logging was burnt, to subsidise projects which prop up and even expand native forestry is a wasted opportunity. The circumstances following the bushfires presented a historic moment to complete a transition out of native forestry into plantations, but this has been squandered. Using Bushfire Recovery funding to subsidise plant and equipment intended to entrench native forest logging is unrealistic, misguided and irresponsible.

2. Logging and bushfires.

The role of climate change in the bushfires of last summer is no longer seriously questioned. Carbon emissions from forest destruction have contributed to climate change.

Intensive native forest logging for woodchips on the South Coast has also been a major contributing factor in making the regrowth forests more fire prone.

A history of intensive logging actually makes bushfires more likely to start and harder to control. Regrowth forests have smaller trees with crowns of even height and more undergrowth; they are drier and denser, so burn more readily.

Scientists² now acknowledge a causal relationship between intensive industrial logging and the flammability of the forests and local residents witnessed this first hand during the 2020 summer fires.

The fire that burnt much of the Eden woodchip mill passed through some of the most heavily logged forest in Australia. The forest had been intensively logged over many decades to supply the Eden chipmill. Much of it had also been recently burnt – either as a “hazard reduction” burn or a post logging burn within the previous 2 or 3 years.

The Border fire travelled from the Victorian border to Twofold Bay in a single day.

Public funding that subsidises “more of the same” is irresponsible.

3. Eden woodchip mill.

South East Fibre Exports, owner of the Eden chipmill, was granted almost \$1million of NSW Bushfire Recovery funding in order to

“... replace, upgrade and/or adapt the damaged Eden export chip facility. This project seeks to provide the necessary infrastructure to upgrade the site power distribution network, to allow for new developments and restoring the existing processing capacity.”

Much of the project to be funded was planned and announced well before the bushfires.

The company had presumably intended to fully fund the infrastructure itself when it

¹ <https://www.forestrycorporation.com.au/operations/fire-management/fire-impact-of-2019-20>

² <https://www.sciencedaily.com/releases/2020/05/200505121655.htm>

announced it back in August 2018³, but it was nevertheless provided with taxpayer funds to do so, fortuitously available as “bushfire recovery” funding.

An even larger amount \$2,249,679, was given to this same company under a federal Government Forestry Recovery Development Fund⁴ for an almost identical purpose. Described as the “Eden Energy Resilience project,” its stated purpose is to:

“replace fire damaged, aged and obsolete HV infrastructure to ensure that electrical supply to all parts of the site is reliable.”

This is a more portentous way of describing almost exactly the same project as the NSW grant.

4. Transition from native forest logging to plantations

A transition from native forestry to plantations in the south east timber industry is already underway. In countries such as New Zealand and Chile Native forest logging has already ceased and was replaced by a plantation based industry many years ago. Those countries now have thriving forestry industries operating on a far more secure environmental and economic base.

This is inevitable in Australia too; it is just a matter of when.

The profitable Softwood Plantation Division of the NSW Forestry Corporation⁵ has routinely and heavily subsidised the marginal or loss making native forest Hardwood Division over many years. NSW taxpayers would be major beneficiaries if native forest logging were to cease.

To have used bushfire recovery funds to accelerate the transition would have made good sense for biodiversity, jobs⁶ and the climate.

5. Recommendations

- Allocating Bushfire Recovery funds to the native forest logging industry was misguided. It will help entrench the industry, worsen climate change and lead to more flammable regrowth forests. It will thus contribute to more bushfires in the future;
- Granting funds to native forest logging projects will delay the inevitable full transition out of native forest to a plantation based industry. Recovery funding should have been used to encourage a complete transition to a plantation based industry.

³ <http://www.anwe.com.au/news.html>

⁴ <https://ausfpa.com.au/wp-content/uploads/2020/12/40million-in-Federal-forest-recovery-funding.pdf>

⁵ Financial results for softwood plantation and hardwood forest divisions are published in Forestry Corporation Annual Reports, available from: <https://www.forestrycorporation.com.au/about/pubs/corporate/annual-report>

⁶ Direct employment in native forest industries on the South Coast is less than 1% of the total workforce.