

**INQUIRY INTO LONG TERM SUSTAINABILITY AND  
FUTURE OF THE TIMBER AND FOREST PRODUCTS  
INDUSTRY**

**Organisation:** Snowy Valleys Council  
**Date Received:** 8 February 2022

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4 February 2022

The Honourable Mark Banasiak, MLC  
Chair Portfolio Committee No.4 - Industry  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

**SNOWY VALLEYS COUNCIL LATE SUBMISSION - PARLIAMENTARY INQUIRY INTO THE LONG TERM SUSTAINABILITY AND FUTURE OF THE TIMBER AND FOREST PRODUCTS INDUSTRY**


Dear Mr Banasiak

The Snowy Valleys Council welcomes the opportunity to provide a submission to the NSW Legislative Council's Inquiry into the long-term sustainability and future of the timber and forest products industry and thanks the Chair for permitting a late submission.

The Snowy Valleys Council is a local government area located in the South-West Slopes region of NSW with a total area of 8,960 km<sup>2</sup>. The main industries for the population of 14,479 are Agriculture, Forestry and associated processing and manufacturing dominates the environment and the economy. The Black Summer Bushfires in 2019 had a dramatic impact on the social, economic and environmental factors of the community. 45% of the local government area was directly fire impacted with major impacts on the forest industry, agriculture, waterways and national parks.

Snowy Valleys is considered to be one of the most important hubs for softwoods growing and processing in Australia and is made up of both public and private softwoods plantation estates, manufacturing timber and paper products through various sawmills and paper manufacturing plant and associated industries.

Close to half of Forestry Corporation NSW softwood plantations are centred in the Snowy Valleys, with more than 100,000 hectares of radiata pine planted. Around a third of the plantations in the Snowy Valleys and surrounding area were impacted by the fires. In addition, Hume Forests, Southern Cross Forests and Snowy Mountain Forests, private softwood plantation companies managed by Global Forest Partners, collectively had approximately 8000 ha of plantation impacted by fire. The impact of fires on the existing predicted shortage of softwoods fibre will have a dramatic impact on the economy and social fabric of the Snowy Valleys. As a whole the industry is critical to the community providing an estimated \$1.52 billion in Gross Regional Product and employs approximately 7,000 people contributing \$2.6 billion per annum to local economic activity.



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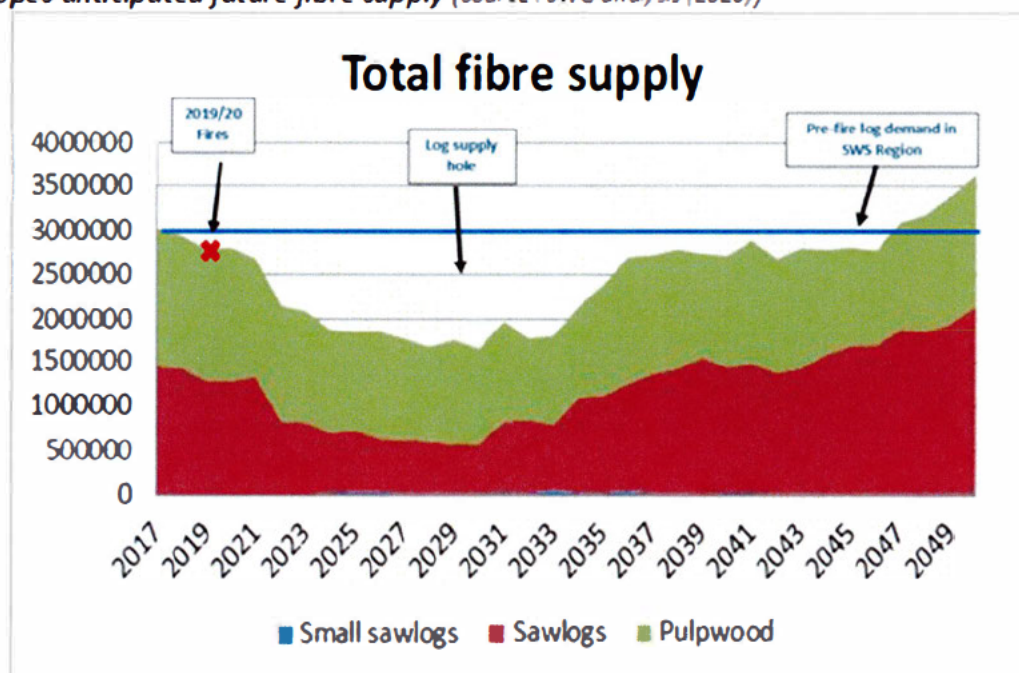
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In NSW the plantation estate area is not increasing at the rate that is needed. New plantation establishment has been flatlining for nearly a decade, with only 10,000 hectares added. Furthermore, the small amount of new plantings in NSW's plantation estate, combined with the impacts of the bushfires will lead to an expected shortfall of wood fibre over the next four decades. Without an increased supply of high-quality local timber and forest products, Australia will be forced to import more potentially lower quality and less sustainably sourced timber and fibre-based products. Compounding the lack of new plantations, marginal plantations are being converted to other land uses resulting in the weakening of the capacity of the national plantation estate to support future demand for forest products. Now that the majority of salvageable burnt timber has been processed, it will take decades for new plantations to provide adequate log supply for the processors. In the meantime, some processors will need to haul logs from plantations that are hundreds of kilometres away to continue to operate with sufficient log supply and the economic viability of this is questionable. We understand there is a shortfall of some 1 million tonnes of fibre each year to the area before the impact of the Black Summer Fires. The full impact of this is being experienced now following maximising the harvesting of black timber over the last two years.

It is estimated that a further 30,000 ha of plantation would need to be established to fill the supply gap however this still limits the industry expansion opportunities.

*SW Slopes anticipated future fibre supply (Source: SWG analysis (2020))*




The Softwoods Working Group has suggested that the NSW State Government should undertake major land purchases, in suitable areas and in a gradual (and opportunistic) manner over the next 10 years, to use for investment in plantations. This expenditure should be considered as an investment in **regional infrastructure**. The mechanisms for establishing new plantations on this land could be a mix of public and private options involving a combination of partnership and leasing arrangements with appropriate operators.

We thank the government for the Bushfire Industry Recovery Package and the equity injection into the Forestry Corporation of NSW to support the recovery and rebuilding efforts.

The Snowy Valleys Council on behalf of its community and for the greater National good request the Parliamentary Committee to recommend urgent intervention, support and specific actions to support the industry and community.

Yours Faithfully

Cr Ian Chaffey  
**MAYOR**



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