

# NSW Legislative Assembly Hansard Full Day Transcript

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Extract from NSW Legislative Assembly Hansard and Papers Wednesday, 20  
October 2004 (Proof).

### SOFTWOOD PLANTATION FOREST PRIVATISATION

**Mr PETER DRAPER** (Tamworth) [5.56 p.m.]: Today I raise the importance of establishing safeguards against privatisation of the State's softwood plantations to protect communities reliant on the timber industry from negative impacts should the Department of State Development choose to put these resources up for sale. This issue is critical to the long-term future of the community of Walcha, which is in my electorate, where prospects of timber industry growth look exceedingly promising. Alongside sheep, wool and cattle production, forestry is becoming increasingly important as a provider of employment in the town of about 3,000 people. According to the 2001 population census forestry, logging and timber processing provided employment to 56 people in the Walcha district, representing about 4 per cent of a work force of 1,453. I have spoken previously in this House about the Walcha softwood plantation development strategy and the proactive way in which the Walcha Shire Council is taking that concept forward to grow forestry and secure a viable future for this industry in the region.

As I speak the council continues to implement the strategy by engaging with major institutional investors to encourage investment in softwood timber plantations. Currently some 13,000 hectares of pine is planted in the Walcha region, and the strategy identified the potential to support up to 50,000 hectares. The strategy is now riding the wave of opportunity provided by New Zealand's McVicar Timbers, which is in the process of constructing a mill in the nearby town of Quirindi. The mill will establish the first major market for timber in the area, creating a great opportunity for the council, through the strategy, to expand the industry. Another major boost was the recent announcement by the New South Wales Minister for Primary Industries, Ian Macdonald, of contracts to pine transporters in New South Wales worth almost \$80 million. The lion's share was a \$50 million contract to cut and haul plantation pine timber allocated to Walcha haulage and harvest company Brian Smith Timber Transport Pty Ltd.

The company has won the tender to harvest, load and deliver up to 240,000 tonnes of logs each year from Forests NSW softwood plantations around Walcha and Nundle to local processing plants. Council greeted this news with immense delight due to the creation of up to 14 new jobs and security for the industry for another 10 years. The projected economic benefits from the use of Forests NSW softwood plantations around Walcha and Nundle are expected to be significant. Importantly, it is my understanding that this contract has been safeguarded for its duration against privatisation. There remain, however, a number of safeguards critical to the longevity of the timber industry in Walcha that are yet to be secured.

Through Walcha Shire Council's membership with the Consortium of Timber Producing Councils, the council is working to achieve these safeguards.

The proposed privatisation of the State-owned softwood plantation forests in New South Wales is the subject of substantial anticipation with an options steering group expected to hand a report to the Department for State Development within weeks. The consortium expects the report to recommend a number of options including the sale of plantations with the most likely purchaser being an overseas superannuation fund. To quote from the submission paper to Government, the councils are "driven by a concern that the views of the local communities will not be heard in the consideration of this proposal and that these communities will be adversely impacted by such a sale". In brief, the councils are not opposed to the sale but believe issues such as local employment, rates, road maintenance, bushfire protection, investment in timber processing, local knowledge, salinity, use of the resource and public access to forest roads should be taken into account with safeguards put in place to protect their integrity.

In response to a recent question on the issue the Minister Assisting the Minister for State Development, Michael Costa, stated that the decision would include consultation with all stakeholders. The consortium has met previously with Mr Costa, the Premier, Minister Macdonald and the Country Labor caucus to impress their concern on these issues. Walcha Shire Council is endeavouring to again meet with Mr Costa and the Premier in the near future.

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I interpret that move as a manifestation of the council's concern that the consultation process has not gone far enough in considering the economic impact of privatisation on Walcha's community. I agree with Walcha Council that if the softwood plantations are safeguarded privatisation should not necessarily be a death knell for timber towns. The short-term future for Walcha has been assured with the \$50 million harvest and hauling contract. It is the long-term prospects of between 25 to 50 years down the track that remain uncertain. What guarantee does the community have that private interests will replant the trees and not go for a quick return by flogging off the existing resources?

The softwood timber industry in New South Wales is responsible for delivering \$780 million in direct economic benefit to regional New South Wales each year. I applaud Minister Macdonald's bid to provide security and sustainability to the industry. The bottom line of Walcha's softwood plantation development strategy is not for today but for employment and prosperity for subsequent generations. Despite claims of Treasury going for a one-off money grab, Minister Costa insists he too is concerned about timber industry sustainability. I would urge the Minister to consider social impacts in the consultation process and to implement safeguards that timber towns such as Walcha know to be essential for ongoing economic prosperity.