

Media Release

Political expediency trumps science, economics and regional communities

Forest & Wood Communities Australia (FWCA) is disappointed that in announcing the new Great Koala National Park (GKNP), the Minns Government appears to have chosen political expediency before science, economics and regional communities.

According to Executive Officer Steve Dobbys, FWCA believes that Penny Sharpe, the Minister responsible for dealing with the crossbench and the architect of the flawed GKNP assessment process, has done a back room deal with Independents Alex Greenwich, Michael Reagan and Jacqui Scruby in the Lower House to transfer the full 176,000 hectares of State forest into a new National Park, as trade-off to get changes to workers compensation legislation through the Lower House.

“Workers have been shafted in both directions by Minister Sharpe. This backroom deal to include the full assessment area in the GKNP will not only threaten more than 5700 jobs reliant on our sustainable native forest industry on the north coast but also limits claims by all NSW workers with a psychological injury. It could be viewed as a twin edged sword for those workers who are now out of a job because of the GKNP decision”, said Mr Dobbys.

FWCA points to real world examples of similar city-centric decisions in Victoria and Western Australia that have come at a significant cost to Government and decimated rural communities.

“The industry package to shut Victoria’s sustainably managed native timber industry is \$1.5 Billion!!! On top of which, Victorians are paying an additional \$72 Million per year to engage the same harvesting contractors to undertake bushfire prevention and fire suppression. These decisions have also done nothing to dampen demand for our most sustainable building material – timber!!!”, said Mr Dobbys.

In 2024 alone, Australia imported 46% of its solid wood needs due to an ever-decreasing plantation and native forest estate across the country. In a housing crisis, where 1/3 of the timber needs of the average 1 or 2 storey detached home comes from hardwood timber, FWCA believes the last thing Governments across Australia should be doing is locking up any more managed native forests.

Throughout the GKNP assessment process, the Industry Advisor Panel (IAP) provided several options on the potential size of the park and the likely impacts.

“The industry respects the Government’s election promise to create the GKNP, but the second part of their election promise was do so in a manner that maintained a viable, sustainable timber industry. We know the science shows koalas are unaffected by our highly regulated, sustainably managed timber harvesting operations and by which side of the National Park/State forest boundary they live on, so we provided Government with various options so they could fulfil both election commitments. It’s unfortunate that they have ignored that advice and taken the worst case scenario, which will likely cost NSW upwards of \$1.25 billion”, said Mr Dobbys.

The cost to establish the GKNP will be significant and should include consideration for plantation establishment

GKNP Likely Costs - preliminary	Basis for Calculation	Preferred IAP Option	Acceptable IAP Option	Great Koala Park full assessment area
		37,000 ha (13% NE supply cut)	53,000 ha (18% NE supply cut)	176,000 ha (40% NE supply cut)
Wood Supply Agreement contract payouts/reductions	@\$400/m3, comparable with Vic Forest 200% of delivered cost – based on Mandala "central case" and projection of supply over next 5 years	\$125m (year1)	\$174m (year 1)	\$389m (year 1)
Plantation establishment	@\$10,000/ha land cost plus establishment and management over 5 years and an MAI of 12	\$64m (years 1-5)	\$97m (years 1-5)	\$320m (years 1-5)
Mill Site remediation	Uncertain but at least \$1m per site closed			\$10m (year 1)
Fire management and fuel load reduction services, incl ecological thinning and cultural burning pgm	Vic Gov has just announced \$72m for forestry contractors to supply fire mgt service @\$40/ha pa	\$1.5m pa	\$2m pa	\$7m pa
Additional NPWS estate management costs	@\$80/ha is estimated current cost for NPWS	\$3m pa	\$4m pa	\$14m pa
Freight subsidy for logs delivered	Longer haul distances from fragmented supply and difficulty meeting contract zonal and species KPIs - average haul distance 50km additional	\$6.5m pa	\$9m pa	\$20m pa
Industry Development Grants	To maintain critical supply for housing, remaining mills will require "retooling" to adapt to reduced volumes – grant requirements uncertain	TBD	TBD	TBD
Tree Breeding Research Centre		\$1m pa	\$1m pa	\$1m pa
Workforce Support	As an indicator, Victoria packages of between \$206k and \$256k per worker (depending on age). NSW likely to cost more than this – see detail over page. Calculating overall costs is difficult as the number of workers impacted will depend on the size of the park and the impact on the industry. This is only an indicative guide. A GKNP covering the full assessment area is likely to cause closure of the industry. If this occurs the cost of Workforce Support would increase to \$803m for the North-East RFA Region.	\$104m min. (year1)	\$145m min. (year 1)	\$321m min. (year1)
Total costs (for next 5 years only)		\$353m	\$496m	\$1,250m

Despite the timber industry's good faith approach and participation in the GKNP assessment process over the last couple of years, FWCA is very disappointed that the Government has turned its back on the science, economics and regional communities and taken the politically expedient way out", said Mr Dobbyns.

For further information or comment, please contact Steve at Forests & Wood Communities Australia on 0427 990 317 in the first instance.

Kind regards

Steve Dobbyns

Executive Officer

Forest & Wood Communities Australia