



WEST WIMMERA SHIRE COUNCIL

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PS0124

RRM:SMK

13th August 2002

The Secretary
Rural and Regional Affairs and Transport Reference Committee
SG 62
Parliament House
CANBERRA
ACT 2600

Dear Sir,

Inquiry into Plantation Forests Industry

West Wimmera Shire Council welcomes the opportunity to make the following comments to the Committee.

Council is concerned about the timber industry within West Wimmera Shire.

The timber industry is rapidly growing, but the roads and bridges which are needed to support this industry are not up to the standards required. As the total cost of providing the appropriate road network is in the order of \$10 million plus, West Wimmera Shire Council does not have the financial capability to rectify this problem. Council is not in a position to place any regulatory provisions on the timber industry regarding the establishment of roads, or, it would seem, to obtain funding from the industry through the imposition of additional rate charges.

Over recent years, Council and industry groups have approached both the State and Federal Governments requesting funding support for the appropriate development and maintenance of these roads and bridges, but to date funding sources for the timber industry road network have not been identified.

It is encouraging, however, that the Chief Executive of VicRoads (Mr. David Anderson) said at a meeting in Edenhope on 25th June, 2002, that he was prepared to investigate whether this issue was a State Government responsibility.

Council supports the view that the impact of the timber industry on timber roads, particularly the implications relating to the pine industry and the projections for the blue gum industry, is a matter of State importance, and responsibility.

To highlight Council's concerns, the Chief Executive Officer and Director of Municipal Services addressed the Victorian Department of Premier and Cabinet – Infrastructure Planning Council – in Horsham on 11th December, 2001. A copy of the presentation material accompanies this submission.

The impact of the timber industry on West Wimmera Shire's local roads and bridges is cause for increasing concern. There is a strong need for the problem of funding requirements to be resolved. Council, the timber industry and other ratepayers who depend on these roads and bridges can have no confidence in the ability of this infrastructure to cope with current and future timber industry harvests.

Also attached for your information is an extract from the *Report on Forestry Development, West Wimmera Shire Council 2001*. The Report establishes the extent of the impact of the timber industry on West Wimmera Shire Council, and the costs involved in providing the necessary road infrastructure for this industry.

I might mention that the Report was first produced in January 2000 when it became clear that the very rapid expansion of the blue gum industry, in conjunction with maturing pinus radiata industry, was going to require a significant capital upgrade of the existing road infrastructure.

The Report sets out to establish the minimum likely timber harvesting loads on West Wimmera Shire's local roads and the resultant minimum requirement for capital upgrading of the system. The range of yield given by the Department of Natural Resources and Environment (DNRE) indicate that harvested tonnages could be between 50% and 67% higher than stated. If this were to be the case a higher standard of construction than envisaged by the Report would be required and the range of projected capital costs would rise.

Since January 2000 the pace of development of the Blue Gum Industry has slowed significantly. However, new plantations are still being developed and the area sown to blue gums continues to expand. The length of roads requiring a capital up-grade may also expand thus causing a further rise in the projected capital cost.

The Report is a clear indication that the West Wimmera Shire has a significant need to source development capital for the construction of roads to service the timber industry. All of the capital upgrades will need to be in place prior to the year 2012 and much of it will need to be completed by the year 2006.

The estimate in the Report is preliminary and establishes a lower bound cost only. In current dollars the total cost of the capital upgrades set out in the report is estimated to be \$10 million plus.

Thank you for your consideration.

Yours sincerely,



REX MOONEY
CHIEF EXECUTIVE OFFICER

Encl.