



BOMBALA RURAL LANDS PROTECTION BOARD

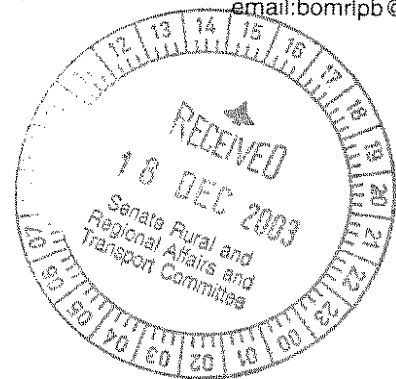
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The Secretary
Rural & Regional Affairs and
Transport Reference Committee
Senate Committee 62
Parliament House
CANBERRA ACT 2600



Dear Sir,

Re: Rapid Expansion of Pine Plantation Forestry

An invitation is extended to your Committee to visit the Bombala and East Gippsland border region, to investigate and understand the concerns of the residents of this area in relation to the above matter. There are direct impacts on the social infrastructure of the area from the rapid expansion of private plantation forestry and the lack of planning associated with this expansion, and also implications relating to land use and habitation from the effect on the ground water resources.

Private plantation forestry appears to receive more favourable tax treatment than alternative land use in the region. In particular investors are able to claim 100% tax deductibility in the first year for up front payment for woodlot management services to be delivered up to 25 years in the future (ATO ruling PR 2002/145). In the case of the Willmott Forests Professional Investor 2003 project, an initial investment of \$7,700 covering the lease and management of a one hectare woodlot from planting to harvest is deductible in the first year. Alternative land uses in the region do not attract such beneficial treatment (analogous to up front deductibility of 25 years worth of pasture improvement and maintenance for a grazier). This results in private investment in the region being heavily skewed toward plantation forestry. The attractiveness of softwood forestry as an investment is therefore not strongly influenced by the value and marketability of the final product.

While traditional industries are in a state of depression, the resulting demand for woodlots encourages landowners to take the opportunity for an immediate return by selling agricultural land to plantation operators. Apart from environmental problems associated with establishing pine forestry monoculture over large areas, there is also the risk that distortions in the tax system are also diverting land to less productive uses. Compounded by the economic losses over the 30 years or longer that it takes for *Pinus radiata* (or similar sub-genus) plantations to mature.

The NSW State Forests on the other hand, until the closing up of the hardwood forests of the South east of NSW has had a record of good management, planning, and the long term aim of producing a product to meet the demands of the building industry and other end users of softwood and hardwood production without encroaching on the lower rainfall privately owned land now being targeted by private plantation interests.

Other considerations impacting on the neighbouring farms of plantation forestry, is the uncontrollable explosion of wildlife and feral animals from the favourable habitat created. The environment also creates a haven and source for noxious weeds (blackberry, serrated tussock, thistles etc), which whilst being controlled around the perimeter of plated areas, become dormant under the closed canopy only to explode after clear felling. These issues severely reduce the land use capability and profitability of adjoining land.

In conclusion the well documented evidence of the disastrous effects on the fragile water resources of the country, and the negative impact on the social development of the local populations and the resulting stress imposed on neighbouring landholders is a matter of great concern, and requires a stay in the further development of the industry until a proper study of the aims and effects has been achieved.

The views expressed here, as you are well aware, are well documented and represent the various concerns of the residents of the area. Whilst we appreciate the benefits of economic and well-planned plantation timber production, we desire that an inquiry should be undertaken to ensure the viability of all sections of the primary industries concerned.

We urge you to give this invitation your earliest consideration and eagerly await your response.

Yours sincerely

per: 

Stephen Ingram
Chairman of the Board of Directors