



AUSTRALIA

SUBMISSION

DECEMBER 2024



NSW 2025-26 PRE-BUDGET SUBMISSION

The World Wide Fund for Nature-Australia (WWF-Australia) welcomes the opportunity to make a submission to the NSW Government's 2025-26 Budget.

WWF-Australia is part of the WWF International Network, the world's largest independent conservation organisation. WWF's global mission is to 'stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature'. WWF-Australia has approximately two million financial and non-financial supporters.

Included within this submission are two budget proposals. Each proposal has been drafted by experts, grounded by good science and prioritised due to the value they yield for both people and nature under an agenda to Regenerate Australia. The table below provides a summary of the proposals, the relevant department/agency and the total funding commitment over the forward estimates.

If you require further information, please contact **Stuart Blanch, Senior Manager, Towards Two Billion Trees, WWF-Australia** at sblanch@wwf.org.au or call 0403 209 805.

PROPOSAL CATALOGUE

No.	Proposal	Department/Agency	Funding
1	Expanding Protected Areas	Department of Climate Change, Energy, the Environment and Water NSW National Parks & Wildlife Service NSW Biodiversity Conservation Trust	\$700 million over four years
2	Forestry-to-plantations transition	Department of Climate Change, Energy, the Environment and Water Department of Primary Industries Forestry Corporation NSW	\$910 million over four years

PROPOSAL 1: EXPANDING PROTECTED AREAS

Affected Agency:

Department of Climate Change, Energy, the Environment and Water
NSW National Parks & Wildlife Service
Biodiversity Conservation Trust

Financial Implications: \$700 million over four years

	2025-26	2026-27	2027-28	2028-29	Total
Cost of proposal (\$m)	150	200	200	150	700
1 National Parks acquisitions	50	50	50	50	200
2 Koala conservation agreements	100	150	150	100	500

Outline of proposal:

- Invest \$700m over four years to fund expansion of the protected areas estate to incorporate high conservation value lands, protect carbon-rich landscapes, support handback and co-management of lands by First Nations, provide environmental stewardship support for regional landholders.
- The appropriation would fund establishment and operation of the Great Koala National Park, fund the NSW National Parks and Wildlife Service (NPWS) Reserve Establishment Plan and support landholders conserve wildlife on farm.
- Funding aligns with the election commitments regarding creating the Great Koala National Parks, expanding protected areas to contribute to the Australian Government's 30 x 30 target, no new species extinctions, saving koalas from extinction, and completing the NPWS's National Parks Establishment Plan.

How will it be delivered?

1. NSW National Parks & Wildlife Service for:
 - establishing and managing the Great Koala National Park; and,
 - acquisition of private land to establish public conservation reserves.
2. NSW Biodiversity Conservation Trust for negotiating conservation agreements, and other private land conservation mechanisms under the *Biodiversity Conservation Act* and providing annual stewardship payments to farmers.

How much will it cost?

- \$700m over four years.

Strategic Policy Alignment:

This proposal will contribute directly to the following State Outcomes:¹

Climate Change, Energy, the Environment and Water

¹ The State Outcomes are those adopted in NSW Budget 2022/23.

- Create a strong and liveable NSW.
- Connecting communities to resilient and sustainable local environments and heritage

Rationale:

Why is this important for the people of NSW?

NSW has the second lowest extent of protected areas of any Australian state, as a proportion of state formally protected within the National Reserve System. Approximately 10.4% of NSW is within the protected areas estate. NSW risks falling to last place after the Queensland Government invested [\\$262.5 million](#) in the past three years to acquire freehold and pastoral leases to establish new National Parks and other conservation reserves, which expanded their National Parks system by nearly 1 million hectares.

In comparison, the Australian Government has committed to protect 30% of land and freshwater ecosystems within protected areas by 2030.

NSW ranked last in the [WWF Trees Scorecard 2023](#) that assessed performance to end deforestation and native forest logging, and the proportion of the state protected within the National Reserve System.

Forty seven of the 132 IBRA bioregions in NSW have less than 5% of their area protected in the reserve system, 53% of subregions have <10% protected, and 80% of subregions have less than 30% protected.

The protected areas estate provides very significant opportunities for First Nations, including Indigenous-led land management, creation of Ranger jobs, co-management, protection of culturally significant species and sites, and expanded use of Aboriginal conservation land tenures. These approaches could provide tangible, lasting benefits for First Nations on Country across millions of hectares of land that over more than two centuries has been stolen from them often through violence, massacres and trauma.

Expanding the protected areas network in NSW will benefit its people through:

- expanding natural infrastructure assets to support tourism businesses, such as new National Parks and associated on-park visitor infrastructure;
- providing safe havens for the 1,043 threatened species and ecological communities in NSW,² including the 101 priority threatened species on National Parks subject to population monitoring³ (including endangered koalas, greater gliders and glossy black-cockatoos);
- protecting land carbon stocks from degradation, which will assist in achieving emissions abatement and sequestration needed to achieve the emissions reduction target of 70% by 2035 under the *Climate Change (Net Zero Future) Act 2023*;
- improving health and wellbeing by expanding opportunities for experiencing nature;⁴

When current levels of protection are analysed based on these globally accepted science-based standards for minimum levels of protection it becomes abundantly clear that NSW is a laggard on establishing a protected areas network.

NSW Labor's environment policy leading into the March 2023 election included commitments on:

² NSW EPA, 2021, *NSW State of the Environment 2021*, available at <https://www.soe.epa.nsw.gov.au/>

³ DCCEE, 2024, *Threatened species status report: 2021–22 and 2022–23*, NSW National Parks & Wildlife Service, available at <https://www.environment.nsw.gov.au/research-and-publications/publications-search/threatened-species-status-report>

⁴ See, for example, WWF & DEA, 2023. *Trees: The Forgotten Heroes for our Health*, available at <https://www.dea.org.au/trees-the-forgotten-heroes-of-our-health#:~:text=We%20all%20need%20trees, human%20physical%20and%20mental%20health.>

- *Completing the National Parks and Wildlife Service 'National Parks Establishment Plan' to identify key habitat and wildlife corridors and expand protected areas into the future, and*
- *Working cooperatively with the Commonwealth Government to meet the objectives of the Threatened Species Action Plan 2022-2032 and the 30 per cent protected areas by 2030 commitment to meet the goal of no new extinctions.*

The NSW Government is not on track to deliver on this commitment without very significant funding boost for creating additional public and private protected areas.

Establishment of additional public protected areas would require engagement and negotiations with Indigenous Traditional Owners regarding the potential for joint management, handback and Indigenous Ranger jobs on Country including in nascent carbon and biodiversity markets.

WWF-Australia estimates the NSW Government currently invests c.\$20-25m p.a. to buy freehold and leasehold land to establish new National Parks and other conservation reserves.⁵ However, these funding streams end in June 2026, leaving a major investment cliff at just the time when the NSW Government contribution will need to be substantively increased.

Implementation:

The NSW NPWS would add the proposed funding to existing funding streams and provide longer-term certainty for negotiating land acquisitions as high conservation value and carbon-dense properties become available for purchase.

Value for Money:

Protected areas are the cornerstone of biodiversity conservation. Permanent legal protection avoids and mitigates risks to the environment, such as from land clearing and native forest logging. It aligns with the mitigation hierarchy which priorities interventions to avoid damage, rather than focusing upon expensive restoration.

PROPOSAL 2: PLANTATIONS EXPANSION AND REGIONAL JOBS IN WOOD MANUFACTURING

Affected Agencies:

Department of Primary Industries
NSW National Parks and Wildlife Service
Forestry Corporation of NSW
Biodiversity Conservation Trust

Financial Implications: \$910 million over four years

	2025-26	2026-27	2027-28	2028-29	Total
Cost of proposal (\$m)	325	260	170	155	910
<i>Forestry Corporation NSW, Department of Primary Industries</i>					
1 Transition support for GKNP	125	60	10	5	200
2 Plantation expansion	150	150	120	120	540
3 Wood manufacturing	50	50	40	30	170

⁵ Based on available information regarding the NSW Environmental Trust grant to NSW NPWS (\$75m over 6 years, expires June 2026) and NSW Koala Strategy (\$50m over 5 years, expires June 2026). WWF assumes funds are invested per annum pro-rata, with flexibility to enable negotiation between NPWS and landholders.

Outline of proposal:

1. *Transition support to establish Great Koala National Park – c.\$200 million over 4 years.*⁶
Fair and just transition support is required to establish the Great Koala National Park. This would include purchase c.140,000 m³ of Wood Supply Agreements, staff redundancies, mill closures, stand down payments, mental health support and training.
Plantation estate expansion - \$540 million over four years.^{7,8}
Leverage private sector co-investment in establishment of 20,000 hectares of new sustainable certified softwood and hardwood conversion-free plantations by private plantation operators and/or Forestry Corporation NSW, to provide long-term security in timber and fibre supplies as NSW continues the transition from native forestry to a plantations-based industry.
2. *Wood manufacturing, processing and value-adding capabilities - \$170 million over 4 years.*⁹
Provide financial support to encourage businesses investing in innovative engineered wood manufacturing based on plantation timber, such as cross laminate timber, glue laminated timber, efficient factory-based modular home construction, mass wood and composite wood panels.
3. *Koala conservation agreements - \$500 million over four years.*¹⁰
Protect and restore up to 40,000 hectares of koala habitat through Biodiversity Conservation Trust conservation agreements.

The proposal addresses opportunities and benefits from:

- Conserving public forests to provide wildlife refuges and enable forest recovery following the 2019/20 bushfires;
- Supporting handback of state forests to First Nations to secure land justice outcomes, increase Indigenous Ranger jobs on Country restoring and protecting forests;
- Protecting priority koala habitat on private and public lands to support progress towards the target of the NSW Koala Strategy to double the koala population by 2050;
- Expanding the plantations estate to enable transition out of native forest logging and increase supply of low-carbon timber and fibre products;
- Co-investing in innovative wood manufacturing capacity with the private sector, in tandem with an expanded plantations estate, to secure regional jobs, increased plantation supplies of engineered wood, and support housing construction in medium-to-long term;
- Diversifying economic development in regional communities through transitioning priority state forests to establish protected areas and grow the tourism sector; and
- Managing forests to abate carbon emissions and increase sequestration to assist the achievement of the legislated emissions reduction target of 70% by 2035.

⁶ Based on projections by Mandala Partners to the NSW National Parks & Wildlife Service, being part of a socio-economic assessment to guide establishment of a Great Koala National Park.

⁷ Assumes land purchase and establishment costs of \$30,000 to \$35,000 per hectare on the NSW North Coast, based on estimates by FCNSW. Plantation expansion costings for 20,000 hectares of new softwood and hardwood plantations, located close to [forestry hubs](#) to reduce haulage costs. This subsidy would support plantation developers to successfully negotiate with landholders to purchase or lease land, tree establishment, and weed and feral herbivore management.

⁸ The NSW Timber Inquiry found that “The lack of expansion of timber plantations by the NSW Government has significantly contributed to the current timber crisis which has only been further exacerbated by recent events, including the 2019/20 bushfires.”, see New South Wales Parliament. Legislative Council. Portfolio Committee No. 4 – Customer Service and Natural Resources. Report no. 54. *Long term sustainability and future of the timber and forest products industry*. September 2022, Finding 3.

⁹ The NSW Labor Party Conference 2024 platform includes new commitments to “Expand NSWs plantation estate and processing and value adding capabilities to better satisfy increasing domestic and international demand for high-value, sustainably sourced and produced wood products, and develop an industry plan that facilitates regional job growth and vibrant sustainable communities”

¹⁰ Assumes average costs of \$10,000 per hectare using a combination of BCT reverse tenders, collaboration partnership models and landholder grants for restoration. This may also require capacity building to deliver conservation agreements by the BCT, community environment organisations and koala ecologists.

Strategic Policy Alignment:

This proposal will contribute directly to the following State Outcomes:

Climate Change, Energy, the Environment and Water

- Create a strong and liveable NSW.
- Connecting communities to resilient and sustainable local environments and heritage

This proposal would contribute to four NSW Government priorities:

1. Reduce greenhouse emissions by 70 per cent on 2005 levels by 2035;¹¹
2. Double koala numbers by 2050;¹²
3. Establish the Great Koala National Park;
4. Prepare for implementation of a major forestry-to-plantations transition, should this occur through the NSW Forestry Industry Action Plan and amendments to the NSW Coastal Integrated Forestry Operations Approval;
5. Support private land conservation through the Biodiversity Conservation Investment Strategy 2018;¹³
6. Support the tourism sector and regional NSW through the NSW Covid-19 Economic Recovery Package,¹⁴ NSW Visitor Economic Strategy,¹⁵ and proposed NSW Nature-based Tourism Strategy.

Clusters:

Climate Change, Energy, the Environment and Water

Regional NSW, Department of Primary Industries

Forestry Corporation NSW

Rationale:

The native forests of New South Wales – and the forestry sector and regional communities that have relied upon them for more than 100 years - need a lifeline.¹⁶ The drivers of change are inescapable and escalating: the catastrophic 2019/20 bushfires, climate and biodiversity crises, inadequate and declining wood resource availability, changing consumer preferences, growing risks of trade barriers to forest products produced through deforestation, and threatened listings for more forest wildlife.

An industry in crisis and an opportunity for reform

The native forest logging industry is in crisis:

- The 2019/20 bushfires impacted more than 60% of North Coast forests and 80% of South Coast forests;
- In response to the fires, the NSW Natural Resources Commission recommended cessation or postponement of native forest logging in forest management zones with extreme, high and medium risk following the 2019/20 bushfires;
- The NSW native forestry sector is in crisis and increasingly lacks a social licence within the communities where it operates;
- A 2013 report by URS projected a rapid decline in high quality sawlogs on the North Coast after 2023;
- In 2015, the NRC warned of “resource scarcity” issues and recommended buying back contracts to address “overcapacity and unsustainable wood supply”;

¹¹ NSW Government, [Net Zero Plan Stage 1: 2020-2030](#).

¹² The [NSW Koala Strategy](#) 2.0 will, when released, contain a goal of doubling koala numbers by 2050. See for example, <https://www.smh.com.au/environment/conservation/matt-kean-aims-to-double-koala-population-by-2050-20200725-p55fdc.html>

¹³ NSW Government and OEH, 2018. [Biodiversity Conservation Investment Strategy 2018 A strategy to guide investment in private land conservation](#).

¹⁴ NSW Government, 2021. [Covid-19 Economic Recovery Strategy](#).

¹⁵ NSW Government, 2021. [NSW Visitor Economy Strategy 2030](#).

¹⁶ The forerunner of Forestry Corporation NSW was established in 1916. See Forestry Corporation NSW, *Over a century of forestry in NSW*, available at <https://www.forestrycorporation.com.au/about/history>

- Forestry Corporation NSW requires taxpayer funded subsidies to meet shortfalls in timber volumes as required under wood supply contracts with mills. Forestry Corporation NSW's hardwood division lost \$73m over the past four years,¹⁷ and shows no sign of returning to profit;
- Growth in the plantation estate has stalled, and declined nationally;
- Koalas, Greater Gliders, Glasse Black-Cockatoos and other species have recently been listed as Endangered under state and federal environmental law, which must necessarily further reduce access to timber resources in native forests as part of threatened species recovery efforts.

Reform to the native forest logging industry presents a great opportunity for NSW:

- Wood Supply Agreements on the North Coast expire in June 2028, covering 200,000 m³ to 250,000 m³. These should not be renewed, but rather purchased back by the NSW Government to hasten the exit of logging and support timber workers and regional communities in the structural change that is required to the timber and fibre sector;
- Major expansion of softwood and hardwood plantations allow further transition out of native forest logging and greater certainty in the medium-to-long term for the wood and pulp sector;
- Reduction in native forest logging presents a cost-effective abatement option to assist achievement of the NSW Government's legislated emissions reduction target of 70% by 2030;
- Expansion of protected areas to conserve endangered Koalas, Greater Gliders and Glossy Black-cockatoos – plus other threatened wildlife – and conserve forest carbon stocks, through targeted transition of state forests to National Parks and Aboriginal conservation land management; and
- Grow regional tourism jobs based on protected areas and nature, to aid economic recovery.

1. *Fair and just transition support to establish the Great Koala National Park*

The NSW Government's election commitment of \$80m to establish a world-class Great Koala National Park will fund aspects of the reforms but was not designed to provide a fair and just transition package to timber workers and regional communities. Reliable estimates of the cost of buying out Wood Supply Agreements between Forestry Corporation NSW and timber mills are not publicly available. In advance of finalisation and release of the economic modelling by consultants Mandala Partners of this cost, WWF estimates approximately \$200m should be invested over 4 years – in addition to the \$80m already budgeted – to enable a reduction in wood supplies of approximately 140,000 m³ (c. 35-40%). This would provide a comprehensive package, informed by previous reforms or modelling to reduce or cease logging in NSW,^{18,19,20,21} Victoria^{22,23,24} and Western Australia.²⁵ Comprehensive transition support packages should include *inter alia* purchasing remaining Wood Supply Agreements, stand down payments, staff redundancies, purchase of mills and equipment, mental health support and training. In addition, substantial investment in expansion of the plantation estate, and value adding and processing

¹⁷ NSW Nature Conservation Council, 14 December 2024, *Forestry Corp NSW Loses \$29M in Taxpayer Funds*, media release.

¹⁸ Frontier Economics, 2022, *Transition support for the NSW native forest sector*, a report prepared for WWF-Australia, available at [WWF-Australia | Transition support for the NSW native forest sector - Frontier Economics \(frontier-economics.com.au\)](https://www.frontier-economics.com.au/WWF-Australia-Transition-support-for-the-NSW-native-forest-sector). Note the transitional support cost excludes purchase of WSAs, and investment in plantations.

¹⁹ Cross, D., Ouliaris, M., Williams, L., Poulton, C., Lubberink, J., *Branching Out: Exploring Alternate Land Use Options for the Native Forests of New South Wales*, Blueprint Institute, 2023.

²⁰ Sydney Morning Herald, 3 March 2003, *Carr's vision splendid for preservation of national parks.*, available at <https://www.smh.com.au/politics/nsw/carrs-vision-splendid-for-preservation-of-national-parks-20030303-gdgd15.html>

²¹ Australian Broadcasting Corporation, 25 June 2014, *State Government to spend \$8.5 million on north coast timber buyback*, available at <https://www.abc.net.au/news/2014-06-25/timber-buyback/5547398?pfm=ms>

²² Victorian Government, undated, *Victorian Forestry Plan*, available at <https://www.vic.gov.au/sites/default/files/2019-11/DJPR-Inclusion-Forestry-Plan-1.pdf>

²³ DEECA, 11 November 2024, *Forestry Transition Program: Supporting businesses, workers and communities to transition out of native timber*, Victorian Government, available at <https://www.deeca.vic.gov.au/forestry/forestry-transition-program>

²⁴ The Hon Jacinta Allan MP, Premier of Victoria, 23 May 2023, *Delivering Certainty For Timber Workers*, Media Statement, available at <https://www.premier.vic.gov.au/delivering-certainty-timber-workers>. Note WWF understands the total cost of transition support in Victoria now exceeds \$1.25 Bn.

²⁵ Government of Western Australia, 19 October 2023, *Native Forestry Transition Plan*, available at <https://www.wa.gov.au/government/announcements/native-forestry-transition-plan>

of engineered wood, are required (see below). The composition of the transition support package should be revised in light of the recommendations by Mandala Partners, once completed.

A 2013 report *Project 2023: North Coast Resources Review* by consultants URS regarding the future of forestry in the region stated that “*Beyond 2023, [High Quality] sawlog volumes are predicted to decline markedly*”.²⁶ The report goes on to identify the importance of hardwood plantations planted after 1994 due to lack of stable supply from native hardwoods particularly Coastal Blackbutt.

Based upon modelling undertaken by Frontier Economics and the Australian National University regarding native forest logging on the NSW South Coast,²⁷ a just transition out of logging would contribute to the state’s 2030 target through abating forest carbon emissions and increasing forest carbon sequestration. This would also yield additional economic benefits from alternative forest uses.

The Frontier/ANU report found “*incremental benefits of ceasing native forest harvesting are higher than the incremental costs by \$61.96 million.... The carbon modelling found that stopping native forest harvesting in the Eden and Southern RFA regions is likely to generate significant abatement. Under the no logging scenario, net emissions are projected to be 0.95 million tonnes CO₂-e less per year than they would be under the base case over the period 2022-2041...*”.²⁸

The Natural Resources Commission of NSW identified 20 forest management zones that warranted either temporary suspension of timber harvesting for three years, or temporary protection of at least 65% of the local landscape, following the 2019/20 bushfires.²⁹ Of these 20 forest management zones, three were assessed as extreme risk, six as high risk and eleven as medium risk. Evidence provided to the NSW Legislative Council’s Inquiry into the *Long term sustainability and future of the timber and forest products industry* heard from a range of witnesses, and through submissions, that the fires resulted in a significant reduction in timber resources able to support existing wood supply agreements.³⁰ The NRC states that “*[s]ignificant short-term reduction in wood supply is likely on the south coast under the pathways, with smaller impacts on the north coast*”.³¹ The NRC further recommended retention of, where they exist, eight hollow bearing trees per hectares, as well as two potential future hollow-bearing trees, the largest mature tree in the stand or a regrowth tree that is not suppressed and retain two recruitment trees per retained hollow-bearing tree. These recommendations provide a quantitative threshold to calculate the areas of state forests that should be retained, at least in 2022/23.

2. Plantation expansion

A phase out of native forest logging could generate – as identified above – significant carbon, economic, conservation and tourism outcomes to NSW. This should be accompanied by a significant expansion of the plantations estate to ensure a just transition for timber workers and regional forest communities, and enable an increase in low carbon, low embodied energy softwood and hardwood supplies for the construction sector over the medium to long term. Expansion of the plantation estate requires enhanced government support, a carbon price of approximately \$40 per tonne,³² stacking of economic benefits (e.g., timber or fibre, carbon, biodiversity credits), access to suitable lands and processing facilities, and

²⁶ URS Forestry, 2013. *Project 2023: North Coast Resources Review. Stage 2 Final Report*. A report prepared for the Project 2023 Steering Committee, Sydney, 40 pp, see page X.

²⁷ Frontier Economics and Macintosh, A, 2021. [Comparing the value of alternative uses of native forests in Southern NSW](#).

²⁸ *Ibid*, pp 8-9.

²⁹ Natural Resources Commission, June 2021. *Coastal IFOA operations post 2019/20 wildfires. Final Report*. NSW Government, Sydney, 153 pp.

³⁰ See transcript of evidence provided to the NSW Legislative Council Industry Committee’s Inquiry into the [Long term sustainability and future of the timber and forest products industry](#). For example, see evidence provided by WWF-Australia, National Parks Association and Colong Foundation for Wilderness in the [transcripts](#) starting at page 20.

³¹ See NRC, June 2021, at page 6.

³² Natural Resources Commission, June 2021. *Coastal IFOA operations post 2019/20 wildfires. Final Report*. NSW Government, Sydney, 153 pp, see page 6.

¹⁷ Based on discussions between WWF and representatives of forestry and plantations sectors.

a business case that can compete with returns generated from existing land uses (usually grazing cattle).

ABARES's 2021 analyses of plantations and log supply found that Australia's plantation estate declined by 10% by area from 2014/15 to 2020/21. Of particular relevance to the opportunity of expanding the hardwood plantation estate, to partly offset reductions in timber produced in the event of reduced native forest logging in NSW, is ABARES' finding that the total hardwood plantation area decreased by 204,900 hectares (22%) because of low commerciality plantations not being replanted after harvest and some lease agreements with landholders not being renewed.³³ Plantation area contracted 8.4% over the past five years in NSW, due to a combination of landholders converting back to other uses, and loss of wood resource due to the 2019/20 bushfires.³⁴ In terms of economic multipliers from plantations, a 2017 report³⁵ prepared for the NSW Department of Primary Industries identified major economic benefits in 2015 for the NSW South West Slopes and Bombala region from plantations, including:

- Gross value of final output of \$1.05 billion, which grew to \$2.1 billion when flow-on benefits are included for other sectors;
- Gross regional production in the region was \$1.01 billion, including \$580 million from flow-on effects;
- Direct net expenditure of the industry of \$734.8 million, with just over 80% contributed by the wood and paper processing sector, with the balance evenly split between forest growers and the contracting sector; and,
- Regional employment of 1917 people as of February 2017, with 66% of these (1260 jobs) generated by wood and paper processing.

Through discussions with experts in the plantations sector, including in Forestry Corporation NSW, WWF-Australia understands the economic "gap" between returns from plantation operations and earning a competitive commercial return (estimated at 8%) is approximately \$1,500 - \$2,000 per hectare (including tree establishment costs, site preparation, plus purchase or lease of land). This cost can rise to as high as \$3000 per hectare if beef prices rise, thereby making grazing country suitable for plantations even more expensive to purchase or lease.

WWF-Australia is advised the cost of buying land and establishing a plantation on the NSW North Coast can cost \$20,000 to \$35,000 per hectare for high quality cleared grazing country that receives >1,000mm of rainfall per year. This very significant financial hurdle prevents any major expansion in conversion-free plantations on already cleared (grazing) lands in the foreseeable future. Accordingly, the NSW Government, potentially with contributions from the Australian Government, would need to significantly subsidise the plantation sector to substantially expand the plantation estate.'

3. *Wood manufacturing, processing and value-adding capabilities*

Innovative engineered wood manufacturing is critical to value adding from timber. Regional employment opportunities in efficient and modern wood manufacturing facilities is evidenced by existing factories in NSW³⁶ and elsewhere in Australia.³⁷ Apart from the peeler plant that produces wood panels at Big River Timbers, Grafton, there are no large innovative wood manufacturing facilities in NSW north of Newcastle. There is a major opportunity to leverage private sector investment in job-rich engineered

³³ Legg, P, et al., 2021. *Australian plantation statistics and log availability report 2021*. ABARES, Canberra, October 2021. Available for download at https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1032742/0, see p 12.

³⁴ *Ibid*, see pp 15 and 16.

³⁵ Schirmer, J, et al, 2017. *Socio-economic impacts of the softwood plantation industry in the South West Slopes and Bombala region*. Report prepared by the Forest & Wood Products Association and University of Canberra for NSW Department of Primary Industries. Available for download at [Socio-economic impacts of the softwood plantation industry in the South West Slopes and Bombala region, NSW](#)

³⁶ See, for example, Borg's [Oberon](#) facilities (500 workers), and [Wearthertex](#) near Newcastle (just under 150 workers).

³⁷ See, for example, [Cusp](#) in Wynyard Tasmania (11-50 workers), and [NeXTimber](#) in South Australia's Green Triangle (200 workers).

wood facilities on the NSW North Coast as a key support for timber communities as the native forestry sector continues to decline. Similarly, repurposing the Eden woodchip mill through major NSW government support provides an opportunity to leverage private sector investment in wood manufacturing and value adding on the far South Coast.

4. *Koala conservation agreements*

Delivery of the NSW Government's commitment to provide 'robust protections'³⁸ for koala habitat on rural lands, in light of Koala SEPP 2021 and reviews of koala habitat protections provided by the Private Native Forestry and Land Management (Native Vegetation) codes of the *Local Land Services Act*, would be assisted by a significant expansion of funding for private land conservation to support landholders conserve and restore koala habitat. This could occur through expanding stewardship incentives for landholders to enter into conservation agreements through the Biodiversity Conservation Trust, and/or developing natural capital markets and a land restoration program. Koala habitat tenders held by the BCT in the Port Macquarie, Lismore/Ballina and Southern Highlands regions have established 17 conservation agreements across 2,834 hectares at a cost of between \$120 and \$1,182 per hectare.³⁹ However, these figures do not include all costs associated with negotiating and establishing conservation agreements, nor habitat restoration.

WWF-Australia estimates the average cost of establishing and implementing conservation agreements over koala habitat at \$10,000 per hectare when averaged over the (more expensive) reverse tenders run by the BCT and the (more cost effective) community partnership model (such as the project being implemented by BCT, DPIE and WWF-Australia in the Northern Rivers), as well as BCT landholder grants for habitat restoration.

Implementation:

1. *Post-fires forestry transition*

This sub-proposal will be administered by the Forestry Corporation of NSW and the Department of Primary Industries within the Department of Regional NSW

2. *Plantation expansion*

Subsidise establishment of 20,000 hectares of softwood and hardwood plantations to offset reduced timber harvesting from state forests. This sub-proposal will be administered by Forestry Corporation NSW and the Department of Primary Industries within the Department of Regional NSW.

3. *Koala conservation agreements*

This sub-proposal will be administered Biodiversity Conservation Trust utilising existing funding and administration mechanism.

If you require further information, please contact Stuart Blanch, Senior Manager, Towards Two Billion Trees, WWF-Australia at sblanch@wwf.org.au or call 0403 209 805.

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³⁸ See, for example, NSW Nationals, 9 March 2021. [Nationals Secure Balance for Farmers and Koalas](#).

³⁹ BCT, 2021. [Private land conservation outcomes](#).