



Adrian Pederick MP
Member for Hammond

HANSARD

House of Assembly
Thursday, 12 September 2013, Page 6891

BLUE GUM FORESTRY

Mr PEDERICK (Hammond) (12:03): I rise to address this notice of motion moved by the member for Finniss, 'That this house notes the environmental, social and economic impact of blue gum forestry in South Australia'. Certainly it has been a roller-coaster ride for blue gum forestry. It shows, when you only use one driver for an industry, that it just does not work. I appreciate the words from the member for MacKillop, when we talk about the scheme put up by the Howard government to try to increase plantation forestry in this country.

We always see the protests that rightfully go on when there is talk about clearing native forests, and we should be farming more plantation forestry—that is the way we should be going in this state and country. You cannot just rely on one economic driver to make it work, as we have seen with the managed investment schemes across the state. You actually have to have a market at the end of the day, so a lot of these plantations were put in in hope, and that is about where we have landed—in the great world of hope.

People I know saw an opportunity. They bought earthmoving equipment. They went out contracting, putting in these blue gums and they spent hundreds of thousands of dollars on equipment. They certainly created jobs and hired a lot of people, but all of that has fallen away and I believe that some of those people, sadly, lost their main farming properties because the work just ran out.

Having worked down in the South-East (mainly in the shearing sheds over time) I have seen where the blue gums have expanded further and further north from the Mount Gambier and Millicent areas, heading up towards areas like Callendale and Lucindale. I believe that some of those plantations further north may be single-rotation crops.

I also take note of the words of the member for MacKillop where there may be some opportunities for some of these plantations—once the first initial harvest of blue gums has taken off—to go into pine because that is where we need to expand and it would give an opportunity for that. To a degree, it does break my heart when I go down to one of the properties that I used to work on out at Callendale—it was Dean Baker's, brother of the former agriculture minister Dale—

Mr Goldsworthy: God rest his soul.

Mr PEDERICK: Yes. It was a great grazing property down there. I went through there in the last 18 months and called in and right up to where the sheep yards used to be, the posts are still there but they have ripped the panels off because they are not running sheep on that property anymore—it is wall-to-wall blue gums. I look at it and I think what a waste because there is no substantive, economic market for that product at the minute. That is an interesting place to be when you look at the issues where people are protesting against harvesting native trees and native forests. So, it has to have an economic outcome.

We have seen the discussion in the South-East with the proposal of a billion dollar pulp mill—that has not happened, but there is some timber that gets pulped and exported out of Portland in Victoria. Obviously, with the price of pulp coming down, that is not as successful as it could be and there are a whole lot of infrastructure issues around that matter.

I believe that some of this land that has gone under blue gums will be a one harvest and that gets down to the simple fact that, essentially, it will have to be cleared again and, thankfully, it is a bit easier to clear country than it was 100 years ago—we are not out there with an axe and a horse.

I note that there are some earthmoving companies around the place, and there are some in Victoria, that specialise and advertise that they are there to clear blue gum plantations—they grind the stumps and they say that they are experts at it. That is because of a need to get this land out of blue gums. Some of it is going back to farming land, but I note that there could be opportunities to go into pine, which is sorely needed.

Mr Venning: 'Sorely'—that is a good pun!

Mr PEDERICK: No pun intended, Ivan. So, what we have seen over time (especially with regard to forestry) is the sale of a South-East forest by the Labor government for a paltry \$670 million. We talk about foreign investment in this country and that was sold to foreign investors—a north American superannuation firm, and they got an absolute bargain that was putting at least \$43 million annually into the state's budget. Now we have a government that has to prop up industries in the South-East, I believe to the tune of tens of millions of dollars so they can diversify the product.

We also have an issue in this state now, and I believe it is directly attributable to the forward sale of forests, where fence posts have just gone through the roof. It is close to \$10 a post for a four to five-inch post. That has put another cost on landholders. Apart from that, because now there is only one operator doing it, you can barely get the darn things. I needed some for my fencing contractor a few months ago and I was fortunate and managed to get a batch before they went up to that ridiculous price. This is what happens with very poor decision making.

What I have seen in the Victorian initiative is where they are trialling blue gums to be used in posts. I hope that they do have some success with that, because it would be a real pity to see some of this land essentially just chained and cleared, and then raked up into heaps—apart from the cost—lit up and be a wasted resource. There

are opportunities, certainly, if this post operation gets going. There are also opportunities to use it as firewood, but it is a huge job for someone to take on. There is some land that is several thousand dollars per hectare, and it will cost several thousand dollars per hectare to essentially harvest this timber for whatever you want to use it for.

I acknowledge what the member for MacKillop was talking about when he said it did give opportunity. It certainly did give opportunity for people to make plenty of money. There were properties sold for two and three times their farming value, and that was a great boon for people. I know a major operator who had quite a bit of land in the Callendale area who is now down on King Island growing King Island beef, because he could see an opportunity and he capitalised on the outcome. Mind you, I still do not think it was a good idea to put blue gums there.

We have certainly seen from the member for Finnis's contribution the absolute farce that the industry has been on Kangaroo Island. Kangaroo Island is a beautiful place, but there is that big strip of water between it and the mainland, and that is an issue, as the member for Finnis well knows, for everything that goes on on Kangaroo Island. He said that there could be an opportunity for generating power, but the cable is not good enough to transmit back to the mainland. You would have to have a big enough operation so that you could do that, because you would generate far more power than the island needs.

This is a real issue. It certainly needs addressing. If there are commercial opportunities for people to use this blue gum timber, well and good. Where it is appropriate—where the rainfall is wet enough. There used to be zones where they would only come so far north, but it is interesting that, over time, as people thought they could see opportunities, they have come further north towards Lucindale in regard to the South-East. There may be opportunities for pine to go in there, and that would be great, but the blue gums still have to be got rid of, and certainly, I believe, there will be opportunities to go back to productive farmland. This is a big issue and it shows that you need a market for a product and you just cannot have an incentive scheme. You have to have a viable market, and it has proved itself time and time again. As much as it has helped some people along in life, blue gum plantations in this state have also broken many hearts.

- Ends -