

# 2022-23 PRE-BUDGET SUBMISSION

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**Nature Conservation Council**

The voice for nature in NSW





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28 January 2022

Dear Madam/Sir

### **2022-23 Pre-Budget Submission**

Thank you for the opportunity to make a submission to the NSW Budget. We have identified several initiatives that we believe offer excellent value to the people of NSW.

The Nature Conservation Council of New South Wales (NCC) is the state's peak environment organisation. We represent over 160 environment groups across NSW. Together we are dedicated to protecting and conserving the wildlife, landscapes and natural resources of NSW.

#### **Initiative 1: Save Taxpayers Funds by Ending Native Forest Logging**

*This initiative addresses two budget outcomes. These are Planning, Industry and Environment State Outcome #1: Connecting communities to resilient and sustainable energy and local environments, and Regional State Outcome number 1: "Productive and sustainable land use".*

The native forests division of Forestry Corporation of NSW (FCNSW) made a loss \$20m of public funds in 2020-21 according to its annual report<sup>i</sup>. While the Black Summer fires added pressure to FCNSW and the forests it logs, this continues a trend of many years of losses for this division.

Ending native forest logging and focusing on the profitable plantation sector would save taxpayers funds, set the corporation up for long-term sustainable operations and achieve significant environmental outcomes.

Frontier Economics and ANU found that this action would result in a \$60m net economic benefit to the state as well as a CO2 emissions saving of one million tonnes per annum<sup>ii</sup>.

Other states such as Victoria and Western Australia have already committed to this path.

We would be happy to provide further information and assistance on initiatives to ensure a smooth and just transition.

The first step to transitioning from native forest logging to plantations is to decline to renew wood supply agreements as they expire. Many agreements expire in 2023.



On the other hand, signing new wood supply agreements for native forest timber presents significant financial risk for the NSW Government and NCC strongly recommends against doing so. Evidence prepared for the NSW EPA found that most post-bushfire logging is unsustainable due to the need to allow threatened species and ecosystems to recover<sup>iii</sup>. If yields are contracted but cannot be maintained, due to the ongoing decline of threatened species for example, the NSW Government may be liable to pay contracted parties to reduce volumes, as happened in the past with at \$8.55 million payment to Boral when North Coast Blackbutt forests were being overcut.<sup>iv</sup>

## **Initiative 2: Replace unflued gas heaters in NSW schools**

*This initiative addresses Education State Outcome #1: Best start in life for young children.*

Approximately 16,400 designated teaching spaces at 1,200 schools have unflued gas heaters. As part of the Cooler Classrooms Program, approximately 3,000 unflued gas heaters are being removed from NSW schools.

Public health science now shows that unflued gas heaters harm the health of building users such as children and teachers. They are not safe to use indoors.<sup>v</sup>

Prominent health experts rang the alarm bell loud and clearly in 2021.

*“Australia has some of the highest rates of asthma in the world, and it is the leading cause of disease burden among school-aged children.”*

Asthma Australia CEO Michele Goldman

*“Just as doctors spoke up on the dangers of asbestos and tobacco in the past, we have a responsibility now to sound the alarm on the dangers of gas”* Dr Kate Charlesworth<sup>vi</sup>

The Department inspects the performance of all gas heaters annually. This inspection process ensures the heaters meet the current minimum performance standards. However this is manifestly inadequate to ensure the health of school children in 16,400 classrooms across our state.

NSW Teachers Federation is also calling on the government to act swiftly on the issue.<sup>vii</sup>



At \$5000 per classroom, replacing the gas heaters would require \$67m in funding.

### **Initiative 3: Extend stamp-duty exemptions to electric trucks**

*This initiative addresses Planning, Industry and Environment State Outcome #1: Connecting communities to resilient and sustainable energy and local environments.*

The NSW Government has a range of initiatives to support the uptake of electric passenger vehicles (EVs) and infrastructure that will support electric heavy vehicles.

One of the lowest-hanging opportunities for EV uptake is delivery trucks used in urban areas. Switching from diesel to electric trucks will achieve big reductions in noise and air pollution in our neighbourhoods, however cost is a big barrier to truck fleets electrifying. The health cost of air pollution from internal combustion engines is estimated at \$3 billion for the Sydney GMR region alone.<sup>viii</sup>

Additionally, switching to electric trucks has large productivity benefits for NSW businesses, through fuel and maintenance savings.

We recommend extending stamp duty rebates to electric and zero emissions trucks.

The Electric Vehicle Council and Australian Trucking Association are also calling for this incentive.<sup>ix</sup>

### **Initiative 4: Gazette the Great Koala National Park**

*This initiative addresses Planning, Industry and Environment State Outcome #1: Connecting communities to resilient and sustainable energy and local environments.*

In 2021 a study by Newcastle University found that the proposed Great Koala National Park has a projected additional regional economic output of \$1.2 billion over the next 15 years and \$1.7 billion in biodiversity value.

The proposed Great Koala National Park would add 175,000 hectares of native state forests to existing protected areas to establish a 315,000-hectare reserve on the NSW Mid North Coast. The site, which includes two koala metapopulations, would protect an area that is home to around 20 per cent of the NSW koala population habitat.

The benefits of moving this land from State Forest to National Park include<sup>x</sup>:



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- projected additional regional economic output of \$1.2 billion over the next 15 years,
- \$1.7 billion in biodiversity value realised,
- an additional 1 million visitors to the region by the end of 15 years,
- \$412 million in additional annual tourism spending,
- generating more than 9,800 extra full-time equivalent jobs across tourism, infrastructure, and science and education, and
- injecting \$330 million in additional wages into the region

Thank you for the opportunity to participate in the consultation.

Your key contact point for further questions and correspondence is Dr Brad Smith available via [bsmith@nature.org.au](mailto:bsmith@nature.org.au) and 02 9062 3514. We welcome further conversation on this matter.

Yours sincerely,

**Jacqui Mumford**  
**Chief Executive (acting)**  
**Nature Conservation Council**

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<sup>i</sup> Forestry Corporation of NSW, [Annual Report 2020-21](#), p13

<sup>ii</sup> Frontier Economics, [Comparing the value of alternative uses of native forests in Southern NSW](#), November 2021

<sup>iii</sup> Dr Andrew Smith, [Review of CIFOA Mitigation Conditions for Timber Harvesting in Burnt Landscapes](#), September 2020

<sup>iv</sup> NSW Department of Primary Industries, [Project 2023 – North Coast Resources Review](#), June 2014

<sup>v</sup> Climate Council, [Kicking the Gas Habit: How Gas is Harming our Health](#), 2021

<sup>vi</sup> Climate Council, [Invisible Danger: Gas, Asthma and Our Children](#), 2021

<sup>vii</sup> NSW Teachers Federation, [Media Release: NSW Education Department must replace unflued gas heaters in our schools](#), June 10, 2021

<sup>viii</sup> Asthma Australia, [Electric Vehicles to Cut Billions from NSW Health Costs](#), 2019

<sup>ix</sup> Australian Trucking Association, [Urgent Reform Needed to Deliver New Era of Electric Trucks in Australia](#), 18 January 2021

<sup>x</sup> Hunter Research Foundation and University of Newcastle, [Great Koala National Park Economic Impact Analysis and Environmental Benefit Assessment](#), February 2021.