

Plantations and Water in the South East Region

Area statistics

Plantation forestry occupies over 183,000 hectares (6.6%) of the South East South Australia region. 127,128 Hectares of softwood (pine) and 56,045 hectares of hardwood (blue gum) plantations.

The plantation estate will expand to a maximum of 221,075ha under the full 37,903ha plantation threshold expansion area, agreed to by the SA Government.

According to Department of Water, Land and Biodiversity Conservation there are 1.34 Million ML/Year available for allocation excluding an environmental allowance.

Allocation by landuse:

<i>Agriculture</i>	73.88%	966,722ML/Year
<i>Forestry</i>	19.84%	265,733ML/Year

Socio-Economic situation

- \$664 million is the current contribution to regional GDP from the forest industry each year in South East South Australia. (44% of the regional GDP generated by all primary industries).
- 7100 full time jobs are currently provided by the forest industry in the South East (36% of all employment generated by all primary industry sectors).
- Forestry contributions to regional GDP could double when large scale blue gum harvesting commences in 2009/10 and when the Penola pulp mill is on operation.
- Each mega litre of allocated water used by forestry directly raises gross regional product by \$1,875.
- Each ML of allocated water used by the irrigated agriculture sector raises the gross regional product by \$411.

Draft Water Allocation Plan

The current draft water allocation plan, developed by the South East NRM Board would introduce a tax on water use by new and existing plantations for the first time ever.

No such tax exists anywhere else in Australia, and sets a disturbing precedent where all vegetation types, including forestry and agricultural crops, may have to pay for the water they use (a rainfall tax).

The proposed Water Allocation Plan would lead to around a 19% reduction in the current area of plantations in the South East.

The draft Water Allocation Plan would result in:

- An immediate loss of around \$126 million in regional GDP each year.
- An immediate loss of around 1350 full time jobs in the region.

In terms of Carbon Dioxide, a reduction in the plantation estate of this size is the same as taking 57,000 cars off the road each year.

The plan would create significant uncertainty for the industry and could jeopardise long term wood supply for existing and new domestic value adding processing.

