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**Director – Energy Assessments,
Development Assessment,
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4 Parramatta Square,
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Dear Sir/Madam,

**SUBMISSION IN RESPONSE TO THE ENVIRONMENTAL IMPACT STATEMENT OF
THE HUMELINK PROJECT – APPLICATION NO SSI-36656827**

Submission Prepared by the *Softwoods Working Group (SWG)*

Thankyou for the opportunity to make this submission to the EIS.

In summary, we object to the HumeLink proposal on several grounds, as follows:

- a. Significant and understated economic impact on productive timber plantations.
- b. Permanent removal of land from timber production activities.
- c. Increasing the risk and impacts of bushfires by undermining fire prevention, fire management and firefighting options.
- d. Potentially being an ignition source for starting fires.
- e. Lack of transparency with the process involved in assessing the economic impacts on the timber industry.

I acknowledge and accept the Department of Planning and Environment's disclaimer and declaration.

Declaration of political donations: **No**. If Yes, details**N/A**.....

Detailed Response

1. Preamble.

The **Softwoods Working Group** (SWG) is a joint timber industry and community body that has been in existence since 1987 and serves the interests of the SW Slopes (SWS) region of NSW. The SW Slopes region contains the largest area of softwood plantations in the State of NSW (approx. 125,000ha of both public & private land) and is the second largest softwood plantation estate in Australia.

Current members of SWG include senior representatives from:

- The major forest growers – **Forestry Corporation of NSW** and **Hume Forests** (part of the GFP Group) with **Hancock Victorian Plantations** (private grower in NE Victoria) being observer participants.
- The product manufacturers (timber processors) – **AKD** (sawn timber products), **Visy Industries** (packaging materials including cardboard and liner board), and **Hyne** (sawn timber products).
- **Local Government** (Snowy Valleys Council, Greater Hume Council, Cootamundra-Gundagai Regional Council, and Albury City)
- **Regional Development Australia** committees for Murray and Riverina
- Various relevant **NSW State Government agencies** (Department of Regional NSW, and Transport for NSW)
- The **Forest Industry Council** (FIC), which represents the operational, training and safety issues for the industry workforce, with particular regard to silvicultural, harvesting and haulage contractors.

The SWG is widely regarded as a unique and effective forum that examines strategic issues and prepares plans to focus on regional community development based on the local plantation industry.

Plantation forests represent one percent of Australia's forests, yet they supply more than 50 percent of our domestic timber needs. With reduced access to native forests in recent years, the plantation sector is becoming more significant in providing raw materials for industry. Plantations provide a wide range of forest products that support a vibrant and growing timber-processing sector. The establishment and management of timber plantations and the ancillary services associated with the industry are recognised as providing a major driver for regional economies, and communities, impacted by the siting of the Humelink route.

The Humelink Route Impacts

The SWG has been a member of the Humelink Community Consultative Group since its inception in October 2021.

At the beginning of that process several possible routes for the new powerline were outlined and subject to discussion and meaningful consultation. The preferred route being considered utilised existing easements through Maragle and Bago State Forests heading just to the north of the Green Hills plantations before heading west to Wagga.

This route was largely through private farmland which caused considerable angst amongst local landowners and other community representatives on the CCG. In mid-2022, Transgrid determined that some '*route refinements*' were going to be investigated.

The actual '*route refinements*' involved a dramatic and completely different route being proposed that results in the loss of around 400ha of prime timber plantations and a further 300+ ha of native forest in the Bago SF.

The timber industry is well aware of the importance of, and need for, facilitating the renewable energy sector. The major grower in NSW (FCNSW) has been a co-operative and supportive partner in enabling renewable energy development on existing plantation land under the *Energy Legislation Amendment Act 2021*. However, further losses over and above that are compromising NSW's ability to provide adequate timber supplies in the future.

The following points are a summary of our concerns

- i. The total plantation area that would be lost under the proposed scenario has been estimated to be at least 400ha. These plantations are some of the best plantation areas in the region. They are highly productive, close to log processing facilities, have established all weather infrastructure and provide valuable wet-weather accessible country that is critical to the overall management of the plantation estate.
- ii. Over a rotation (one full crop) loss of this area represents a loss of 240,000t of wood (100kt pulp/140kt sawlog) which equates to around \$80M worth of paper used for packaging and timber products used in building construction.
- iii. On an annual basis, around 8,000 tonnes of resource would be lost to the softwood processing industry which is a foundational driver of the regional economy of this area. In 2019, this industry was assessed as supporting (directly and indirectly) over 50% of the employed workforce of Snowy Valleys Shire (Schirmer, et al, 2020). The bushfires of 2020 destroyed 40% of the resource on which this industry is based, and significant efforts have been made over the past three years (including financial support from the NSW and Australian Governments) to maintain all existing processors in business, albeit at lower levels of activity and output. Any further resource loss (such as would result from the 'Green Hills' Transgrid route option), could result in a 'tipping point' being reached for some processing activity, with closures resulting in social and economic loss for the regional community.
- iv. In addition, there is another 300ha (approx.) of native forest (highly productive Alpine Ash) that would need to be cleared through Bago SF. **This would represent a rather ironic situation where a renewable energy project can only be enabled by facilitating deforestation of native forest!**
It will also mean deviating off and away from an existing powerline easement.
This is perplexing!
- v. Details relating to site access and construction of transmissions lines are still to be released but given the size of this project it is likely that **additional** plantation and native forest areas would be lost to provide adequate access to service the towers.
- vi. Overhead transmission lines present huge issues for both firefighting and fire prevention within, and adjacent to, forested areas. These issues include:
 - a. Being a potential ignition sources for fires.
 - b. Fire-fighting limitations such as, restricted access and ability to use water and equipment.
 - c. Limitations on back burning and hazard reduction activities.
 - d. Fire-fighter safety under and around this infrastructure.
 - e. Impacts on power-security for users far removed from the fire ground in the event transmission equipment is damaged or needs to be switched off.

- vii. This proposal is at odds with NSW Government policy that recognises the resource limitations and impacts from recent fire losses. They have acknowledged and supported the need to be expanding the plantations and ultimately increasing the supply of timber products. It seems incongruous that it is now prepared to forego a large tract of highly productive plantations when there are potential undergrounding options that would have considerably less impact.

The powerlines are a valuable asset, but so too are the production forests on which they are planned to be constructed.

2. The Under-Grounding Option

Concerns about the loss of vital timber-production capacity together with the huge impacts on firefighting and management, would almost be eliminated if the transmission infrastructure was located underground.

It appears that there are many issues that are being ignored and warrant some considered responses. These are:

- i. There appears to be considerable progress with both the practice and costs for under-grounding of High Voltage power lines in other countries such as Switzerland, Sweden and the United States.
- ii. Powerlines are installed between countries with infrastructure installed and kilometers-deep under oceans.
- iii. There was an independent report about the Western Victorian Transmission Network (For Moorabool Council), that has described undergrounding as being viable for the proposed 190km route.
- iv. Construction costs are one part of the equation. It is not clear that the cost assessments are looking at the **Total Cost of Ownership (TCO)** over the anticipated life of the transmission asset rather than just the initial construction costs.
- v. Looking at the huge towers that will be constructed and the on-going maintenance required, it is very difficult to comprehend the non-viability of an underground route.
- vi. The ever-increasing calls for electrification will see the requirement for further transmission facilities in the next decade and beyond.

How long after Humelink is completed will it be before we need even more powerlines and, more importantly, where are they going to be located?

- vii. We talk about being the innovative country and want to be seen to be a global leader in new technology for renewables. This seems to be adopted for the generation of renewables technology but is grossly behind the times in how the transmission of this energy occurs.

viii. In summary, undergrounding may initially be more expensive, however, the immediate and longer-term benefits will result in an outcome that is:

- Innovative
- Smarter
- Lower maintenance
- Safer
- Low /no risk from a firefighting and fire management perspective
- Better for the environment
- Preserves the productive capacity of the land (agricultural, horticultural and forestry/timber)
- Is embraced, accepted, and supported by the community generally.

3. Review of the Economic Aspects of the EIS

The following points have been raised as a consequence of reviewing the economic component of the EIS as it affects the timber industry:

- i. All the estimates of the relative importance of various sectors to the regional economy are based on Australian Bureau of Statistics (ABS) Census data. No attempt has been made to provide an aggregate estimate of the value of the forestry and wood products (FWP) sector. A figure of \$9.3 billion has been cited as the **total** Gross Regional Product (GRP value-added) generated in the study region. Agriculture is quoted as providing \$2.5 billion, and manufacturing \$2.3 billion. Both of these sectors contain an element of the FWP sector. We know that total GRP supported by the FWP sector in the Murray Region Forestry Hub (MRFH) region is at least \$1.1 billion (2016/17 data) and in 2021/22 is assessed at nearly \$2 billion. There needs to be better consideration of the role of the FWP sector in the regional economy, which appears to have been totally ignored in the decision to continue with above ground transmission networks. **This point is particularly important when considering the Greenhills route is now the preferred option.**
- ii. The estimate of the number of jobs created (but not defined) relates to short term construction activity only, and so should not be considered as a regional benefit. This type of work and the associated number of jobs will only have a temporary impact on the regional economy as construction workers tend to travel to where the project is, do the work, and then leave.
- iii. The EIS quotes that the area of forest to be permanently removed will be 391.2 ha in the construction phase, and then a further 351.8 ha because of on-going operations. There is no assessment of any impact of the loss of resource on processors as forestry is treated as an annual crop. We strongly dispute the statement that the “economic impact on forestry associated with the project is considered insignificant.” This comment demonstrates a lack of understanding of the contribution of the industry to the local economy. Additionally it demonstrate a gross lack of understanding of this complex issue and does not consider elements such as, the 30-year rotation required for structural timber and the downstream (value-adding) sector which relies on this resource.
- iv. Section 6.6.6. then states that the area of plantation impacted during construction is ‘temporary.’ This is misleading as our understanding is that the easements and access requirements will be permanent features for at least the lifespan of the infrastructure being installed.

- v. The question of compensation for the loss of public-land based plantations has not been acknowledged or confirmed. It is assumed that the provisions of the Energy Legislation Amendment Act would apply whereby every hectare of plantation lost for the easement will be compensated on a '2 for 1' ratio. This would also assume the replacement land is on a like-for-like basis considering **net plantable area, productivity, distance from local timber processors and a seasonality** basis.
- vi. SWG is aware that a report prepared by MacroPlan (Brendan Nelson) was pivotal in supporting the use of the Green Hills 'refinement'. To ensure transparency and indeed accuracy of the financial assumptions made, a review by a suitably qualified timber industry expert must be conducted. We do not understand why the SWG is being denied access to this report.
- vii. The EIS (Tech Rep 6) states that in a worst-case scenario ~400 hectares of forestry land would be permanently lost if not replaced. Assuming a \$1,300 value for log harvesting per hectare of forestry land this would amount to an economic cost of almost \$510,000 every year. The net present value at a 5% discount rate over 30 years equates to \$7.84 million which is insignificant when compared to the GRP of \$9.3 billion of the economic study area.

In contrast, SWG's assessment of the impacts of the project on the forest industry of the region has demonstrated that the impact of the project on the forest industry is much larger than a simple assessment of log values. If the total value of regional output, and of GRP supported by the industry is considered, then the loss of 400 ha will result in a loss (in Net Present Value terms, at 5% discount, over 30 years) of \$103.42 million in regional output, and \$46.63 million in GRP (value-added). These impact estimates are based on a single rotation of production - if the transmission lines are in place for a period longer than 30 years, then the economic costs imposed on the regional economy would be significantly higher.

We would welcome the opportunity to discuss this submission in further detail if required.

Yours sincerely,



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