

**SUBMISSION**  
**TO THE REGIONAL FOREST ASSESSMENT FOR THE**  
**SOUTH-WESTERN CYPRESS STATE FORESTS**

To whom it may concern

I am writing in support of Grant Holdings – producers of Australian Cypress. I am employed in the transport industry and have been associated with the company for approximately twelve years. In business dealings with them I have found the company to be extremely ethical and having excellent management skills. They display an obvious concern not only for the environment in which they work, but also for their employees and the wider community. No rural community can exist in this day and age without support from local businesses. The company has generously supported their community since they opened in 1973.

The support from Grants by their use of trucks and heavy equipment is an essential part of business in our local area. They indirectly contribute to numerous businesses via their on-going purchase of basic items such as tyres, the service and maintenance of their vehicles and specialised additions to their trucks.

One of these concerned is the transport industry in which I am involved. Trucks and heavy equipment replacements are both industries which will be impacted upon if any reduction of cypress harvesting occurs. In addition, the smaller businesses which rely on those larger industries will have greatly reduced incomes. They will also have added hardships forced upon them at a time when they are already struggling with the impact of the drought, which will continue for some time.

If the cypress forest harvesting is reduced, will the associated businesses involved receive compensation?

In my own local area, a business contracted to the government to produce concrete railway sleepers had to reduce their staff numbers by 70 people, resulting in the business now being operated by a skeleton staff. A total of 320 people who indirectly supported this industry (e.g. sand and gravel operators, truck drivers, delivery of

goods, transport of products to their destination) were adversely affected financially. Already suffering from the drought, employment with the concrete sleepers supposedly afforded them a secure employment for some years. This government cut back put far greater pressure upon them.

Due to the unexpected reduction in production employees experienced shock, stress, the failure to meet mortgage commitments and the embarrassing necessity to have to rely financially upon relatives are just a few of the results. The services of already stretched charities made even further demands upon their provisions. Sadly an increase in family instability increases at these times.

If forced to seek employment elsewhere these families must relocate to a larger community, often without family support and with the millstone of debts and a mortgage on a home which is probably unsaleable. In these smaller, more isolated communities the quick sale of their family home is unlikely due to the lack of purchasers. They are also highly unlikely to receive the current market value for their property. Unlike families in the NSW cities of Newcastle, Sydney and Wollongong, these families cannot simply find employment by moving to another suburb.

Four months later this business, which is vital to the railway infrastructure so desperately needed in this state, is still being operated by a skeleton staff with no change expected in the foreseeable future. So I have seen first hand the result of reduction in government contracts.

The government assessment of the red gum forest resulted in their immediate severe reduction in resources. Two communities affected by this were Darlington Point and Barham. One need only look at the result of the model of the closure of the timber industry in Eden to discern the outcome. The social and financial impact on Narrandera and Condoblin will be devastating if the government delivers the same outcome with its assessment of the South-Western Cypress State Forest.

As well as the obvious economic impact of such a proposition, there will be considerable health costs from a depressed and disillusioned community. Facing the possibility of unemployment affects the entire family unit through the uncertainty for

the future, the payment of mortgages, education, stress and even the cost of food and clothing. In a close knit community this has a snowballing effect and the entire communal fabric is threatened.

Condoblin and Narrandera are smaller communities in isolated areas. Traditionally these towns have relied on the rural industry for their income. The depressed economy, the failure of crops, the loss of income from farmers and the drought have resulted in their reliance on businesses such as Grants to provide much needed employment and security.

It is very obvious that the NSW Government neither cares about nor understands the far-reaching impact involved on the financial and social aspects of the reduction of the cypress forests and other mutually dependant businesses.

One of the major positive aspects of cypress is that it requires very little water to flourish. In such a drought-plagued country as Australia, and with the added burden of climate change, this environmental advantage must be a major factor in deciding to retain this business. Grants can guarantee its support to the community regardless of drought conditions, something not many companies can claim.

The Grants are committed to environmental responsibility – in fact it is in their best interests to be environmentally aware. Cypress is a termite-resistant product particularly useful in our building industry. This contributes to the environment by removing the necessity to use chemicals to ensure houses are termite-free. Grants also “recycle” the end-product by producing woodchips, bark, sawdust and particleboard. They have recently introduced stripping the actual tree tops of their vegetation and cutting them into precisely shaped poles to be used in lieu of chemically treated pine logs.

The fact is that Grants contributes to the NSW economy not only through its day-to-day business but also through the establishment of a highly successful export business to Japan and China. In the current climate, removing the established supply of cypress products to both these countries could quite possibly have political ramifications.

With the supposed security of a 20-year contract, the company decided to modernise and installed new technology at considerable cost. This was done with the confidence that the company would repay the investment well within the 20-year contract. I believe that this equipment is useless unless it is used in a cypress mill. As this is only one of two viable cypress mills in NSW, I wonder what the price of scrap metal is these days. Certainly not enough for the company to recoup its losses.

All this is in jeopardy in spite of a legally binding 20-year Wood Supply Agreement with the very same government who countersigned the contract. This is probably the most important aspect of the proposed assessment. In my opinion it would be morally bankrupt for the NSW Government to renege on a legally binding contract to which it committed itself not two years ago.

I fully support the continued existence of the Grants cypress milling business. Not only is it environmentally responsible; it is Australian owned, a rare claim today; it employs local people; it supports the community and organisations within these; it has developed reliable and sustainable export markets which contribute to the NSW economy through foreign exchange earnings; it produces a successful by-product process; it has a strong domestic market; and the company has installed technology to take it into the future.

I call upon the NSW Government to honour its 20-year contract in its present state. It is the only morally acceptable outcome.

Stephen R L Donelan