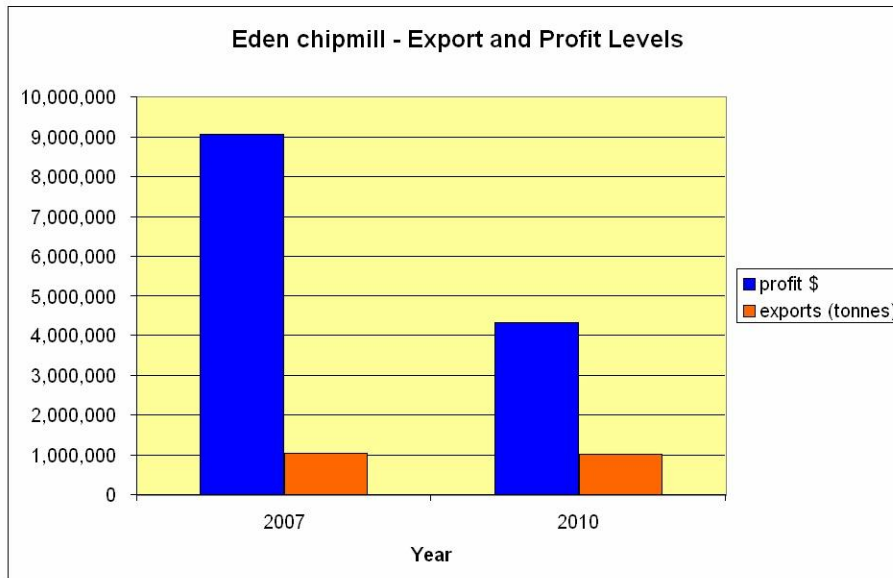


Report Shows Woodchippers Exporting More for Less Profit



The Eden chipmill is having to export a bigger quantity of woodchips for each dollar of profit, according to forest campaigner, Harriett Swift.

Ms Swift was commenting on the latest Annual Report of South East Fibre Exports, released this week.

She said that just 3 years ago, SEFE exported a similar quantity (1,071,841 tonnes) of woodchips but made more than twice its most recent profit.

The report to the Australian Securities & Investments Commission for the calendar year 2010 shows that SEFE exported 1,033,195 tonnes (up 29.6%) to make a profit of \$4,331,756 (up 11.4%). In 2007 the profit was \$9,063,146.

“SEFE’s profit may have crept back up after the global financial crisis, but it is still less than a typical loss of about \$5 million a year that Forests NSW makes on south east woodchipping, underwritten by State taxpayers,” Ms Swift said.

“The problem is made worse by the fact that official figures from Forests NSW show that the productivity of the forests has also been steadily declining, with bigger areas of forest being logged to produce the same amount of wood,” she said.

“This all means that SEFE must export more and more chips to get the same financial return and that ever bigger areas of forest must be cleared to produce the same amount of chips.”

“In these circumstances it is impossible to claim that this industry is sustainable.

“While it may still be delivering short term profits to Nippon Paper, its Japanese parent, it is clearly living on borrowed time,” she said.

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For SEFE Annual Report to ASIC, see;

<http://www.woodchippingsux.net.au/SEFE%20Ann%20Rept%202010.pdf>