

# Public submission

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**Organisation:** *Australian Forest Contractors Association*

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**Location:** *New South Wales*

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**Supporting materials uploaded:** *Attached overleaf*

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Australian Forest Contractors Association

13 October 2024

NSW Independent Forestry Panel  
Independent Planning Commission

### **Submission regarding the sustainability of current and future forestry operations in NSW**

The Australian Forest Contractors Association (AFCA) welcomes the opportunity to make a submission to the Independent Forestry Panel regarding the sustainability of current and future forestry operations in NSW. This submission focuses primarily on issues relating to the sustainability of operations. On matters relating to the panels other areas of interest AFCA supports other leading forestry industry organisations, including Forestry Australia, the Australian Forest Products Association and Timber NSW.

#### **About AFCA**

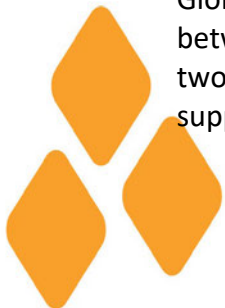
AFCA is the peak national body for forest services businesses. Members are engaged in all scopes of operation for forestry operations that are outsourced to specialist third party providers. This includes land preparations, seed collection, planting, silviculture and tree management, roading and civil construction, harvest and haulage. The forest products value chain relies on forest contracting businesses, their skills, equipment and workforce.

#### **Forests in NSW**

NSW accounts for 15% or 19.9 million hectares of Australia's total area of forests (DAFF/ABARES. 2023). The activities of forestry industries are concentrated in commercial plantations (368,000 hectares) and multiple-use public forests (1.8 million hectares). A further 7.6 million hectares of forest native forests is privately held, some of which is utilised for timber production. Forest types range from open woodland through to dense rainforest. A total of 37% of Australia's native forests is managed for the protection of biodiversity, which includes areas of multiple-use public forests.

NSW DPI (2024) states the NSW forestry sector was worth \$3.3 billion in 2022-23, and supported 14,900 jobs. EY (2023) identified that the hardwood industry in NSW contributed \$2.9 billion to the NSW economy and directly employed more than 8900 people.

Global demand for timber and wood fibre is anticipated to grow by as much as four times between now and 2050 according to the World Bank (Investment Monitor 2022). In the next two decades the consumption of timber products is forecast to overtake realistic sustainable supply, increasing illegal logging globally. This has already been happening in Victoria



following that government's decisions to close state forests to harvesting and in conjunction with rising costs of living. Since 2021 incidence of trees being felled illegally have doubled and there is a growing black market for firewood (ABC News 2024).

Forestry Corporation of NSW (2024) data shows that of the 2.2 million hectares of forests managed in NSW, only 30,000 hectares was subject to timber harvesting. Of the multiple-use regenerative native forests under management just 11,709 hectares was harvested in 2022-23. To put this into perspective, if the managed multiple-use forest estate was \$100 the amount of harvest would be equal to 60 cents. Forestry Corporation modelling shows that the predicted sustainable yield of timber from managed multiple-use public forests is 1.28 million m<sup>3</sup>, while the actual volume harvested in 2023 was less than 800,000 m<sup>3</sup>. This means the level of harvesting activity is well within assessed sustainability limits with some scope for growth.

Multiple-use, mixed species public forests undergo selective harvesting which means that a number of trees are maintained within the landscape following a harvesting operation. This approach limits negative impacts and ensures continuity of habitat supporting rich biodiversity.

It is also the practice of forestry to ensure that every tree harvested is replaced through replanting or managed regeneration. Harvesting does not equal deforestation, and forestry operations are not drivers of deforestation. It is in the interests of forest owners, managers and operators to maintain forest resources in the best condition possible.

### **Plantations versus Managed Regenerated Multiple-use Public Forests for Timber Production**

The suggestion is often made that the forestry industry should transition to a plantation production system and move away from utilisation of multiple-use public forests as a source of wood fibre. These arguments reflect an overstatement and mischaracterisation of the overall impact of timber harvesting on the forest landscape and biodiversity. They also ignore the fact that softwood plantations, hardwood plantations and regenerated multiple-use public forests all occupy different niches that generates different products for different purposes, different markets and at vastly different timescales.

There is also a denial of the fundamental economic drivers that have seen the area of timber plantation decrease across Australia over a long period of time. Challenges that would need to be resolved for this transition to occur include breeding tree species and varieties better suited to plantation conditions, securing sufficient land for new plantations to occupy, and an economic, business and risk model that could manage the 50-year period between planting and harvest.

Consideration must also be given to the ongoing management of the state's multiple-use forest estate. In 2023 the Victorian Government announced that as of 1 January 2024 timber harvested would no longer occur in that state's 1.8 million hectares of multiple-use forests. However management of that forest area is not an optional activity. The 2024-25 Victorian Budget includes new expenditure items total almost \$120 million for this financial year to deliver a forest contractor strategy and a future forests program. Indeed, the State of Victoria (2024) has allocated \$365 million over five years for the delivery of forest and fire services,



utilising the skills, experience and equipment of contracting businesses. In total the government is expending \$1.5 billion for the transition away from timber harvesting.

When forests are managed for production there is an opportunity for the government to recoup its costs through the sale of forest products. Without a production base the costs of forest management can only be borne by taxpayers.

### **Sustainability of current and future forestry operations in NSW**

Forestry operations in NSW have a long history, been subject to ongoing enhancements as knowledge and practices improve, and are well regulated. Forest contracting businesses are often small, multi-generational family enterprises who are invested in maintaining a sustainable and viable business for the long term. It is a source of great pride.

The sustainability of forest operations must be considered in the context of environmental impact, economic viability and social outcomes.

- **Environmental:** claims about the impact of forest operations on biodiversity are not reflective of current practices. Timber harvest is not listed as a threatening process for biodiversity, and forestry operations are not deforestation as any trees harvested are replanted. The primary threatening processes for forested landscapes are invasive plants and animals, controlled bushfires and climate change. Active forest management where production is an appropriate activity yielding a sustainable and renewal source of carbon-sensitive material is the most environmentally, economically and socially sound approach.
- **Economic:** viability across the value chain requires the sectors of growers, processors and forest contracting businesses to appropriately share risk and reward between them.
- **Social:** forest operations provide high quality, secure and stable jobs across rural and regional NSW. An appropriately and properly managed forest resource is a significant community asset that supports a wide range of social benefits and activities. Thriving industry, maintained environmental assets and strong communities are more likely with forestry.

AFCA's global-first ForestFit™ standard, certification scheme and training program was developed with funding support from the NSW Department of Primary Industries to give forest contracting businesses with an assurance mechanism that critical business, operational, safety and environmental risks are being properly managed. Certification to ForestFit™ means that a contracting business has demonstrated to an independent third-party auditor that they meet all requirements of the standard.

AFCA is currently working with forest grower companies and forest contracting businesses on the roll out of ForestFit™ to forest contracting businesses across Australia. The ForestFit™ standard was developed by contextualising three ISO standards and sits in alignment with the Australian Forestry Standard (Responsible Wood) and the Forestry Stewardship Council (FSC). Engaging ForestFit™ certified contracting businesses creates a full-certified supply chain from forest to mill to end user and strengthen quality assurance, production and environmental performance credentials.



AFCA would welcome the opportunity to meet with the panel for a discussion of this submission and the role of forest contracting businesses within a sustainable NSW forest industry. We can also facilitate visits by the panel to forestry operations to see first hand current practices.

For more information about this submission please contact AFCA General Manager Tim Lester on [REDACTED].

## References

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