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10 October 2024

The Independent Forestry Panel
Independent Planning Commission
Suite 15.02, 135 King Street
Sydney NSW 2000

By Portal at: <https://www.ipcn.nsw.gov.au/cases/2024/08/independent-forestry-panel>

Dear Sir/Madam

SUBMISSION to the Forestry Industry Action Plan

Introduction

The Clarence Environment Centre (CEC) has maintained a proud history of environmental advocacy for more than 30 years, particularly on issues pertaining to forestry and biodiversity conservation. The conservation of our region's natural environment, both terrestrial and aquatic, has always been a priority for our members and we believe the maintenance of healthy ecosystems and biodiversity is of paramount importance.

We understand that the NSW Government has established the Independent Forestry Panel to lead consultation on the sustainability of current and future forestry operations in NSW. We believe the outcomes of this consultation will inform the Government's development of its Forestry Industry Action Plan which will outline the path NSW will take to ensure a sustainable timber industry that aligns with the Government's key environmental priorities.

Logging of native forests on public lands

The CEC has long been a vocal critic of Forestry Corporation of NSW (FCNSW), and its previous manifestations as a state government agency known as Forests NSW, State Forests of NSW and the Forestry Commission of NSW. This corporation, irrespective of its name and corporate branding, continues to blatantly conduct an unacceptable and unsustainable assault on the publicly owned native forest estate. This assault has continued for more than half a century since the widespread adoption of industrial logging practices.

We strongly reject any notion that this environmental vandalism be allowed to continue.

In doing so, we provide the following rationale for phasing out of native forest logging in NSW state forests, pointing out that this logging is incompatible with:

- a. our state's investment in nature-based tourism enterprises
- b. Australia's international commitments to emissions reduction
- c. nationwide attempts to address and halt Australia's biodiversity crisis
- d. the aims of all biodiversity plans and strategies of all three tiers of government
- e. international wildlife agreements covering migratory birds
- f. local water authorities' responsibility to provide quality drinking water to its residents, typically exercised by local councils.

We also note the following:

- Both the Western Australian and Victorian governments have announced the closing down of logging in public native forests, with a just transition to plantation timber; both have provided end dates for native forest logging in those states.
- Shoalhaven Council's motion to the Local Government NSW Conference in November 2022, (*Motion 100 - Shoalhaven City Council - Logging in NSW native forests - "That Local Government NSW advocates for the ending of logging in NSW (public) Native Forests"*), which was passed by a significant majority.
- Southern Cross University's 2023 survey of the Clarence electorate found that 69% of respondents were in favour of ending native forest logging in state forests; only 18% were in support of continued logging in this region, which the industry identifies as a "timber industry stronghold".

The following are further points supporting an end to native forest logging:

1. Current logging in public native forests is **economically unsustainable**. It has reported huge financial losses over the past 23 years, so is therefore subsidised by taxpayers. See The Australia Institute's report, authored by Roderick Campbell and Richard McKeon, [*Money doesn't grow on trees: The financial and economic losses of native forestry in NSW*](#). Although published in 2016, its conclusions are still valid as the situation has not improved.
2. Current logging in public native forests is **ecologically unsustainable**.
 - a. Biodiversity has suffered as a result as is supported by opening statements in the federal, state and Clarence Valley Council's biodiversity strategies, all of which confirm that biodiversity continues to decline. Those declines are also reported in the latest State of the Environment Report. <https://soe.dcccew.gov.au/biodiversity/key-findings>.
 - b. Over-logging of state forests has resulted in massive weed problems that Forestry Corporation has failed to address. This has contributed to the devastating Bell Miner Associated Dieback in coastal hinterland areas, not only impacting on state forests but also threatening the viability of the private native timber industry.
3. We are approaching a situation where the forest health is rapidly degrading to such a degree that **the industry is destroying the very resource it relies on**. There are predictions that the business-as-usual management of state forests would lead to "*ecosystem and industry collapse under worst case scenarios*". See the Natural Resources Commission's report, from November 2022, [*Insights for NSW forest outcomes and management*](#). Other key findings of that report from the NRC include:
 - A detailed account of carbon stored in all NSW forests 1990 to the end of 2020 found that these forests are at risk of becoming net carbon emitters.
 - Only 10 percent of forested vegetation in the NSW Regional Forest Agreements areas are currently within their recommended fire frequency thresholds, with large areas at risk of a decline in plant biodiversity due to increased fire frequency (a key threatening process which is not being addressed).
 - Catchment water flows have been declining in forested areas over the last 30 years, especially on the south coast of NSW. Almost half of the 90 catchments analysed showed statistically significant decreases in stream flows in this period, which affects downstream agricultural and horticultural enterprises and coastal communities which rely on these rivers as water supplies, as well as the health of estuarine fisheries.
 - Total hardwood supply in the Coastal IFOA region declined between 2003-19 for both high and low-quality logs, with additional significant short-term reductions in hardwood supply and projected sustainable timber yields following the 2019-20 wildfires, particularly on the south coast.
4. Logged forests have a negative impact on **tourism-related industries**. These industries, including accommodation, hospitality and recreation providers, which employ far

more people than the timber industry, while unlogged forests would provide additional tourism and recreational opportunities. For example, the University of Newcastle's study showed that the creation of the Great Koala National Park would generate more than 9,800 extra full-time equivalent jobs across tourism, infrastructure, and science and education, and inject \$330 million in additional wages, with a projected additional regional economic output of \$1.2 billion over the next 15 years (reference: [Great Koala National Park: economic impact analysis and environmental benefit assessment: final report \(newcastle.edu.au\)](#)).

5. Erosion from clear-felling is causing **serious water quality issues in drinking water catchments**. Water quality problems in the Nymboida River resulted in water restrictions being imposed in the Clarence Valley. See [Logging activity could be to blame for Clarence Valley water problems – NBN News](#).
6. Logging of native forests makes them **more fire-prone**, placing humans and wildlife in ever-increasing danger. Evidence of the increased flammability of logged forests compared to undisturbed structurally mature forests has been documented in numerous papers, including [Lindenmayer et al. \(2020\) 'Recent Australian wildfires made worse by logging and associated forest management', *Nature Ecology and Evolution* Vol. 4, pp.898-900](#).

With all of the above taken into consideration, it should also be noted that the Forestry Corporation of NSW (FCNSW) has an unenviable record of criminal behaviour, having been found guilty in various courts on no less than 14 occasions, and fined hundreds of thousands of dollars over many years. Even worse is the fact that scores of other reported offences go unpunished or result in warnings or minor penalty infringement notices.

On at least 2 occasions judges have described the Corporation as “serial offenders”. Recently FCNSW was fined \$360,000 for criminal damage after destroying 53 mature native trees in bushfire-damaged country that had provided habitat for endangered wildlife, the court finding it had caused “substantial actual harm, and future potential harm”.

Plus, while FCNSW boasts that it has been managing one million hectares of forest for conservation since the signing of the Regional Forest Agreements, not a single dollar has been spent on the control of invasive species in those areas. These areas set aside for conservation include some of the most valuable and diverse forest ecosystems in NSW, including old-growth forest, rainforest, endangered ecological communities, riparian zones and wetlands. But, due to FCNSW's negligence, much of that forest is now clogged with invasive exotic weeds, resulting in a decline in biodiversity and, in the case of Cat's Claw Creeper, the death of trees.

Incredibly, despite ongoing financial losses, and appalling record of criminal activity and environmental destruction and neglect, FCNSW retains unwavering support from the state government. **Why is that?**

Private native forestry

The CEC acknowledges that, on the North Coast, there are substantial tracts of privately owned native forest that is potentially available to supply timber mills with native forest logs. In fact, statewide, more than 30% of native forest in NSW is on private land, with diverse biological, Aboriginal cultural heritage and multiple use values. Hence, any decision regarding the future of the forest industry must consider the management and regulation of private native forestry (PNF).

PNF has a track record of relatively poor regulation and consideration of environmental impacts. Logging activity often trespasses onto neighbouring lands, and occurs with scant regard for protection of structurally mature and over-mature hollow-bearing trees that provide essential habitat for many species of gliders, bats, parrots and owls. Using a ‘disturbance’ rather than a ‘structural’ definition of old-growth forest has resulted in the loss of many hollow-bearing trees.

More than 10 years ago, the CEC was reporting that the PNF section of the then NSW Department of Environment, Climate Change and Water (DECCW) did not have the best interests of the environment at heart. [REDACTED]

[REDACTED]. All that suggested the PNF regulations needed to be tightened.

Even under the latest rules, applications for approvals are based on self-reporting of biodiversity values and ignore the potential impact (or even location) of hauling routes. Landholders often only find out about a neighbouring PNF approval when they are approached to allow hauling roads to be created on their land to access what are topographically isolated parts of their neighbour's land. And that's if permission is sought before the haul road is created.

In addition, on private land, there is the confusing interaction between Part 5A and Part 5B of the *Local Land Services Act 2013* (LLS Act). Part 5A effectively dismisses substantial areas of native forest that is now more than 30 years old (as 'unprotected regrowth') and, even in protected forests, provides a large and poorly regulated list of allowable clearing activities. This can result in the wholesale clearing of land in the interests of providing for future agricultural infrastructure. Meanwhile, Part 5B provides for PNF as long as it is consistent with the PNF codes of practice (which provides the rules for conducting PNF, including protections for threatened species, tree hollows, habitat for koalas and riparian areas).

The boundary between what is allowable clearing and what is approved PNF is murky and results in failure of compliance action.

Last year, the NRC published an [Approved Private Native Forestry Monitoring, Evaluation and Reporting Framework](#), the need for which is established by the PNF codes. While the Framework provides for cost effective and scalable monitoring, landholder participation is voluntary. The NRC recognises this is a key constraint in the design of the Framework at the outset.

For there to be sustainable management of native forests on private land, the CEC recommends:

1. An overhaul of Part 5A of the LLS Act to:
 - a. Re-define 'category 1-exempt land' (also known as 'unprotected regrowth') as vegetation that is of less than 10 years of age if the land has been previously cleared for cultivation, pastures or forestry plantation purposes. This is consistent with the original definition under the [State Environmental Planning Policy No. 46 \(Protection and Management of Native Vegetation\)](#).
 - b. Limit the number of allowable clearing activities within any one year to one piece of agricultural infrastructure to limit the scale of potential impacts to native fauna and flora and downstream ecosystems.
2. A revision of the PNF Codes of Practice, to make implementation of the PNF Monitoring, Evaluation and Reporting Framework mandatory as part of any current or future PNF approvals.

Benefits of plantations

The future of the timber industry will certainly rely on appropriately established and managed plantations, both of hardwood and softwood species. Under the Regional Forest Agreement (RFA), the then Forests NSW were supposed to supplement the supply of native forest logs with the purchase of properties that had good timber supplies and also establish more hardwood plantations. It's no surprise that Forests NSW have failed to meet these requirements.

Twenty years ago we were handed a perfect opportunity to capitalise on a booming economy, which allowed the government to provide tax incentives for tree-planting. Unfortunately, through a lack of oversight, governments allowed the entire process to be hijacked by the woodchip industry, and some fly-by-night operators that went belly-up when the global financial crisis struck. Both State and Federal governments refused to heed warnings about the fragile nature of the Managed Investment Schemes that sprang up to take advantage of this deluge of tax-payer funded investment. No one listened to organisations such as ours that identified a range of environmental concerns, and the fact that the trees being planted could not be used for saw logs.

Hence, the CEC again feels it is necessary to issue warning of the havoc and destruction resulting from poorly established plantations. Many of those established in the Clarence Valley under the original Forestry Managed Investment Scheme have subsequently been sold and cleared without producing anything other than tax-deductible losses, and without a skerrick of millable timber.

One of the issues affecting the viability of privately owned plantations is the low log prices in NSW. Unlike Victoria that has an open and transparent bidding system for logs, the contracts in NSW are not made public so they lack transparency and fairness. Historically, there was evidence that logs in Victoria sell for double the price of logs in NSW. This market distortion has many effects. The taxpayer via FCNSW is subsidising the destruction of its own forest resource. Low log prices stifle private investment in plantations because investors have to compete with subsidised native forest logs.

When properly managed, and with the correct selection of timber and location, plantations are a far more efficient and profitable way to produce timber. Also, if planted strategically, they could contribute in a major way to slowing floodwaters and help protect flood-prone communities, and deliver essential ecosystem services.

Conclusion

In closing, the CEC makes the following points:

1. There will always be a demand for timber, and the CEC strongly advocates for a just transition from native forest logging to the use of plantation timber as an imperative. Thousands of extra jobs will immediately be provided in the short term to enable the expansion of the plantation sector. This is on top of the additional jobs that should result from tourism and recreational opportunities in the state forests once logging ends.
2. If public native forests are closed to logging, it will be a phased process, and private native forestry, and plantation forestry will continue. There won't be a total collapse of the timber industry as some would have us believe.
3. As has been promised in other states where native forest logging is being phased out, state government will need to support and retrain any displaced workers and offer generous compensation to any timber related company that wishes to opt out of the industry.
4. Modern industrial logging requires highly skilled machine operators, skills that are in high demand in the mining and agricultural sectors. Any displaced workers will easily find alternative employment. Also, Forestry Corporation employs one of the best trained fire-fighting units in the county, another profession that is in increasing demand.

Finally, accepting all of the threats that modern forestry poses to biodiversity, we request the Panel acknowledges [*Australia's Biodiversity Conservation Strategy 2010 –2030*](#).

That document opens with the following statement:

“It is worth remembering that our survival is critically dependent on looking after our natural environments and their biodiversity. ... This web of life represents our store of natural capital and from it we get the things we take for granted each day: the clean air we breathe, the fresh water we drink and the variety of foods and fibres that we consume.”

Our amazingly diverse native forests need to recover to undertake the crucial work that only they can fulfil, store carbon, and provide us with clean water to drink and oxygen to breathe, two elements without which life on earth cannot exist.

We thank you for this opportunity to provide input into the Forestry Industry Action Plan, and fervently hope that the matters mentioned above receive the attention they so urgently need.

Yours sincerely

John Edwards,
former Honorary Secretary

Phil Redpath
Vice President