Independent Forestry Panel

Public submission

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Organisation:	*Nature Conservation Council of NSW*
Location:	*New South Wales*
Supporting materials uploaded:	*Attached overleaf*

Submission date: 10/12/2024 2:05:14 PM

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[redacted]

12/10/2024

NCCNSW Submission to the Independent Forestry Panel

1. Sustainability of current and future forestry operations in NSW

Public Native forests

Forest management practices in NSW have been oriented primarily towards wood production, resulting in a sustained decline in ecological values. Destructive wood chipping and industrial logging has resulted in an extinction crisis, soil erosion, reduced water quality and increased fire severity and vulnerability to weeds, pests and disease.

As the transition out of logging is implemented, the highest priority is to exclude logging from habitat, critical for the survival of threatened species and improve buffers and ecological connectivity around rainforest, and other high conservation value areas including national parks. Science must inform the actions needed to restore the ecological integrity of our native forests.

The Nature Conservation Council of NSW (NCCNSW) fully supports an end to logging in native forests and a transition to a future based on 100% sustainable plantations within two years. The native forest logging industry cannot be considered sustainable for many reasons. The most important reasons include the following:

Logging of native forests is leading to the extinction of species, such as the Southern Greater Glider and Koala. Native forest logging leads to changes in forest structure and species composition that reduces habitat, shelter (tree hollows) and food availability. Tree hollows that are suitable for hollow-dependant animals can take over a century to form.

Forestry Corporation has consistently proven unable to accurately estimate sustainable yields. In fact, sustained harvest yield estimates have been proven to be grossly over-estimated, with yields declining by 40% since 2010 from 1.3 million tonnes down to 0.8 million tonnes in 2023 and are currently only 61% of estimated sustained yields. The 2019/20 fires and the significant loss of harvestable timber is also yet to be considered in sustainable yield calculations. This has led to a situation where volumes of timber allocated are far in excess of any volumes that could be considered sustainable.

The current exemptions to Commonwealth biodiversity protection laws granted through the RFA process illustrates the inherent unsustainability of native forest logging. This is an acknowledgement of the inability of the native forest logging industry to operate under the same regulatory framework as all other industries. In addition to this exemption, measures to protect habitat cannot be implemented if substantial reductions in harvested timber will result. This system clearly prioritises timber supply over ecological sustainability and is often used to override biodiversity protection. These exemptions are inherently unsustainable.

Logging of public native forests is not financially sustainable and is a major burden on taxpayers. For example, it was estimated that for the year 2019-2020, Forestry Corporation of NSW received $249 million in subsidies and grants and still managed to make a loss of $28m[1]. NSW is paying to degrade our forest ecosystems and their associated ecosystem services. Conversely, logging of the NSW plantation estate is an income generator, with the possibility of significantly expanding the resource.

[1]https://www.frontier-economics.com.au/documents/2023/05/transition-support-for-the-nsw-native-forest-sector.pdf

There is a culture of non-compliance and criminality in Forestry Corporation[2], driven by an inability to satisfy timber supply contracts without logging habitat of threatened species[3]. Forestry Corporation is unable, or unwilling, to adequately resource its own efforts to satisfy its regulatory obligation to protect threatened species. For example, pre-logging surveys are totally inadequate in identifying threatened species present, leading to the death of endangered species and loss of critical habitat. Considering this record of illegal activity and lack of due care in protecting the habitat of threatened species it is not possible, by any objective measure, to describe Forestry Corporation's native forest logging operations as being sustainable.

A further indication of the unsustainable nature of Forestry Corporation's native forest logging operations is the increased intensity of logging operations in areas proposed for National Park reservation. As of October 7, 2024, there were 13 active logging operations in the proposed Great Koala National Park (GKNP) and 12 in the rest of the Eastern forestry regions (see tables 1 &2, below). This results in a logging intensity of over four fold within the proposed GKNP borders. There can be no reason for this concentration of logging effort in areas proposed for reservation, other than an inability for the Forestry Corporation to access adequate resources elsewhere in NSW. The destruction of identified high value habitat, before it can be declared as a National Park, is a pattern that has been often repeated and shows a complete disregard for maintaining these identified natural values. Unrealistic timber resource allocations have also driven this targeting of high value areas.

[2] www.unitingearthweb.org.au/wp-content/uploads/2024/09/Breaches_web.pdf

[3] https://www.parliament.nsw.gov.au/lcdocs/transcripts/3315/CORRECTED%20Transcript%20-%20PC4%20-%2027%20August%202024%20-%20Budget%20Estimates%20(Moriarty).pdf page 54

NATIVE FOREST LOGGING OPERATIONS OF THE FORESTRY CORPORATION OF NSW NORTH OF SYDNEY *at 7 October 2024.*

TABLE 1: Native forest logging inside Great Koala National Park (GKNP)

Number	State Forest	Compartment(s)	Active Area (Ha)
1	Sheas Nob	9-11-14	550
2	Sheas Nob	2-3-4-5	658
3	Hyland	9-10	275
4	Clouds Creek	48-49-50-51-52-53-54-55	737
5	Wild Cattle Creek	17-18-19-20-21	1070
6	Conglomerate	18-19-20-21-22	535
7	Orara East	22-23	232
8	Viewmont	3-4-5	393
9	Mistake	5-6-7-8-9	1170
10	Collombatt1	18-19-20	423
11	Tamban	005-010-011	238
12	Tamban	22-25-27	373
13	Tamban	20-21-26	591
			TOTAL = 7245 (of 176 000ha identified as GKNP)

13 Active Native Forest Logging operations with a **total active footprint of 7245ha within 176 000ha** identified for GKNP

There is **one hectare of every 24.3ha of the GKNP within a mapped active logging area**.

TABLE 2: Native Forest Logging outside GKNP

Number	State Forest	Compartment(s)	Active Area (Ha)
1	Myrtle	10-11-12-13-14-15-16	1938
2	Gibraltar	3-4	463
3	Styx	43-44-45-46-47-48	1036
4	Styx	52-53-54-55	778
5	Riamukka	48-49-50	605
6	Bulga	41-43	280
7	Comboyne	1-2	184
8	Landsdowne	3-4-5-	66
9	Kiwarrak	7	150
10	Kiwarrak	10-11-12-13	735
11	Bulahdelah-Wang Wauk	14-38	337
12	Olney	053-054	494
			TOTAL = 7066 (of 738 000ha remainder of public forest estate north of Sydney)

12 Active Native Forest Logging operations with a **total active footprint of 7066ha across 738 000ha** of public forest estate outside areas identified as GKNP (914 000 – 176 000ha).

There is **one hectare of every 104.4ha of the public forest estate outside the GKNP within a mapped active logging area.**

Recent scientific studies[4] have indicated that logging native forests greatly increases their flammability, significantly elevating bushfire risk to the local ecology and surrounding human settlements. The ongoing increase in climate warming, particularly the impacts of the extensive 2019 - 2020 'Black Summer' wildfires have greatly accelerated declines in forest health and makes a transition out of logging public native forests all the more urgent.

[4] Recent Australian wildfires made worse by logging and associated forest management, Nature, Ecology and Evolution, Vol 4, July 2020, 898–90,www.nature.com/natecolevol

Private Native Forestry
A transition to a 100% plantation-based NSW forestry industry necessitates a phase out of Private Native Forestry (PNF).

Private native forestry has expanded enormously in recent years and presents a significant threat to our native forests. Local Land Service approvals for PNF are simplistic and generic desk-top exercises that require no on ground surveys or consideration of off-site impacts. The current regulatory regime cannot be considered to be sustainable.

Plantation Forestry
NCCNSW supports a rapid transition to a 100% plantation-based forestry industry, that is based on a plantation estate that is managed sustainably and established on an ecologically sustainable and socially acceptable basis.

However, plantations can cause significant environmental problems. It is essential that plantations are established and managed in a manner that is ecologically sustainable and socially acceptable. In particular:

- establishment of plantations must not result in the destruction or conversion of natural ecosystems (including forests) or prime agricultural land;
- hardwood plantations should emphasise the establishment of diverse plantings of native species predominantly for sawlog production;
- management of plantations must minimise chemical pollution, soil erosion and unsustainable water use; and
- exclusion areas within plantations should be actively managed for conservation.
- Some hardwood plantations may need to be included in the Protected Area estate and allowed to regenerate as native forests in order to improve ecological connectivity and integrity.

Recommendations:

Given the above, there is a very strong case for securing a sustainable future for forestry in NSW through:
- an immediately moratorium of logging identified high value habitat
- an immediate moratorium of logging in the proposed Great Koala National Park area
- an end to logging in NSW public native forests within two years and a transition to a 100% plantation-based forestry industry.

2. Environmental and cultural values of forests, including threatened species and Aboriginal cultural heritage values

The environmental values of forests are many and varied, with the quality and quantity of these values being related to the relative health and intact nature of forest structures. Logging is disturbance to a forest and may result in a permanent change in structure, ecosystem function and species mix.

Some important environmental values negatively affected by logging include:

- a healthy and intact forest will store more carbon than a degraded and logged forest.
- logging negatively affects the provision of clean, reliable, sustainable water supplies.
- logging removes hollow-bearing trees that 174 species in NSW depend upon
- logging increases the problem of weed infiltration and tree dieback
- Logging dries forest and makes it more prone to fires

Cultural values are also affected by forestry. Logging negatively impacts visual amenity, through the creation of cleared areas with major weed infiltration and logging waste.
Significant cultural heritage values are also present for First Nations peoples[5].

3. Demand for timber products, particularly as relates to NSW housing, construction, mining, transport and retail

New Zealand and South Australia transitioned to plantation-only forestry decades ago and it is time to complete the transition in NSW. Native hardwoods make up less than 10% of Australia's log production, with 87% of this volume being exported as woodchips, there is no longer a need to source hardwood from NSW native forests. Sawlogs and composite timber products from plantations can satisfy the demand for timber products. Plantation sourced products will also provide higher levels of employment and drastically reduced damage to native forest natural values and ecosystem services. 90% of sawn timber products already come from Australian plantations.

Many common uses for hardwood products can be substituted with alternative materials. For example, pallets can be obtained from other sources such as softwoods, recycled plastic or steel. Power poles are currently being replaced with composite materials and can have a longer life-span than timber poles. Power utilities in Queensland and Western Australia are currently using some softwood power poles. The future of woodchip exports became less certain from 2023, when Chinese paper manufacturers started to drastically reduce importing woodchip imports, prefering to buy pulp instead[6]. It is not just cheaper for paper manufacturers to import pulp than woodchips, it is a way of ensuring a consistency of quality in their supply chain.
This has already had a negative impact on Eden woodchip exports to China.

4. The future of softwood and hardwood plantations and the continuation of Private Native Forestry in helping meet timber supply needs

NCCNSW supports a transition into a 100% plantation-based forestry industry within two years.

Establishment of plantations must not result in the destruction or conversion of natural ecosystems (including forests) or prime agricultural land.

[5] Gott, B. 2005. Aboriginal fire management in southeastern Australia: aims and frequency. Journal of Biogeography 32:1203-1208.
[6] https://www.timberbiz.com.au/navigating-the-currents-of-australias-hardwood-chip-sector/

A 100% plantation-based forestry industry offers an appropriate policy response to the increasing frequency and severity of wildfires. Native forests are increasingly prone to wildfires and this has negatively affected available timber for harvesting. Plantations can provide a faster crop rotation, increasing the likelihood of producing a viable crop, and can be located and structured to be more resistant to major wildfires. Hardwood plantations have not been a success on the south coast and most have either been converted to softwood or sold. Domestic processing of pine logs, rather than exporting them as whole logs from Eden would help make up any shortfall

Softwood plantations

Increased supply of softwood sawlogs means that it is possible to implement a transition to a plantation-based sawmill industry in the region without causing a net loss in economic value or employment, although structural adjustment support for hardwood sawmills may be appropriate.

Plantation softwood already meets over 88% of construction wood supply for framing, laminated and engineered products.

Recent developments in timber processing (e.g., laminating) can create structural beams from soft wood of equal strength and durability as hardwood beams.

Hardwood plantations

Extensive plantations have been established in Australia that are rapidly displacing production from native forests. In 2022/23, 91% of Australia's log production of 25 million cubic metres, came from plantation forests.

- 2.4 million m3 of hardwood logs from native forests, of which half is exported as woodchips,

- 8.5 million m3 of hardwood logs are sourced from hardwood plantations, of which 87% is exported as woodchips.

With a renewed emphasis on sawn wood and composite wood products, rather than export woodchips, existing plantations can meet our hardwood needs

The NSW plantation estate now covers almost 400,000 hectares, including 260,000 hectares of softwood plantations and 93,000 hectares of hardwood plantations, presenting a real opportunity for a rapid transition to a plantation-based timber industry.

Independent analysis commissioned by NCC concluded that current levels of native forest logging are unsustainable and that a transition to a plantation-based industry is feasible.

In the south-east, native forests are being logged at unsustainable and declining levels to supply a pulpwood driven industry, with the Eden export woodchip mill as the primary customer.

In the north-east, timber yield estimates have been unreliable and unrealistic, resulting in sustained over-cutting of public native forests and an impending timber supply crisis. This was compounded by the loss of many mature trees in the 2019/20 wildfires. There is an urgent need to reduce committed timber volumes and facilitate an immediate transition to a plantation-based industry.

Private Native Forestry

Private Native Forestry (PNF) has expanded enormously in recent years and presents a significant threat to our forests. NCCNSW supports an end to all native forest logging and a transition to a 100% plantation-based forestry industry. The role of PNF in any transition cannot be ignored and NCCNSW notes the following for current and future PNF operations.

Local Land Service approvals for PNF are simplistic and generic desk-top exercises that require no on ground surveys or consideration of off-site impacts.

There is an urgent need to review and strengthen the private native forestry code. In particular, the regulations should require:

- mandatory pre-harvest flora and fauna surveys by independent, professional assessors and site-specific conditions be imposed to protect environmental values.
- independent review and approval of harvest plans prior to logging; and
- improved protection for forest structure, stream buffers, steeply sloping land and wildlife habitat.
- mandatory requirements for post logging rehabilitation and managing increased fire risk.

All private native forestry operations must be required to prepare Development Applications as required for other actions on private lands. These are essential to account for all local, regional or state planning instruments, or other planning regulation that relates to the site, as well as off-site impacts on the environment, infrastructure (roads and bridges), road safety, local amenity and neighbours.

The NSW Environmental Protection Agency should be adequately resourced and supported by the government to ensure strict adherence to Private Native Forestry regulations.

Forestry certification standards have an important role to play in improving forest management practices.

Logging native forest in Australia does not meet Forest Stewardship Council (FSC) certification standards. All operations across all tenures should be required to meet FSC or an equivalent certification system supported by the environment movement. All native forests, including protected areas, should be managed in a manner that maintains and restores their ecological values. In particular, there is an urgent need to more effectively manage pests and diseases and to ensure fire management results in positive biodiversity outcomes and reduces fire severity and risk.

Extensive areas of native forests are suffering from dieback, a situation that is expected to rapidly worsen due to climate change. Despite this, little effort has been made to rehabilitate affected stands and they continue to be logged.

Forests at risk or affected by dieback across all tenures should be excluded from logging and actively rehabilitated.

5. The role of State Forests in maximising the delivery of a range of environmental, economic and social outcomes and options for diverse management, including Aboriginal forest management models

There are millions of hectares of State Forests in NSW that have the potential to contribute to increased tourism and recreation activity. Improved environmental services associated with water quality and carbon storage will be realised with an end to native forest logging. In regard to economic outcomes, in 2023 Forestry Corporation lost $15 million on their hardwood operations, that's a cost of $1,281 for each hectare logged. This is despite receiving $31 million for their community service obligations that year and obtaining millions in regular equity injections. The native forest component of Forestry Corporation continues to be a net cost to the NSW taxpayer.

Any positive social outcomes for a continuation of native forestry would be temporary, at best and would not solve the social costs of working and living in an industry with an uncertain future. There is simply not the space in our native forests for sustainable and profitable logging. Continued native forest operations will result in continued conflict, social division and increasing commercial uncertainty. An end to native forestry would enable a transition to a more secure and less conflicted social and commercial environment for regional communities. An end to native forest logging would also enable a range of new natural resource management roles and employment. Ecological restoration, recreational infrastructure maintenance, tourism and other non-extractive or low impact activities could be enhanced through an end to native forest logging.

Lobby groups such as Forestry Australia have stated that native forests should be subject to Active Management, including activities such as thinning and other forms logging operations[7] [8]. Claims that these operations will make forests more resilient to wildfires are unproven and evidence exists that thinning can, in fact, increase fire severity[9][10]. Foresters have also suggested that elevated wildfire risks are associated with active management of native forests[11] [12] [13].

Forest management should not be linked to extractive uses, unless scientifically demonstrated that the management activity will be beneficial to forest ecosystems.

Local First nations communities, along with the broader local community, should be actively involved in the preparation and implementation of regional economic development plans, aimed at building a diverse, resilient economic base, including nature-based tourism.

Ecological restoration plans for particularly degraded State Forests should be developed and implemented to provide employment opportunities available to the wider community and also be

[7] Bennett, L. T., T. A. Fairman, R. M. Ford, R. J. Keenan, M.-S. Fletcher, and C. R. Nitschke. 2024. Active management: a definition and considerations for implementation in forests of temperate Australia. Australian Forestry.
[8] Keenan, R. 2024. Prospects for active forest management in Australian temperate forests. Australian Forestry 87:99-100.
[9] Taylor, C., W. Blanchard, and D. B. Lindenmayer. 2020. Does forest thinning reduce fire severity in Australian eucalypt forests? Conservation Letters 14:e12766
[10] Taylor, C., W. Blanchard, and D. B. Lindenmayer. 2021. What are the relationships between thinning and fire severity? Austral Ecology.
[11] Buckley, A. J., and N. J. Cornish. 1991. Fire hazard and prescribed burning of thinning slash in eucalypt regrowth forest. CSIRO and Department of Conservation and Environment, Melbourne.
[12] Sebire, I., and P. Fagg. 1997. Thinning of mixed species regrowth. Native Forest Silviculture Guideline No.14. Victoria.
[13] Fagg, P. 2006. Thinning of ash eucalypt regrowth. Department of Sustainability and Environment, Melbourne.

aimed at fostering the development and incorporation of First Nations knowledge systems, whilst also following accredited training in environmental restoration.

A special mention should be made of the many and valuable benefits associated with improved water outcomes. Ending logging of native forests within NSW will have benefits for water management in the context of climate change and continued population growth. Conserving native forests within reservoir catchments will increase water yields significantly, in some cases offsetting reductions caused by climate change, and monetarily often providing a bigger return from water yields alone than the potential value of timber products from logging. Improvements in water quality from forested catchments would also increase and fire risk would also be decreased.

6. Opportunities to realise carbon and biodiversity benefits and support carbon and biodiversity markets, and mitigate and adapt to climate change risks, including the greenhouse gas emission impacts of different uses of forests and assessment of climate change risks to forests

An end to native forest logging will be key to reaching Australia's 2030 GreenHouse Gas (GHG) reduction targets. Preserving intact native forests will be key to reducing emissions as intact native forests store significantly more carbon than logged and regenerated native forests[14]. It must also be recognised that logging native forests causes large amounts of emissions.

The Intergovernmental Panel on Climate Change (IPCC) Guidelines are used for Australia's national greenhouse gas inventory (NGGI) which quantifies Australia's obligations under the Paris Agreement both for Land Use Land Use Change and Forestry (LULUCF) emissions and sinks and fossil fuel emissions. Reductions in forest logging can contribute to meeting Australia's Paris Agreement emissions target known as its Nationally Determined Contribution (NDC). The native forest logging industry is seeking to use Australian Carbon Credits Units (ACCU) to permanently lock in native forest logging. Forestry industry proposals involve changed logging regimes, such as increased regrowth periods between harvesting events (logging). An extension of periods of forest regrowth will not result in significant ecological benefits, such as hollow formation and forest structure will not have sufficient time to regain ecological functions lost due to logging. Any savings of carbon emissions gained with these changes in logging protocols will be minimal compared to large tonnages of carbon emissions avoided through and end to native forest logging and long term forest regrowth.

Increased carbon storage in intact native forests can be included in State and National carbon accounts. Carbon does not have to be traded to show these benefits on carbon accounts.

Any carbon trading mechanisms that involve LULUCF emissions and sinks must be of high integrity and not allow leakage of emissions or provide perverse incentives to continue native forest logging.

Climate change is placing enormous pressures on all our natural systems. Native forests face a multitude of threats as a result of climate change. Increased intensity and frequency of wildfires has already had profound effects on our forest wildlife and on timber resources. Maintenance and restoration of native forest ecosystems and connections between forest ecosystems will be vital in securing their long term ability to adapt to these stressors.

[14] Keith, H., D. B. Lindenmayer, B. G. Mackey, D. Blair, L. Carter, L. McBurney, S. Okada, and T. KonishiNagano. 2014. Managing temperate forests for carbon storage: impacts of logging versus forest protection on carbon stocks. Ecosphere 5(6):Art. 75. [online] http://dx.doi.org/10.1890/ES1814-00051.00051.

Forest management to reduce fire risk must be based on sound, independent, science. Extractive logging for fire breaks and thinning for fire management are currently being carried out in Victoria's native forests. NCCNSW has not seen any evidence that this logging activity is based on sound, independent science.

The biodiversity benefits of intact native forests have been well documented[15] [16] and will add to national accounts regardless of biodiversity market mechanisms. An end to native forest logging will be the most effective, and most cost-effective, way to maintain and increase biodiversity values of our native forests.

END

[15] Mackey, B., D. A. DellaSala, C. Kormos, D. B. Lindenmayer, N. Kumpel, B. Zimmerman, S. Hugh, V. Young, S. Foley, K. Arsenis, and J. E. M. Watson. 2015. Policy options for the world's primary forests in multilateral environmental agreements. Conservation Letters 8:139-147.

[16] Watson, J. E., T. Evans, O. Venter, B. Williams, A. Tulloch, C. Stewart, I. Thompson, J. C. Ray, K. Murray, A.
Salazar, C. McAlpine, P. Potapov, J. Walston, J. G. Robinson, M. Painter, D. Wilkie, C. Filardi, W. F. Laurance, R. A. Houghton, S. Mazwell, H. Grantham, C. Samper, S. Wang, L. Laestadius, R. K. Runting, G. A. Silva-Cavez, J. Ervin, and D. B. Lindenmayer. 2018. The exceptional value of intact forest ecosystems. Nature Ecology and Evolution 2:599-610.