

Public submission

DUGALD SAUNDERS

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As leader of the NSW National Party, I am pleased to provide this submission to the Independent Forestry Panel, which will lead the consultation on developing the New South Wales (NSW) Forestry Industry Action Plan.

The NSW Nationals is the only political party dedicated to representing regional and rural communities, and for many of those - forestry is the economic lifeblood.

As a demonstration of our firm commitment, all members of the parliamentary partyroom passed a resolution in June, reaffirming our support for the NSW hardwood and softwood timber industries.

This resolution is a testament to our ongoing support for the sustainable forestry industry, and endorsed all responsible and sustainable harvesting measures and protocols, while opposing the ideological transfers of productive state forests to national parks without strong scientific justification around improved outcomes.

The following submission is set out in order of the advised submission template to provide specific answers sought by the Panel in response to some of the issues the Government has identified for inclusion in its Forestry Industry Action Plan.

The NSW Nationals hope a common-sense plan can receive bipartisan support.

1. Sustainability of current and future forestry operations in NSW

The NSW forestry industry is an essential part of the state economy. It provides crucial jobs to regional communities and vital domestic materials and manufacturing critical for the housing, construction, energy, transport, and mining sectors.

The forestry industry is one of the most regulated in Australia and the world and is subject to robust regulation of its operations by the state and federal governments.

The industry is split into sectors, including native hardwood forestry, private native forestry, and softwood and hardwood plantations. Each is critical to the supply of timber, of which Australia is a net importer.

Native Hardwood Timber

The native hardwood timber industry in NSW sources its product from state forests, private native forestry and plantations. These sectors are heavily regulated under Commonwealth and state legislation, with the NSW Forestry Corporation having the management role in state forest harvesting operations, and the NSW Environmental Protection Authority acting as the key regulator with powers to regulate, enforce and update laws to manage the native timber industry.

In NSW, various bodies manage over 20 million hectares of forests. Public forests managed by the NSW State Government make up 7.4 million hectares of that area, with the National Parks and Wildlife Service managing 5.6 million hectares for conservation and the Forestry Corporation of NSW managing the remaining 1.8 million hectares for a mix of conservation, recreation and timber production.

State Forests in NSW are a world leader in sustainable management. They deliver solid environmental outcomes, provide access to nature for recreation, and produce sustainable timber products throughout the economy. Of the 1.8 million hectares of state forests in NSW, more than 1 million hectares are permanently set aside for conservation purposes. From the remaining area, a maximum of 30,000 hectares are available to be harvested each year by the forestry industry - the equivalent of 0.1% of the total forested area in NSW.

It is crucial to recognise that by law, each tree harvested in a state forest is replaced - clear felling does not occur.

According to industry practice, every tree is regenerated naturally by seed fall, with each tree planting 4-5 trees in their place. This means that in NSW, a ratio of about 14 out of 10,000 trees are harvested, and multiple trees regrow in their place.

Any suggestion that harvesting trees in state forests contributes to any form of land clearing or habitat loss is misleading and simply seeks to tarnish the great work of our regenerative forestry industry.

Softwood Timber

The softwood plantation sector in NSW is predominantly based on radiata pine, a species that grows in high-rainfall regions. NSW has several regions suitable for softwood plantations. They include the NSW Central West, Southwest Slopes, New England (Walcha) and South-East.

These plantations form the backbone of the state's housing construction industry and domestic paper manufacturing sector. Radiata pine is highly valued as the preferred material for wall frames, roof trusses and rafters in the residential housing sector. The average house in Australia contains 15 cubic metres of timber of which softwood timber is a critical input.

Around 20 per cent of softwood timber sold from plantations is sourced for paper manufacturing for cardboard and bioproducts.

The Need For Both

The hardwood and softwood forestry sectors are critical for the economic outcomes and environmental sustainability of NSW. These two types of timber are complementary, with softwood allowing for the mass production of timber frames and hardwood providing high-quality finishes for furniture, flooring, and specialised uses.

Softwood is more easily produced through plantations, given that the trees are quicker to mature, allowing for the mass production of materials such as timber frames and paper.

However, hardwood is critical in its strength and resilience for many essential mining, construction and energy needs. Its only alternatives are concrete and steel, which produce far more emissions and land disruption in their creation and are far less sustainable.

The native hardwood sector in NSW is one of the most sustainably managed in the world, and we need to support it, or face becoming reliant on environmentally and economically inferior materials, or on importing it from overseas countries with environmental standards far lower than our own.

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

National parks, state forests, and private forests hold a high level of environmental and cultural value for the people of NSW. Forests support important ecosystems that are essential habitats for threatened and endangered species of flora and fauna. For this reason, high levels of monitoring are necessary, including tracking populations of threatened species and assessing the health of ecosystems across all forest tenures.

There needs to be increased scientific tracking across all of our forests to ensure an understanding of best practice management and informed conservation decisions, especially in National Parks where limited data exists. How can the premier conservation model have the least data on its effectiveness?

Culturally, state forests in NSW have the most visits per hectare of any type of forest, with over 30 million visits per year. Communities in NSW, particularly regional NSW, love to connect with nature and like to do so in recreational ways.

The Forestry Corporation manages over 60,000 kilometres of roads in state forests to ensure they are openly accessible for members of the public to undertake free access for activities such as bike riding, horse riding, camping, fishing, hiking, citizen science, four-wheel driving, apiary and hunting. The mere 1% of state forest used for sustainable timber harvesting provides revenue to pay for the high-quality tourism and recreational activities across the 1.8 million hectares of state forests across NSW.

The 2022 article by NSW Scientist Dr Brad Law titled “Regulated timber harvesting does not reduce koala density in north-east forests of New South Wales” presents key empirical findings demonstrating that selective timber harvesting under NSW forestry regulations has no impact on koala populations.

The study, undertaken over seven years in harvested and unharvested forests, employed advanced acoustic technology, artificial intelligence and GPS tracking to monitor koala activity across different sites. These methods made it possible to gather data from continuous observation and accurate counting of koala populations before, during and after timber harvesting activities, which ultimately concluded that under NSW’s forestry rules, koala populations remained stable in harvested areas and showed no detrimental impact from harvesting activities.

This reflects another finding by the Natural Resource Commission in its final report, “*Koala response to harvesting in NSW north coast state forests*”, in 2022, demonstrating that selectively harvesting timber under strict protocols is not threatening for koala populations. The Natural Resource Commission reported: “Overall, the research found selective harvesting did not adversely impact koala density, nor the nutritional quality of koala habitat. This suggests the koala protections and wider landscape protections codified the Coastal Integrated Forestry Operations Approval (Coastal IFOA) are effectively mitigating the risk from selective harvesting to date at the research sites.”

According to the National Parks Association NSW, the proposed boundaries of the Great Koala National Park were estimated to account for almost 20 percent of the state koala population and held approximately 4,500 koalas before the 2019-20 bushfires, when this was thought to have declined. The most recent survey of koala populations in the proposed Great Koala National Park assessment area conducted by the NPWS using drone surveys estimated the population to be 12,111 koalas, with a 95% confidence interval of 10,311 to 14,541 koalas - painting a massively different picture than what activists have argued over the past decade.

The overwhelming evidence supports the coexistence of native forestry in NSW with high and stable koala populations in state forests. The conditions placed on forestry through the CIFOA protocols effectively mitigate risk from selective harvesting while lowering the intensity of bushfires by reducing the fuel load in the forest. Forestry and the environment have co-existed in NSW for over 200 years, and the government should focus on creating a prosperous future for both.

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

Australian Timber has played a critical role in building our country for the past 200 years. Hardwood and softwood timber products are used in various ways, including housing, construction, mining, transport, and retail.

As the Government and Opposition recognise, NSW is in a housing crisis and desperately needs new housing construction. Under the National Housing Accord, NSW has signed up to construct 377,000 homes over the next five years, 75,000 new houses each year from 2024. Despite this, long-term projections indicate that NSW must build around 80,000 new homes annually by 2050 to meet new housing demand. This will require increasing the supply of softwood timber in housing frames and trusses. It will also demand hardwood timbers for flooring, finishes, and furniture.

There is also a growing global push to lower carbon emissions in the building industry, focusing on building with timber instead of carbon-heavy steel and concrete. According to the Green Building Council, over 50 per cent of all buildings registered for Green Star status were registered from 2021 to 2023. Recently, GDI Property developed a unique timber hybrid office building in Perth, which enabled them to produce an embodied carbon saving of around 70 per cent compared with a concrete equivalent building. In fact, the NSW Department of Planning and Environment now recommends considering timber usage to reduce embodied emissions under the Sustainable Building SEPP.

In NSW, the hardwood production of timber is overwhelmingly used for high-value products, for the latest reportable year of 2021/22, 515,000 cubic metres of native sawn and veneer logs were harvested. Examples of native timber products include:

- Blackbutt: flooring, decking, cladding and furniture.
- Spotted Gum: decking, flooring, cladding, and structural applications.
- Ironbark: known for its durability, used for decking, fencing, and outdoor furniture, and is often used in heavy construction for beams, posts, bridge building, railway sleepers and fencing.
- Sydney Blue Gum: flooring, decking and furniture.
- Tallowood: decking, flooring, cladding, and outdoor furniture.
- River Red Gum: flooring, decking, outdoor furniture, and structural applications.
- Brush Box: flooring, decking, and outdoor furniture.

Hardwood from NSW state forests is also used to produce power poles, which make up more than 90% of the state's electricity poles. The NSW Mid-Coast provides over 70% of Australia's power poles. These poles are solid and able to withstand harsh weather, which makes them perfect for long-term reliability and keeping the electricity network operating in disasters. These hardwood poles are carbon-positive and can only be replaced with composite, steel and concrete poles, which are often more expensive and have significantly higher carbon footprints.

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

Expanding the softwood and hardwood timber plantation estate in NSW presents both challenges and opportunities, and unfortunately over the past twenty years, the expansion of the softwood timber estate in NSW has stagnated, despite increasing demand from sectors such as housing construction and the packaging bioproducts industries.

Softwood timber is essential for building materials like wall frames and roof trusses, and the sector's growth is critical to meeting the state's housing targets.

But if we don't see large-scale expansion, the state risks having a large reliance on imports, which can lead to higher costs and supply chain vulnerabilities.

The situation is more challenging for the hardwood plantation estate, which has faced a decline in size, made even worse by the 2019/2020 Black Summer bushfires, which impacted supply from large areas of state forests, increasing pressure on the plantation estate to make up for temporarily lost production. The opportunity lies in addressing these challenges through targeted investments in plantation expansion.

Private Native Forestry should form a large part of this opportunity!

It is regulated under strict environmental protections by the EPA and approved under the PNF Codes of Practice by Local Land Services (LLS).

Private Native Forestry (PNF) plays a vital role in supplementing timber resources from state forests in NSW, but more could and should be done to remove the burden of dual consent for landowners, who not only need LLS approval, but also approval from council.

Local councils rarely have the expertise and capacity to assess these private forestry operations, and the removal of dual consent would go a long way in helping develop this essential resource.

For landholders and farmers, Private Native Forestry offers significant financial benefits by providing an additional income stream. By sustainably managing their land for timber, they also contribute to environmental outcomes, such as maintaining forest health and improving biodiversity.

Active forest management through thinning and selective harvesting promotes tree regeneration, reduces fire risk, and creates healthier ecosystems.

The timber harvested from private native forestry is typically high quality, and landholders are encouraged to manage their resources in a way that supports both economic returns and environmental sustainability.

Ongoing forest management practices ensure that timber resources are available for future generations, while promoting the health of forests across NSW.

Arguments that NSW can immediately transition out of native forestry to plantations are ridiculous., and don't take into account the stagnation of hardwood plantation establishment, the structural decline in the existing hardwood plantation estate, the need to identify suitable land to offset a transition from public forestry into plantations, the long-term growth cycle of hardwood plantations and the loss of capacity of timber processors and workers to harvest timber exclusively sourced from plantations that will take between 40-60 years to grow.

A complete and whole native timber industry in NSW relies on an integrated approach, including public forests, private forests, and plantations. This integration allows for sustainable management across all forest tenures, ensuring that resources can be harvested while maintaining greater environmental balance.

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

NSW State forests provide an excellent model of multi-use forests, balancing economic, recreational, and environmental objectives. They provide valuable timber resources through sustainable native timber harvesting, which supports local industries and generates economic opportunities.

But they also offer a wide range of free recreational activities, including hiking, camping, and fishing, making them accessible to millions of visitors each year. With 30 million visits annually, state forests have the highest number of visits per hectare compared to other forest types, largely due to the diversity of activities, including popular activities like hunting, which is not permitted in national parks.

The access to state forests has actually been dropping over the past two decades, mainly due to conversion to national parks. This shift has reduced the area available for both timber harvesting and recreational activities, limiting the public's access to free and diverse outdoor experiences.

Environmental protection and conservation are key components of the management of state forests, and the Forestry Corporation of NSW actively engages in monitoring programs to ensure the protection of native species and ecosystems.

The state forests in NSW operate in accordance with the National Forestry Policy Statement and Regional Forest Agreements (RFAs), which ensure forests are managed for both environmental conservation and community outcomes.

These agreements aim to provide a comprehensive, adequate, and representative (CAR) forest system, balancing the rights of communities to access forest resources while ensuring long-term environmental sustainability. Under this framework, state forests remain sustainable parks for native species while providing essential social and economic opportunities for the community.

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

Properly managed forests have been recognised by the Intergovernmental Panel on Climate Change (IPCC) which has highlighted that sustainable management of forests, including for timber production, can significantly contribute to climate change mitigation.

Managed forests help sequester carbon, provide renewable materials, and reduce the need for more carbon-intensive alternatives.

The IPCC reports underline that sustainable forestry practices, such as those employed in managed forests for timber production, can enhance carbon sequestration while also supporting biodiversity and resilience against climate impacts.

These practices contribute to reducing greenhouse gas emissions by providing a renewable resource that can substitute for more carbon-intensive materials like steel and concrete.

Achieving global targets for emission reductions will require a multifaceted approach, including sustainable land management practices. Forests play a crucial role in this strategy by not only capturing carbon but also by providing ecological benefits that support broader climate adaptation and mitigation efforts.

Understanding the role of the timber industry as a carbon positive industry providing opportunities to sequester carbon, store carbon in wood and timber products and as a substitute for products with higher emissions is essential to take advantage of emerging carbon markets.