Independent Forestry Panel

Public submission

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Topic 1. Sustainability of current and future forestry operations in NSW

The sustainability of forestry operations in NSW cannot be seen in isolation from consideration of the whole volume of public forests in NSW both native forests and plantations. Historically the native forests in NSW were a rainforest based forest regime a largely benign low disturbance regime. Over several thousand years they evolved into a eucalypt dominated native forest estate with remnant rainforest scattered throughout. Now a dynamic disturbance based forest type. Sustainability of forestry operations in NSW has to be seen in terms of the total forestry estate. The Regional Forest Agreements forged between the Australian Federal and NSW Government between 1999 and 2002 set out the ground rules for sustainability in the public native forests in NSW. The extensions to existing National parks and creation of new Parks were designed to underpin sustainable long term outcomes. On the ground the outcome in public native forests in NSW saw 90% of those forests made unavailable for timber harvesting. This figure was confirmed in an assessment by the NSW Auditor General in 2008 which quantified the outcomes of the RFA decisions in terms of public native forest land use. A similar outcome occurred in Victoria as evidenced by an assessment by Vicforests at the same time. In NSW following further land use decisions since that time the areas unavailable for timber harvesting in the native forests has increased further. The unavailable areas include National Parks, nature reserves, water catchment forests, other unallocated public forest, moratorium areas and over 1 million ha of state forest being managed by NSW Forestry Corporation. In total in the order of 10 million ha of NSW public native forest. Current and future forestry operations are restricted to less than 1 million ha of public native forest, softwood and hardwood plantations and a significant area of private native forest. The reserved areas underpin sustainability factors supported by management prescriptions in production areas that take account of values such as fauna and flora, water quality, erosion and cultural and species rarity issues. Product sustainability is subject to quality and specie outcomes and fire impact as well as the very restrictive effect of operational prescriptions which continue to change usually with the effect of reducing available timber harvesting volumes. Timber whether sourced from native forest or plantations is a RENEWABLE RESOURCE and this quality sets it apart from other major resources. There is a lot of current public discussion based on extinction claims. These claims never seem to reference the 90%+ of reserved public native forest in NSW or the significant areas of private native forest unavailable for timber harvesting. It sometimes appears that rare and endangered species do not utilise the reserves which is highly unlikely. Wood production is a central element in the sustainability of the production forest estate. Wood production has no role in the reserves being totally excluded. The RFA processes recognised these outcomes specifically. The huge amount of historical data and the landscape scale predictive modelling that underpinned RFA outcomes were used to deliver sustainability outcomes. They were never designed to deliver 100% forest reservation outcomes as is still sought by interest groups who claim forestry operations are unsustainable.

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

The environmental values of forests in Australia are widely promoted. They extend from landscape amenity through fauna, flora and watershed value into usage aspects such as tourism and the ability to get away from it all. Fauna issues seem to draw the most direct attention and the very broad diversity of forest based fauna in NSW is well documented and understood. These values can change significantly over time due to impacts from high intensity wildfire, predation by both natural and introduced predators and from activities such as land clearing and hunting. Historically the clearing of fertile valleys and industries such as the Koala skins industry had very significant effects on native fauna. Logging operations have broad interaction with fauna and this is recognised in the very extensive range of management prescriptions that been developed in operations over the past 50 years. These include habitat tree retention, creation of wildlife corridors, retention of undisturbed streamside reserves and drainage line protection, special protection zones around specific values and creation of fauna and flora reserves. These outcomes are commonly based on research outcomes and assessments.

Environmental values of forests in NSW are principally administered by the NSW NPWS and NSW EPA. The NPWS manages the greater part of the public native forest estate and the EPA acts as a regulator.

The key to managing values such as threatened species lies in protecting them from specific threats such as high intensity wildfire. It is crucial that the location of species populations is a known. That responsibility sits largely with the NPWS. Following the devastating effects of the 2019-20 wildfires there needs to be a new in depth assessment of fauna populations, their locations and relative population importance. This is likely to be an expensive and time consuming task but necessary due to the quantum changes wrought by high intensity fires in NSW in 2003, 2007 and 2019-20. Fuel management is a crucial element in protecting fauna including threatened species. The EPA seems to have no public position on such management aspects but it should be core business for them as the regulator of environmental management performance.

What happens to species such as the Koala and the Greater Glider in the 10 million ha of reserved public forest in NSW is a key threatened species issue.

Can we really talk extinction if we do not know the detail across such a huge forest area.

The cultural values of forests extend from their visual presence and diversity to historical culture based activities. Aboriginal cultural values extend over very long time frames. The first Australians lived the transition from rainforest to eucalypt and had to adapt and manage for it. They needed to manage food sources, plant based medicines and learn to control and utilise fire. The historical records of early Europeans such as Bass and Flinders indicate that firestick farming was widely in use up and down the NSW coast around year 1800. It would appear that Aborigines had managed to seriously control ground fuels and maintain large native fauna populations. In the modern era we have lost some of that ability and this contributes to the wall of flame high fires that are so damaging to native fauna. Scientists giving evidence to the Federal Govt enquiry into the 2019-20 wildfires estimated that 3 billion native fauna were impacted Australia wide. Environmentally that sort of outcome is unsustainable and while climate change impacts play a role, turning away from the precautionary principle in respect to landscape fuel loads has not served fauna populations well. They are the big losers in high intensity fires especially in super dry forest as we saw in 2019.

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

Long term we should expect demand for timber products to remain at high levels given it is a renewable product in a world where renewables are increasingly important.

The Housing Industry Association states that 80% of detached houses built in Australia are timber framed.
The Forest and Wood Products Association based on a study of plans for 4500 1&2 storey houses found that on average 14.58m3 of timber was used in sub floors / wall frames / roof trusses / lintels and internal mouldings. This volume does not account for other uses such as ply bracing / stairs / furniture / decks / pergolas / floating floors / kitchens / built in robes / doors and fencing. These uses require softwood timbers such as sawn and treated radiata pine and plywood and laminated beams and hardwood timbers in sub floors, furniture, decking, stairs and panelling.
We are likely to see a continuation of the knock down and replace house market as older residences are demolished and rebuilt. Very high building costs are feeding the extensions market and granny flat construction.
In other construction hardwood timbers are used in power poles, marine piling in species such as turpentine, in boardwalks and in a variety of load bearing applications requiring high strength timbers. Laminated beams are increasingly used in large public structures as in the Canberra Arboretum and its massive curved roof beams. Multi storey wood framed buildings are increasing in number overseas using highly technical design features.
Mining has traditionally used timber pit props in underground operations.
In transport railway sleepers and wharf structures are common wood users and there are still numerous wooden bridges in use across NSW. Pallets remain a massive market in both hardwood and softwood construction.
Retail use is dominated by packaging heavily based on softwood use and recycled fibres. The moves to eliminate plastics from bags and other uses almost certainly brings paper based products back into play.
Copy paper, printing and writing papers are based largely on hardwood fibres.
Other retail timber based products are landscaping timbers, mulch, boiler fuel, wood pellets, firewood, wood turning products and craft furniture.
Heavy demand means high levels of imports to supplement what has become limited local supply in many types of timber. Large volumes of softwood timbers are regularly imported, merbau framing and decking from Asia, and now almost all writing and copy papers out of Asia and the US. Many types of wood based furnishings are imported.
The efforts of Australian Governments to address the housing crisis will increase timber demand. The imported component is under pressure from a fall in the value of the A$. New technology will play a crucial role in timber options with glue laminating and new composite products bringing added value.

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

Plantations look certain to play an increasingly important role across Australia. But that outlook has its challenges. NSW Forestry Corporation reports that the 2019-20 wildfires impacted 25% of their plantations in NSW. In the Australian context there cannot be absolute certainty of long term supply given natural threats. Ideally we need to diversify physical locations but still achieve economy of scale type advantages to customers.
This approach means growers across Australia needing to work together to even out supply constraints. Sometimes whole age classes of tree can be taken out by fire affecting long term supply in a region or regions.
The real world signs are that we need more plantation investment. We have already seen the type of downside that can flow to private plantations as evidenced in the failures associated with managed investment schemes some 20 years ago. Ideally Government would work closely with

private interests but the structures have to be robust both financially and in accessing land that will actually produce quality outcomes.
It is likely that softwood plantations will see continuing high level demand for framing timber, laminated beam fibre, MDF/particle board, peeler logs for veneer and pulplogs for packaging/cardboards and paper products such as tissues and toilet rolls. Treated pine landscaping timbers remain a high use product.
It is also likely that there will continue to be softwood export markets for whole logs and woodchips into Asian markets including China, India and Japan.
Hardwood plantations are a longer term prospect for sawn timbers and markets remain for export woodchip. Australia now imports all of its requirements for high quality writing and copy papers so the woodchip exports are now coming back in finished product form where previously export chip based paper was all consumed overseas.
Private Native Forestry is likely to continue to play a role in supplying sawmills in northern NSW. Forestry Corporation figures indicate that over 35% of north coast log supply comes from private native forest.

Topic 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

State Forests have a somewhat limited role in NSW because they occupy a relatively small proportion of the 20 million ha native forest estate in NSW.
Environmentally they have two roles one being the management of over 1 million ha of native forest that is not available for timber production and hence is basically a conservation zone. In this area they need to know the distribution of native fauna and flora and apply appropriate management particularly fire management and control of weeds, pests and introduced predators.
State forests have a particular quality environmentally in that they contain a full range of age classes of tree and hence carry increased levels of natural diversity.
Thus one of the key outputs of in house research should be ongoing assessment of this diversity and how it affects fauna and flora outcomes.
This information is important to management of the whole native forest estate both public and private.
I believe that much of our native forest estate is under managed to its general detriment and climate change scenarios simply increase the pressure for more effective management. More wild weather / more storms and lightning / more fire damage to animals in particular.
In economic terms State Forests continue to have a role in wood supply and in the supply of important community values such as fire fighting and overall regional employment both within their own staffing and in the staffing of contractors, hauliers and mill employees.
Opponents of the native forest sector constantly attack the economics of the sector. However native forest management is an expensive business. The last published annual accounts of the NSW NPWS around year 2010 viewed by me showed that the Parks service drew A$280 million from NSW treasury over and above their own internal revenues to run NSW NPWS for the year. This might equate to in the order of $30/ha for management of forested land separate from their marine parks and western land / alpine operations.
If you notionally apply the same $30/ha rate to the 1 million ha of native forest being managed as a conservation zone by Forestry Corporation the finances of the hardwood division look a lot healthier.
I would expect that drawings in the 2023-24 year well and truly exceed those reported in 2010 and we are likely to be seriously under managing our total native forest estate due to funding and manpower restrictions.

Socially State Forests have a significant role. Importantly they need to be good neighbours. They provide a range of recreational values based around access. A quality roading network, natural attractions, picnic type facilities, mountain bike trails, a source of advice on tree management issues, things that let the community enjoy their forests. Just as importantly they are workplaces and work is an important social force.
The above uses help to underpin diverse management requirements.
Traditionally significant numbers of Aboriginal workers were employed in the forest industry especially in sawmills. This seems no longer the general case.
There is scope for Kooris to play a role in fire management outcomes in forests near their own communities. There are also likely to be research type opportunities in respect to fauna and especially flora. But these need to be structured to be ongoing and part of a formal collection process that has value.

Topic 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

As discussed previously biodiversity benefits can be very significant due to the diversity inherent in State Forests. The full range of age classes / extensive plant specie identification / ongoing fauna research and field monitoring and the nature of the native forest as a place where quite dynamic change is occurring across seasons and changes in climatic conditions. The inherent variety of aspect, elevation, soils and forest type creates natural biodiversity.
Carbon issues are far more uncertain. The very nature of eucalypt forests makes managing carbon issues close to impossible. Australia will never be in a position to accurately predict carbon outcomes in respect to native forests. An event like the 2019-20 fires can totally change the carbon picture over a few weeks in terms of massive unplanned emissions.
The native forest and plantations enjoy carbon cycle benefits as a renewable resource where constant new growth is occurring as well as trees being harvested and their carbon either emitted or stored for varying lengths of time.
Climate change risks bring a kind of random impact to native forest management.
Climatic change has always been an influence as evidenced by the quantum change to eucalypts in our native forests. The current focus on man made climate impacts really ups the ante on forest management. Variable weather / more storms / increased storm damage / lightning / high winds / flooding all have implications for native forest.
The risk of random high intensity fire increases in both likelihood and frequency.
We saw above average rainfall in NSW in the years 2010 to 2016 and the a super dry year from 2018 through 2019. Result massive high intensity wildfires across all forest growth stages / all forest histories / all forest types. No winners.
There appears to be no alternative to additional fuel reduction particularly in areas of high conservation value. But that brings ongoing emissions and you reach a position of EMISSIONS versus WILDLIFE where if you do not take a precautionary approach you push wildlife to the edge of a cliff and timing becomes the determining factor.
There is no easy answer but 2003 /2007 / 2019-20 all showed the threat to wildlife to be extreme right across the board from high intensity wildfire.
The underlying fact is that forests are going to emit their carbon subject to timing and eucalypt forests are more exposed than benign forest types.
We are probably going to need a dedicated forest management approach long term -- a very expensive option with no guarantees but aimed at mitigation.

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Something beyond the RFS our essential interface between the community and climate change impacts but a broadacre approach across large areas using specialist resources and skills.