

Public submission

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The Independent Forestry Panel has been appointed to lead consultation on the sustainability of current and future forestry operations in NSW, ahead of the NSW Government developing its Forestry Industry Action Plan. The Panel is tasked with consulting and reporting to Government on the best options to achieve the balance between sustainable supplies of timber and NSW's environmental commitments.

The Panel is seeking your views on the sustainability of current and future forestry operations in NSW. This includes forest conservation, public and private native forestry, softwood and hardwood plantations, different land tenure and management regimes, timber supply, and non-timber forest uses such as recreation, apiculture and others.

The Panel invites written submissions from individuals and organisations on the sustainability of current and future forestry operations in NSW. The Panel would like to hear from a broad range of stakeholders, including representatives from the timber industry, forest growers, environment groups, unions, Aboriginal communities, local government, business, related industries, tourism and scientific experts.

Please structure your submission to address any or all of the topic areas below, including if and how you think current practices can improve. Please indicate the timeframe for any suggested changes, and the implications for both industry and the environment over the next 30 years.

Topic areas to address (overleaf):

- Sustainability of current and future forestry operations in NSW
- Environmental and cultural values of forests, including threatened species and Aboriginal cultural heritage values
- Demand for timber products, particularly as relates to NSW housing, construction, mining, transport and retail
- The future of softwood and hardwood plantations and the continuation of Private Native Forestry in helping meet timber supply needs
- 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
- 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.

Following this structure will help the Panel respond to some of the issues the Government has identified for inclusion in its Forestry Industry Action Plan. However, a submission that doesn't follow this structure can be uploaded to the submission portal and will also be accepted and considered by the Panel.

If your submission includes citations of evidence from published reports, please include full references for those materials.

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Your submission

1. Sustainability of current and future forestry operations in NSW

Native forest logging is not sustainable both financially and ecological but first and foremost from a reputational point of view:

In my capacity as solicitor for a large Australian law firm I have been acting for many European companies over the past 20 years. I have also been an honorary adjunct professor of law at Bond University for 15 years and have taught a full course of ESG as part of an Enterprise Governance LLM to existing and future directors since a time when ESG was still called CSR and others. I have been part of the faculty of the AICD and finally am the chair of the International Law Section of the Law Council of Australia. I make these remarks as an individual.

Over many years Australia had an outstanding reputation abroad and doing business was easy. Over the past years, however, this outstanding reputation seems to have been tarnished a some of Australians choices have been regarded with much concern as I am continuously being told by European investors. Those concerns often rank around either the treatment of first nation people or choices made in regards to nature. Those in relation to first nation people are e.g. the failure of the voice referendum, the treatment of mainly first nation children as young as 10 years in prison despite of ratifying the Convention of the Rights of the Children some 20 years ago, or the Jookan Gorge destruction in WA.

Environmental issues usually raised are those of the Barrier Reef, the opening or expansion of coal mines despite of the closure of those in many countries. In the same context however lately also the **destruction of native forest** is also mentioned. NSW, QLD and Tasmania are singled out.

As you would know the European Union has implemented stringent regulations to ban the import of products linked to forest degradation and deforestation. The most notable measure is **Regulation (EU) 2023/1115**, which entered into force in June 2023. A regulation is an instrument, which does not need to be transposed into the laws of the EU members states, but directly applies in all of the 27 member states and **across the 450 million consumers**. This law aims to prevent the import and sale of commodities that are tied to deforestation or forest degradation. Key products affected include wood, cattle, soy, coffee, cocoa, palm oil, and rubber, as well as products derived from these materials, such as leather, chocolate, and furniture.

Under this regulation, companies that import or export these commodities must provide a due diligence statement proving that the products have not contributed to deforestation since December 31, 2020. This ensures that products placed on the EU market or exported from it are "deforestation-free" and comply with the relevant environmental and social laws of the country of origin. The regulation also introduces risk assessments based on the country of origin, requiring stricter oversight for imports from high-risk areas

Penalties for non-compliance can be severe, ranging from **finest up to 4% of a company's EU turnover to confiscation of products and exclusion from public contracts** and will of course also **directly affect our Australian/NSW companies**.

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Additionally, Australia's risk classification for forest degradation this regulation will affect the level of scrutiny placed on products exported from NSW. If Australia or a specific region within it is classified as high-risk, the company must undertake more stringent due diligence to prove its timber products are deforestation-free.

The law is part of a broader EU effort to combat deforestation and forest degradation, reduce carbon emissions, and promote sustainable consumption and production.

It is against this backdrop that European companies understand **with disbelief** that old-growth forest in Australia and to a great degree in NSW are still being logged altogether. Admitting what occurs here is often simply **embarrassing**. It appears to be a sin of the past which many other nations would like to reverse, if only they could. Europe has of course lost almost all of its old growth forest centuries ago and currently there are only two remaining reserves of old-growth forests.

I am concerned that NSW is significantly contributing to this negative image that Australia has been receiving lately and if I may say so - we have lost our squeaky clean image as a business destination of first choice.

Reputational loss arguably weights much higher than other losses that the logging of native forest in NSW produces. In addition there is an immediate threat for all associated industry in NSW to become affected in relation any associated export to EU member states. It is for those two reasons alone that I urge the Independent Forestry Panel recommending to prohibit native forest logging in NSW as soon as possible as it is anything but sustainable.

As requested by the Panel I list some more detailed points in respect to the question items mentioned by the Panel:

Financially: Logging native forests is a significant burden on NSW taxpayers. In the 2019/20 financial year, Forest Corporation NSW received \$246.9 million in grants. Despite this large financial support, the hardwood native forest division recorded a loss of \$28.2 million. In subsequent years, the losses continued: \$20 million in 2020/21 and \$9 million in 2021/22.

If the hardwood division of Forest Corporation NSW were a private business, it would have been declared insolvent long ago due to its ongoing unprofitability. Ending this loss-making industry is not only logical but also necessary. By shutting down native forest logging, NSW taxpayers could save between \$45 million (Cross et al. 2023) and \$62 million annually (Frontier Economics and ANU 2021). No economic rationale can justify the continuation of this financially and environmentally destructive practice.

Ecological: The logging cycle has become increasingly unsustainable, with shorter intervals between harvests. Loggers are now targeting younger trees due to the depletion of older, larger trees. This is having devastating effects on hollow-dependent wildlife, which rely on mature trees for breeding and habitat. The reduced availability of tree hollows directly threatens many of Australia's species survival, pushing many towards extinction as they lose their essential habitats. Australia has a unique biodiversity and holds the highest number of species dependent on hollows globally.

NSW has 46 mammals depending on den trees, 81 bird species, 31 reptiles and 16 frog species. Hollows usually form after 100-150 years, but not many trees reach this age due to logging. This unsustainable logging practice is directly exterminating the hollow dependent species, driving them to extinction.

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The endangered Greater Glider depends on tree hollows that take over a century to form for breeding and survival. Unfortunately, the priorities of the logging industry have led to the weakening and removal of environmental protections for critical habitats. The remaining regulations meant to safeguard endangered species are frequently ignored by the state-run logging corporation. As a result, vital den trees continue to be logged illegally as the NSW Forest Corporation often fails to properly conduct surveys inside logging compartments. This negligence is pushing species like the Greater Glider even closer to extinction.

(<https://www.abc.net.au/news/2024-07-24/nsw-government-forestry-corporation-illegal-logging-allegations/104126534>) . The failures have become systemic. In a recent case brought by the EPA (Environmental Protection Agency) against Forest Corporation’s breaches of regulations, a judge called “Forestry Corporation of NSW has ‘a pattern’ of illegally damaging the environment” (<https://www.theguardian.com/australia-news/article/2024/jul/31/forestry-corporation-of-nsw-has-a-pattern-of-illegally-damaging-the-environment-scathing-judgment-finds>)

No hollows, not Greater Glider. Logging intensity and the need for wildlife habitat are not and have not been compatible for decades. Wildlife in NSW has been on a constant decline as consecutive reports on the State of the Environment have shown: “The number of species listed as threatened in NSW continues to rise. These species are at the greatest risk from threats including vegetation clearing, the spread of invasive species and the mounting impacts of climate change.” (<https://www.soe.epa.nsw.gov.au/key-findings>)

Additional pressures of climate change will make forests more vulnerable to catastrophic fire risks. “The condition of most native vegetation continues to deteriorate. Since the Black Summer fires of 2019–20, 62% of vegetation in the fire zone is under pressure from too much burning.” (<https://www.soe.epa.nsw.gov.au/key-findings>)

Logging is a significant contributor to increased fire risk, making forests drier and more flammable (Lindenmayer and Zylstra 2024). The leftover debris on the forest floor further raises the threat of catastrophic fires. The devastating 2019/20 bushfires would have been less severe if the forests had remained intact. Logging exposed vast areas of intact forests, turning them into fire accelerators that ignited surrounding regions, exacerbating the fires across the state.

The IPCC confirms that climate change is leading to hotter, drier summers, turning "once in a lifetime" fire events into regular occurrences. Continuing native forest logging worsens these fire risks, weakening the forests' natural resistance to fires. By persisting with this practice, we are effectively increasing the danger in an already precarious situation.

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

Forests provide many essential services that are vital for our own survival. They purify the air, filter water, retain soil, generate rain, and cool the land. Forests also remove carbon dioxide from the atmosphere, storing it in their wood and the soil beneath them. To achieve our already weak 2030 carbon emissions target of reducing 43% of emissions, we need the help of our

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forests. We must reduce carbon emissions by around 15.3 megatons annually for the next nine years (Brendan Mackey, Griffith University). Ending native forest logging across the nation would take us to our target.

(<https://www.anu.edu.au/news/all-news/stopping-native-forest-logging-key-to-getting-to-net-zero>).

They are vital for personal recreation and are known to improve mental and physical health for humans.

With further degrading our forests through logging we lose the ability for forests to provide these services.

In NSW, 269 species are listed as threatened. Australia has the largest mammal extinction rate in the world. Ending logging the homes of these endangered species would slow down the decline of these species and perhaps deliver a chance of survival.

The iconic koala is predicted to go extinct by 2050 unless its habitat is protected. A parliamentary inquiry in November 2022 confirmed that habitat destruction is the leading cause of the koala's decline. Many forest-dwelling species, including koalas, depend on inter-connected (or corridors) habitats for genetic diversity, as they travel across the landscape to mate. Fragmented habitats lead to weaker genetic diversity, which threatens the survival of species by making them more susceptible to diseases. Without the ability to travel across connected landscapes and for mating and new habitat search, many species face increased health risks, pushing them closer to extinction.

Many forests hold deep cultural and spiritual significance for Indigenous peoples. When NEWRY State Forest at the NSW mid north coast was being logged, the local Gumbaynggirr people resisted the destruction of their sacred land. Despite their efforts to protect the forest, police forcibly removed them, extinguished a scared fire and instead allowed logging to proceed. This violation of their cultural heritage demonstrates the need for greater respect and protection of Indigenous sacred lands, which are not only vital to biodiversity but also to the cultural identity and spiritual wellbeing of First Nations communities. (<https://nit.com.au/31-07-2023/7001/gumbaynggirr-elders-physically-removed-from-sacred-land-in-newry-state-forest>)

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

NSW housing and construction does not rely on native forests. All construction needs are being fulfilled from plantation grown timber. Plantations supply enough high quality and composite timber products required for the housing market.

The use of native forest timber is dominated by low value products. Most logs are being turned into woodchips and shipped overseas to be manufactured into toilet paper or cardboard. A small percentage of native forest timber is used as tomato stakes, crates or pallets. Only about 3-5% is used on high value products such as floorboards or furniture.

91% of timber needs are fulfilled by plantation timber.

As for transport, mining and retail, advancements in materials and technologies, can be met through alternatives that do not rely on the destructive logging of native forests. For example, recycled materials and sustainable plantation timber can be used in place of native wood. It's

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critical that we rethink our traditional relationship with timber, particularly when it's contributing to habitat destruction, and instead focus on sustainable solutions that align with our climate and environmental goals. Only recently NSW has moved to use composite materials for their power poles, instead of timber to protect poles from collapsing in further fire situations.

Sustainable plantations, grown as a crop on degraded agricultural land and outside the public native forest estate would reduce flammability of native forests and secure healthy forests into the future.

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

Australia's existing plantations already supply 91% of the country's timber needs, and further investment in plantations on degraded agricultural land could provide even greater security for the timber supply. These plantations must be established away from intact native forests to protect these valuable ecosystems from degradation, invasive weeds, and drying out. Plantations grow timber faster and create more jobs in management (Cary et al. 2021), but it is crucial that these plantations are not established on native forest land, nor should they result from converting native forests into plantations. Sustainable practices can ensure both ecological protection and a reliable timber supply.

Decades of unsustainable industrial logging have weakened the resilience of our forests against fires, floods and droughts. Ending native forest logging would not only protect these ecosystems but also eliminate the need to subsidize this loss-making industry. The funds saved could be redirected to support sustainable timber production.

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

Healthy public native forests would be able to continue deliver services for the public, such as clean water, clean air, carbon storage, soil retention and rain generation. Additionally, protected forests offer sustainable jobs in eco-tourism. Degraded and harmed forests often require pest and weeding management, but it is crucial to largely leave forests undisturbed. Practices such as "forest gardening," post-fire "salvage" logging, and "thinning" must be avoided, as these cause more harm than good.

Fire behavior expert Dr. Phil Zylstra raises concerns about the effectiveness of "fuel load reduction burning," suggesting it may not be as beneficial as once thought. There is a significant risk that any form of "forest management" could serve as a cover for continued logging. For instance, "forest gardening" is essentially a rebranding of traditional logging practices, where large sections of forests are removed in a manner similar to industrial logging. This approach

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negatively affects forest ecosystems and biodiversity (Murray et al. 2024). To truly protect forests, we must avoid these destructive management practices.

Healthy and restored native forests will increase the economic value through tourism, job creation, recreational opportunities and carbon storage. The best way to manage forests and to keep their environmental and cultural values safe is not to degrade them by logging, including the use of Forest Gardening practices (Murray et al. 2024)

NSW Forestry Corporation's native forest division should be wound down as it is financially unsustainable, heavily reliant on government subsidies, and produces far less timber than managed plantations. Moreover, native forest logging has clearly lost its social license, with only 19% of NSW's population supporting the industry. It's time to transition towards sustainable alternatives that align with public opinion and economic viability.

(https://www.nature.org.au/polling_shows_majority_support_in_new_south_wales_for_an_end_to_native_forest_logging)

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

Intact and healthy native forests store significantly more carbon than logged and/or continually degraded forests. Preserving these forests contributes to carbon sequestration and helps Australia meet its low greenhouse gas reduction target (see above).

Logging native forests releases large amounts of GHGs into the atmosphere. The logging of native forests in NSW is estimated to release significant amounts of carbon into the atmosphere. Each year, it is responsible for around 3.6 million tonnes of CO₂ emissions in NSW alone

(<https://greens.org.au/nsw/endnativeforestlogging2023#:~:text=Native%20forest%20logging%20in%20NSW%20emits%20approximately%203.6%20million%20tonnes,%242.7%20billion%20in%20climate%20mitigation>) . Logging native forests disrupts carbon storage, as mature trees are major carbon sinks, and the carbon stored in these trees is released back into the atmosphere when they are cut down. Protecting these forests would prevent these emissions and help Australia meet its climate goals.

Including these forests in carbon accounting without engaging in carbon trading schemes could also prevent them from being exploited by the carbon trading industry.

Intact, unlogged native forests support rich biodiversity, offering habitat to endangered species and promoting ecological resilience (Mackey et al. 2015, Watson et al. 2018).

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Encouraging the regeneration of logged or degraded native forests will in turn increase their ability to sequester carbon and restore biodiversity. Forests with higher biodiversity are more resilient to threats of bushfires, extreme weather and even pests.

Native forests are crucial for water and soil retention and filtration. Healthy forests mitigate impacts of droughts and flooding, which are increased by climate change.

NSW can use native forests to mitigate climate change risks while saving taxpayer dollars and protecting these ecosystems for future generations.

After filling in this submission template, please upload the completed submission to our online submission portal, linked [here](#). When you upload your submission successfully, you will receive a confirmation email from us. If you don't receive a confirmation email, please check your Junk Email folder. If you have further issues, please email forestryiap@ipcn.nsw.gov.au for assistance.

Sustainability of current and future forestry operations in NSW

Native forest logging in NSW is fundamentally unsustainable both economically and ecologically. Economically, the hardwood division of the Forestry Corporation operates at a consistent loss, requiring taxpayer subsidies that exceed \$20 million annually. Ecologically, logging depletes mature trees that are essential for biodiversity, especially for species dependent on tree hollows such as the endangered Greater Glider. Continued native forest logging also exacerbates fire risks and disrupts carbon storage, making it incompatible with NSW's environmental and climate commitments.

Environmental and cultural values of forests including threatened species and Aboriginal cultural heritage values

NSW's native forests are vital for ecological balance and cultural heritage. They are home to 269 nationally threatened species, including the iconic koala, and play a critical role in carbon sequestration and water purification. For Aboriginal communities, these forests are integral to cultural identity and spiritual practices. However, native forest logging destroys these values, threatening both biodiversity and cultural heritage. Protecting these forests is crucial to preserving these environmental and cultural assets for future generations.

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

Contrary to the claims of the logging industry, NSW's housing and construction sectors do not rely on native forest timber. Plantations provide 91% of Australia's timber needs, and

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alternatives such as composite timber and recycled materials can meet demand. The primary use of native forest timber today is for low-value products like woodchips and pallets, making continued logging environmentally unjustifiable.

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

Australia's plantations already meet the vast majority of timber supply needs. Further investment in sustainable plantation practices, especially on degraded agricultural land, would ensure timber supply without the need to log native forests. This approach would also support the growth of a more resilient and profitable plantation industry.

The role of state forests in maximising the delivery of a range of environmental, economic and social outcomes

Unlogged native state forests in NSW cover over 2 million hectares and provide immense benefits, from clean water and carbon storage to eco-tourism opportunities. First Nations-led forest management programs have demonstrated the value of traditional knowledge in restoring and maintaining these ecosystems. By transitioning away from native forest logging, NSW can prioritize these sustainable uses.

Opportunities to realise carbon and biodiversity benefits and support carbon and biodiversity markets

Ending native forest logging in NSW would prevent the release of 3.6 million tonnes of carbon annually and significantly contribute to meeting Australia's climate goals. Forests that remain intact are better equipped to sequester carbon, support biodiversity, and mitigate climate risks, including increased fire intensity and drought. Protecting these forests is a key opportunity to address climate change.