

**TRANSCRIPT OF PROCEEDINGS**

**FOREST ALLIANCE NSW**

INDEPENDENT FORESTRY PANEL: MR PETER DUNCAN AM (CHAIR)  
PROFESSOR MARY O’KANE AC  
THE HON. MICK VEITCH

INDEPENDENT FORESTRY  
PANEL SECRETARIAT: SAMANTHA MCLEAN  
CLARE MILLER  
OLIVER COPE

ATTENDEES  
STUART BLANCH  
SUSIE RUSSELL  
DR BRAD SMITH  
JUSTIN FIELD

LOCATION: VIA VIDEOCONFERENCE &  
INDEPENDENT PLANNING  
COMMISSION OFFICE,  
LEVEL 15, 135 KING ST,  
SYDNEY NSW 2000

DATE: THURSDAY, 17 OCTOBER 2024

## <THE MEETING COMMENCED

**MR PETER DUNCAN:** I'd like to acknowledge the traditional owners of the land on which we meet, the Gadigal people of the Eora nation, their elders past, present and emerging. I probably wanted to start mostly with what we're actually doing because there's a lot of views on what we're doing.

The Panel's been appointed by the Environment Minister and Minister Moriarty, Primary Industries to facilitate the stakeholder engagement piece and provide a report to Government on stakeholder engagement around the development of this Forest Industry Action Plan. We're not developing the plan. So I just want to make that completely clear and you could imagine too – and I've said this to everybody – we have a great spectrum of ideas and from a stakeholder engagement point of view, we will accurately and transparently reflect that to Government. So that's the reason for transcribing meetings and putting those on our website.

We've opened it up for submissions for a month from anybody that wishes to make a submission and as of last Sunday we've got 1,650. We've kept it open – not kept it open, we've allowed a few organisations that wanted another week or so to put in submissions, late submissions, and that will happen by mid-next week, I imagine. We have to have our report prepared for Government [REDACTED] and then it's a matter for Cabinet, how they take this forward and their decision-making process. So the decisions are not ours, the decisions are Cabinet and obviously the agencies of Government and the Cabinet Office itself.

**MR JUSTIN FIELD:** Can I ask a question on that?

**MR DUNCAN:** Yes.

**MS CLARE MILLER:** Can I just say something quickly? Online have said that the audio is not great, so lean in and speak loudly.

**MR DUNCAN:** Is that the speaker?

**MS MILLER:** I don't know.

**MR BLANCH:** Be a pain to lean in.

**MR DUNCAN:** Good line.

**MS SAMANTHA MCLEAN:** That's much better. Thank you. Sorry, just wanted to flag that in case Mary lost any of the content.

**MR DUNCAN:** Could you hear me or not, Sam?

**DR MCLEAN:** Yes. Yes, it's improved. Thank you.

**PROF O'KANE:** And it's very clear for me.

**MR DUNCAN:** Okay. So just before we get started then, we should just go around the screen to start with. But Mary O’Kane, I think most of you know Mary and her background and the same for Mick Veitch and myself and our backgrounds are on the web page anyway from the IPC. And the IPC are the secretariats of this.

The reason for IPC being here is because both Mary and I have had experience and I’ve probably dragged them into it. They do process with these types of things, in my mind and, talking to various members of Parliament yesterday, in their mind as well, they do it well and independently. So that’s the beauty of having IPC here and also on the screen is Samantha McLean, who’s the executive director of IPC and Oliver Cope and we haven’t got – it’s only you in the room, Clare?

**MS MILLER:** It’s only me.

**MR DUNCAN:** And Clare. Callum Firth is somebody else working on this as well. So we might, Justin, just go around the table here from your point of view, just for the screen.

**MR FIELD:** Yes. So my name is Justin Field. I am - I guess campaign coordinator for Forest Alliance New South Wales, which has largely brought together all the environmental NGOs, regional campaign organisations and a lot of Friends of the Forest groups and other local groups into a coordinated alliance, particularly focused or specifically focused on ending native forest logging in New South Wales and particularly public native forest logging, so of course we’re very engaged in this process.

**MR STUART BLANCH:** Stuart Blanch, I work with WWF on forests. I think, Mary, I used to sit on a panel with you in the Northern Territory about renewable energy.

**PROF O’KANE:** That’s absolutely correct. Green energy. Good to see you.

**MR BLANCH:** From a farming background on the north coast here in Gumbaynggirr Country where forestry still goes on in my home town, so I grew up with that, family involved in it, know it well.

**DR BRAD SMITH:** Brad Smith from the Nature Conservation Council of New South Wales. The acting CEO at the moment but otherwise I normally lead our forest and climate campaigns there. NCC, for those of you who are not aware, is a New South Wales based charity, we’re a peak body for conservation groups around the state and we have around 200 members, many of whom are very engaged in forestry issues and trying to protect all local bush from logging.

**MS SUSIE RUSSELL:** Susie Russell, I’m with the North East Forest Alliance. I think I first got involved in forest issues in about 1992. I’ve seen through various government processes over the years and I certainly hope that we get some kind of resolution in this one.

**MR DUNCAN:** Susie and I have got history, we walked around the Brigalow together about 20 years ago, which was an interesting experience, wasn't it? But also just to comment on that, it's good that we've got a process defined to work towards a resolution. So I think that's important. Just for those on the screen, we've got a paper that Justin's tabled and we'll make sure that's available to you as well.

**MR FIELD:** Peter, would you mind if I just finished that question?

**MR DUNCAN:** Not at all, not at all.

**MR FIELD:** Just on I guess the process as we understand it, are you largely just documenting different views or obviously there are a lot of contested issues and there's a contest around some of the key facts particularly around yield assessment, sustainability, jobs. Are you going to actually be making an objective assessment of those in Government? Because that's what we're used to with the IPC, seeing them sort of bring together different contested views and largely finding an agreed position.

**MR DUNCAN:** We will. I guess we won't be getting – and Mary and I just had a discussion about this about half an hour ago, we won't be getting into rebuttal but we may be getting into fact checking or we definitely will be, as much as we can [REDACTED] So you can imagine over 70 years of debate or discussion at least, that's my view, and I too from the north coast, so born and bred near [REDACTED] so I understand the issues and have for a long time and I still live there. So I've got a strong understanding of the debates and the mixture of views in the community I live in. But we're certainly going to be trying as best as possible to do some fact checking.

But then I'd say there's going to be even some further work that needs to be done to unpick some of these issues and make sure that we I guess represent them as fairly and equitably as possible to Government so that they – what we're trying to do is provide just another resource for them to help in their decision making and I think the beauty of that is it's not a government agency, it's not a particular stakeholder. The three of us have been asked to do this across the board and I think the reason that's there is because this has been going on for a long time. So that's the starting point but Justin, you have been involved in parliamentary inquiries and things – Mary?

**PROF O'KANE:** Could I comment, Peter? Can I just add to it? Justin, it's not the IPC process, so it's not the process that's used for classic cases that come to the IPC. It's the IPC being a secretariat to this committee. So we're neither doing what the IPC normally does nor are we doing what the chief scientist and engineer normal does, which is bring a series of experts together to weigh up the evidence. We're much more like a reflecting post box that is summarising the things to some extent.

**MR FIELD:** Quickly follow on, I think in our discussions with Forestry Corporation, they say they will not withhold anything from you that we request, which is not the same that can be said for Penny Sharpe's office. So I think we can give you recommendations of things to ask, Dan Tuan and Joel [non-transcribable] and they said they would provide it, but no one else gets access to. I think that would be really useful and I think that would require some expert independent [non-transcribable].

**MR DUNCAN:** We've still got more discussions to go with the Forestry Corporation. In fact, we haven't met them formally yet as part of the process but we have asked questions and we haven't had any push back or anything. Most of our engagement has  
5 really been with DPI at this stage and some of the work that they've done. We've actually met with them and some of their researchers as well as we have met with DCCEEW and their people as well. So we've had those two formal meetings, if you like, with the two major agencies, but yet to meet with the Corporation but we will in the process.

10 **MR BLANCH:** We're happy to provide suggestions as to what information you request at that -

**MR DUNCAN:** And look, I mean, to go straight to the point that I think it's already  
15 been mentioned, just the timber volumes and things like that and particular processes like FRAMES we know well. We've certainly heard that, we've certainly heard the issues about that and I would've known those issues in the past as well.

Probably also to clarify any conflicts of interest, I've worked for Forestry Corp, well  
20 in those days, not Forestry Corporation, Forests New South Wales it was for four years, but equally I've worked in the Parks sector for eight years, so I feel I have a balance of both views. So I'm not bringing to the table – I'm not representing the Forestry Corporation at all. And I know Mary and Mick are completely independent to the process as well. All right, so Justin, really it's your meeting from the point of view  
25 we want to listen, we want to hear from you, so really over to you and happy to go around the table as you require.

**MR FIELD:** Well, you'll love that we're actually going to throw it back to you because I guess it does go to the issue that I guess I just raised about how – not you're  
30 not just going to balance views but we do need an independent arbiter because from our perspective any objective look at this industry can see that it is ecologically unsustainable, it's economically unsustainable.

It's been declining now for over 20 years, there's been no real reassessment post fires  
35 of the impact on wood supply and the sustainability of the industry as a result nor on the long term implications for biodiversity and in particular threatened species that have been severely impacted and constrained in their available habitat and the consequences of now ongoing logging in those areas that were either burnt or are the last important refuge for many of those species.

40 And so we have a strong view that if you look at this objectively, you cannot support this industry continuing and not in any form. At the end of the day, it is still the case that the vast majority of biomass coming out of those forests is largely wasted, 60% left to rot or burn on the forest floor, another 20 or 30 going to low quality or low  
45 value paper and pulp woodchip, much of it for export.

A very small amount of it goes to higher value presentation timbers or structural timbers for which there are alternatives other than native forests, which we could look

at quite easily. There's the capacity to really rethink the future of these forests, there's ecological reserves, there's carbon reserves, start to do the work to restore biodiversity and transition an industry that if it's just left to its own devices ultimately will just collapse but it will do so much damage. So we think that objective analysis brought to bear on this question would find without a doubt that there should be an urgent end to native forest logging in New South Wales, public native forest logging.

And so we would throw it back to you, what are the arguments that you think would allow this industry to continue? Because we'd like to work through those arguments with you because we're of the view there's more than sufficient evidence [non-transcribable] like to know that there is an independent body within New South Wales providing that sort of advice to Government or that can wade through these different views and express that actually on the balance, it makes sense that this industry ends and it ends quickly.

**MR DUNCAN:** From the point of view of what our views are at the moment, our views really are still being informed and they are informed as of last Sunday by 1,650 submissions, which we're wading through or somebody is wading through for us and we're starting to read. We've also had – halfway through the meetings.

So my response to you on that would be, Justin, you and I both know what the issues would be if we looked around the table and put them in the middle of the table, there'd be issues such as plantations, there'd be issues such as, as you say, alternative uses of forest, different stakeholders' views, whether they're recreational users or National Parks or DPI. So I think we know the views quite well and from what I'm hearing and sometimes we're surprised with things we hadn't thought about get put on the table but mostly they're the sort of pretty solid views of the past that we're now getting replayed back to us.

So I suppose I'd be saying to you, if you said there's an urgent need to stop, what do you see as alternatives that you talked about, maybe asking you to talk a bit more about that. How do you feel about plantation expansion? We're talking to the softwoods group as well, just looking for the list but as well as yourselves, we've got Timber New South Wales that are bringing people to and meeting and including the Softwoods Working Group and the Australian Forestry Products Association - as well as you are we're having a similar moment into this with them.

And by the way, I should mention, we are - have been trying to engage with Aboriginal stakeholders in this. That's not a logical process to do in [REDACTED] so we will be searching the service there, Aboriginal Affairs, and getting the key contacts and trying to reach out to see what their interests are as well and making sure that we have that in this stakeholder engagement process. My view with that is we'd probably be suggesting to Government [non-transcribable] there's a longer term engagement that needs to occur there if you're going to bring them into some sort of forest management role in the future because that's been suggested in this process.

**MR FIELD:** I guess in response to that, maybe we can pick off one of the very first issues, which is when you say there are different views and they're strongly held, sure.

One of those is that the timber industry would like to continue logging native forests and they make the argument that there is an increasing need for timber and they see it as sustainable. The reality is and we can have a look, I think it's on page 5, if you just go to the – that's the chart there.

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**MS MILLER:** Oh no, that's -

**MR FIELD:** No, on our submission here.

10 **MS MILLER:** Yes. We have that.

**MR FIELD:** But you just have to go to Forestry Corporation's own sustainability report to see that over the last 15 years, that they've documented in their most recent report but it goes for much longer than that, there has been substantial decline in yields from the native public forests and at the end of the day, they haven't changed their predicted sustainable yields.

But the actual yields coming out of the forest has fallen 40% over that time. In that time, they have also gone cap in hand to Government and asked for buyouts, quota buyouts in 2014, there's been restructures of the types of timber coming out of forests that led to substantial money being paid to Blue Ridge Hardwoods on the South Coast in that time because those agreements weren't continued. They've also been seeking access to additional forest both through the CIFOA review in 2018, which allowed more intensive harvesting.

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And despite having sort of quota buyouts, greater access to timber, restructuring parts, the yield's still been falling. And obviously there's a big fall with the fires but over that time it's still notably fallen and there's a widening gap between actual yield coming out of the forests and what they describe as their sustainable yield. All this points to an inherently unsustainable industry that has over forecasted its sustainable yields, over allocated contracts, left the state's taxpayer on the hook for buying out those contracts that should never have been issued at those levels, which they clearly can't meet.

35 They resigned many of those just a couple of years ago to extend them out to 2028 and they are currently expired on the South Coast where they're just doing spot contracts based on individual forest coupes. It's an unsustainable model that is basically built around being able to go back to Government and saying, "We need more money" or "We need more resource."

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The thing is falling over in front of us and the damage that they're doing as they play with this business that just can't work is extreme and because they've never gone back and reassessed sustainable yield post fires, there has been no meaningful additional protections despite the fact that we've now had multiple species uplisted as a result of the fires and ongoing impacts in the forest. There's been no additional protections meaningfully put in place. This just doesn't work. We're at a point now where you've got to make a decision. We're either going to protect these species and allow some sort

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of recovery and take the advantage of restoring these forests and the carbon value or we're going to continue to log them at the expense of those values.

5 You just can't do both and I point to the NRC's comments back when they were reviewing the CIFOA remake process back in 2016 where they said that the Government's objective at the time of maintaining wood supply and ensuring ecological protection and ecologically sustainable forest management in the forest couldn't work. You can't have both. They were saying that in 2016. That has not changed and in fact it's gotten worse because of the fires.

10 So I would hope that in the wading through of these different views, the Panel is able to provide some sort of guidance to Government that on the balance arguments that this industry is not ecologically or economically sustainable actually seem to hold more water. Because otherwise the same fights that have not just been had between industry and conservationists but have happened between agencies are just going to continue unless someone independently can say that actually an objective assessment of this looks like the conservationist arguments hold much more water.

20 **MR DUNCAN:** Yes. Well, I think if I can just not make a comment so much on what you've said but [REDACTED] we won't do everything but we might recommend a process to get to those resolutions that you're talking about. I think that's probably realistic. For us to jump in [REDACTED] and so with the whole solution won't be what we can do but certainly we'll make some observations in the process and they'll go to the types of things that you're talking about.

25 **MR FIELD:** I would be really hopeful – and then I might actually hand over to others – that what we don't have is a situation where advice goes back to Government that we need another process because this has dragged on long enough. You know that – we're in the middle of an election cycle as well and I know you're not going to play politics with this but unless a government makes a decision early next year about the pathway and it's hard to engage in this because you're dealing with this wide plethora of options. It would be much better if Government looked at objectively at the dataset, this is ending, there needs to be an end to native forest logging, now let's talk about how to do it. Then we can have a more meaningful conversation.

35 **MR DUNCAN:** Well, I think that's what Government's asking us to help with.

40 **MR FIELD:** Yes. But please don't suggest to them going through another process to assess it, like at the end of this one we want them to make that call because if they don't have legislation in place by the end of next year, it gets very, very hard to do in this time

45 **MR DUNCAN:** I mean, I take your point. It's always the case in these sorts of things, nobody wants it to drag on, I don't think. Either part of the discussion or debate would say that, I don't think anybody sitting around the table here would say, "Let's drag it on."

**MR FIELD:** There's a lot of uncertainty for everyone at the moment and I mean, Susie spent most of the last fortnight out in the forest with activists trying to protect forest that arguably by law should be protected and I mean I guess that's one of the points. We've got a regulator who has publicly stated that they effectively can't  
5 enforce the law because of the constraints in the Forestry Act. We've got threatened species that are supposed to be protected by law that are having their homes destroyed right now. And so it's still like that uncertainty is just a bit unbearable -

**MR DUNCAN:** Is it just the activists? Also you know, what I see there probably in  
10 the last four years is a layering of different things. Many, many pages of protocols and different things and I don't know how anybody on either side, whether you're a regulator or an operator or an observer, can unpick all that. So there are issues there, it's not just the Act.

**MR FIELD:** Susie can speak to that because we've thought quite a bit about that  
15 recently and I think the complexity works here for Forestry Corporation but there is actually a simple truth to this as well that you're supposed to have a regulator regulating in the public interest. If they're saying to Government, "We've got our hands tied," well at least allow them to enforce the law. So if we have to make a  
20 change just to allow that and then we've at least got a picture where they're allowed to do their job, that would be useful. But I mean maybe Susie can just describe actually what is going on in the forest.

**MS RUSSELL:** Well, I suppose in the immediate sense we've got a number of areas  
25 that are clearly greater glider refuges, so areas that didn't burn or only burnt very lightly in the fires. So the one near where I live, the Bulga Forest, was one of those.

**MR DUNCAN:** Just for Mary's point of view, just where that is -

**MS RUSSELL:** Bulga Forest is about 65 km inland from Port Macquarie.

**MR DUNCAN:** You're starting to get up into uplands -

**MS RUSSELL:** That's right. And that's what we're finding is that the greater gliders  
35 are really only in significant numbers in the high altitude, cooler, moist, relatively unfragmented forests that weren't badly burnt.

**MR DUNCAN:** And we're hearing that too, that climate change and whatever, it  
40 seems to be that they are migrating or -

**MS RUSSELL:** Well, they're disappearing.

**MR DUNCAN:** Or more in those areas.

**MS RUSSELL:** Yes. Not so much migrating, they've always been there but they are  
45 disappearing from the lowland forests.

**MR DUNCAN:** Yes.

**MS RUSSELL:** So yes, and we know that because as part of the surveys for the Great Koala National Park, they did 170 drone plots of various forests within the Great Koala National Park proposal footprint and so we could see that there were very, very  
5 few gliders found in those 170 plots in most of the lowland and coastal forests. There were occasional ones where in a few nature reserves, there were good numbers sort of west of Kempsey, I think, but on the whole it was the moist, intact, escarpment forests where the gliders are still in significant numbers.

10 And so we then have been doing citizen science, we've been going out with groups of people and spotlights and trying to find gliders but we were trying to find koalas and then we found that we actually had a significant population of gliders. And then it became clear that the only way to get a protection for a patch of forest was to find a den tree and you have to see a glider coming out of the den just after sunset to trigger  
15 that protection.

So we have been trying very hard to get people out into the forest, watching hollows to see if we can get a glider coming in or out to be able to say that's a den tree. And have had really good success and like in Bulga, for example, which is being logged as we  
20 speak, Forestry Corporation found two den trees and we found 23.

**MR FIELD:** Sorry, Susie, just to be clear, they're required to do pre-logging surveys. There are substantial limits on what they have to do but the key point is this is a protocol to protect a threatened species and the community is about 10 times more  
25 successful at doing that but our work doesn't necessarily trigger all the protections. And so I just wanted to make that –

**DR SMITH:** I think it's also worth saying the CIFOA [non-transcribable]. The point of the way the regulation was meant to achieve the outcome. Clearly we know that the  
30 outcome is not being achieved if the outcome is the outcome protector.

**MS RUSSELL:** Yes. And the same with glider –

**PROF O'KANE:** Could I interrupt with a question, Susie?  
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**MS RUSSELL:** Yes, of course.

**PROF O'KANE:** With your numbers on the koalas as well as the numbers on the gliders, how do they match up?  
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**MS RUSSELL:** Well, the koalas, we found a lot of koala scat when we were on the ground but so what we did then was employed a thermal drone to do a sort of night search and so we found I think it was about 45 gliders in that patch that's being logged but we also found 14 koalas, which was a really high number compared to the – again  
45 the drone surveys in the Great Koala National Park. The Bulga koala drone survey was really high.

**PROF O'KANE:** Right.

**MS RUSSELL:** But that doesn't trigger any protection on the ground. Like, that makes no difference to what is happening.

5 **PROF O'KANE:** Yes, no, I just was interested in the numbers to see how what sort of overlap there was between the Forestry Corp numbers on koalas and on gliders.

**MS RUSSELL:** Well, Forestry aren't required to do any pre-logging surveys for koalas. So they have – no, there are no records for Bulga for those forests from the  
10 Forestry Corporation.

**PROF O'KANE:** Okay. And DPI doesn't do anything there?

**MS RUSSELL:** No, no. We're the only ones that have done koala surveys in Bulga.  
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**PROF O'KANE:** Right.

**MS RUSSELL:** And they have done none.

20 **PROF O'KANE:** And have you got records we could access for that?

**MS RUSSELL:** Yes, they've all been registered in BioNet.

**PROF O'KANE:** Right, okay. Thank you.  
25

**MS RUSSELL:** So they're all there.

**PROF O'KANE:** Lovely.

30 **MS RUSSELL:** So this is the problem is that we have – so with the help of the drone, of course, we added additional sightings, I think up to 94 glider sightings in that area on BioNet. There are more being registered. Forestry I think had 14. Their sightings get a 25 metre radius protection zone. Our sightings get nothing. So we know that the gliders are really high density in this patch of forest. There's probably a glider for,  
35 well, ever 1.5 hectares or something, very high density.

And so they are largely utilising the whole forest but Forestry are in there now, driving these massive harvesting machines and bulldozers around between the den trees, taking out all of the other trees that they think are merchantable, which of course  
40 interrupts the glider flight path, takes away the shade, it changes the temperature of the forest, increases the amount of sunlight and the drying out of the forest. When they've finished, all the heads on the ground will be burnt, many of them are likely to damage hollow bearing trees.

45 They have a greater propensity to burn because they are more susceptible to fire infiltration, sparks through ignition points. And so that glider population will be like many and it will diminish now. So that's one of the four that we've highlighted in the report. Another, in Styx River, which is just east of Armidale, slightly northeast of

Armidale, is also being logged. And we again have also found significant numbers of den trees there.

5 So the regulations are clearly inadequate to protect threatened species and Tony Chappel from the EPA said in estimates committee a few weeks ago, “Our hands are tied by the Forestry Act. We administer the Forestry Act. That’s the only Act really that we have, the only framework, and the objectives of that Act give timber and environmental protection equal weighting. And so we can’t make changes to protect the greater gliders if it’s going to impact on timber.” Now, clearly if you’re going to protect threatened species, you have to protect their homes. You protect their homes, you’re having an impact on timber.

15 But we can’t have an impact on timber, therefore we can’t protect their homes. And that is the cycle that we are in and that is the cycle we have been in for a very long time and I just want to go back to the CIFOA, which was introduced in 2018 after 20 years of no monitoring of the impacts of logging. So we had the baseline studies in 1996 to 1999 about – or 1998, which were part of the comprehensive regional assessment process, some terrific modelling, ground surveys were done and reserve boundaries were decided and we were going to have ecologically sustainable forest management.

25 When those regional forest agreements were renewed in 2018, there was no extra work commissioned to determine what the impacts of logging had been for that 20 years. Nobody went back and resurveyed sites that had been logged in the interim or sites that hadn’t been for controlled, none of that work was done. Neither was there any significant work done on climate change or any work done showing what the impact of logging had been on old growth and rainforest. Now, the North East Forest Alliance took that to court, we went to the Federal Court and said, “We think the RFAs are illegal because they were extended without this work being done” and the Federal Court judgment basically said, “It’s a political decision.” It was a political decision. And so that’s where we’re up to.

35 We’ve got climate change barrelling towards us. I saw the other day that we’re going to experience an eight degree temperature anomaly in the coming weeks, so we’re looking at increasingly hot weather. These animals are under stress, as are many humans as well, from those kind of temperatures, and resilience comes from being intact and unfragmented. So I’ll have a little rest but I could go on for the whole hour.

40 **MR DUNCAN:** I was just going to say, Susie, we’ve got another hour, so let’s partition it, but I think you make this point well.

45 **MR FIELD:** Sorry, Susie might want to just add one thing around – it’s not that because we’re looking, we’re finding [unintelligible 00:32:42] we previously knew. These are refugia, we’ve gone into these areas specifically. So you might want to just talk to that and it might also be useful for the Panel to understand why it’s different now because they have made the argument just today in response to our report that, “Oh, if you’re finding them, that means we’re managing it well.” But these forests haven’t been logged for a long time, nor with the intensity that they’re now going to

be. And so like Susie has got much more experience with this than me but I think they're critical points.

5 **MR DUNCAN:** I think you're right, and I just wanted to make comment, the presentations we've had would align with your views about where the greater glider are. So we're not seeing people present to us and say, "There's nothing there" or whatever. And we're seeing the same things from the DPI office as well.

10 **MS RUSSELL:** That's right. And we know that those are where they're holding on but they used to be widespread. They were common and I mean part of what's happened – I mean, people talk about balance or we need to find balance in the forest industry, the balance went a long time ago. I mean, the coastal forests in the 60s and 70s were subject to what was called timber stand improvement and timber stand improvement meant taking out all of the old defective trees, the ones with the tree  
15 hollows, which effectively eliminated all of the hollow bearing fauna from those coastal forests.

So I mean a lot of those forests now, not only will you not find those greater gliders or yellow belly gliders you won't find many of the owls, you won't find many of the  
20 other species that depend on tree hollows because those trees just aren't there anymore. And so now what's happening is the machinery that's being used is much bigger than ever before. I mean, when I got involved in forestry, there were a couple of fellas with chainsaws walking down a hill, taking a significant amount of time to cut down a tree, wrapping a chain around it, having to snig it up the hill. It was a very  
25 time consuming, labour intensive process and very dangerous.

Now, it's done by someone in a machine with a map app that sort of tells them where to go and they say, "Oh, we look for koalas," well we've got drone footage of the machinery office operating their harvesting machines. They're not looking for  
30 anything. They grab the machine, they cut it, they take it and they take it away and they cut about a tree a minute.

So the scale of the destruction that is happening is just mind boggling and that brings us to why we haven't got time to muck around because with that kind of machinery  
35 operating, the damage that is done in a day, a week, a month, a year is eliminating the mature trees and if you read the harvest plans that the Forestry Corporation make for all of these forests, it says very explicitly, "We are targeting the mature trees."

And it is those mature trees which are going to be the hollow bearing trees of the  
40 future, that are storing the carbon, that are acting as water pumps, that are feeding the river systems, that are providing the bulk of the nectar for the pollinators and the bees and all of the benefits really that forests give us are coming from those bigger, older trees and that is what is being targeted by these logging corporations. So don't know if I answered what I was meant to answer but I'll get back to it.

45 **MR DUNCAN:** Well - even bigger, older trees. I think that's something for us to pursue a bit too. Okay.

**MR BLANCH:** I mean I'll just - going back to the point that the EPA and Forestry Corp, they're both caught. It's a winged regulator in terms of EPA, that they don't regulate under the Biodiversity Conservation Act, they regulate under the Forestry Act. It's not a good regulatory framework. Forestry Corporation, their objects and functions give them an impossible task. It's a hundred plus year old Act and they cannot provide wood supply as well as protecting nature under the POEO Act, which is a requirement. So they're caught.

And we talk to Forestry Corporation people they say "we are caught." EPA feel they can only push Forestry Corporation to reduce wood supply by less than 5%. There's Freedom of Information documents that NEFA got recently, clearly shows the battle between the two organisations in a framework where this Government doesn't know what to do because it's got old laws, an old CIFOA, the climate emergency, the uplisting with koalas and gliders, they're actually caught. And so they're trying to work out what to do and they're looking for strong direction.

If you don't give it to them and you only give them a process, the industry and the timber workers, the regional communities still would not have certainty because there'll be more litigation, more blockades, we're just waiting for the next fires and if the Federal Government removes the RFA exemption under EPBC, we'll be straight into court. Forestry Corp say they cannot get federal approval under EPBC to continue the industry.

So it really is, as Justin said, if you don't make a strong recommendation to wind up the industry and we'd say by the end of next year, a strong transition plan that brings people together, work out how to do it, not whether to do it, the industry will go through another, what, three or four years until the next election, the wood supply agreements on the north coast sunset and there'll be three years of more war in the forests. And no certainty for the industry and more people will leave Forestry Corporation because they're all leaving.

**MR DUNCAN:** Stuart, hearing what you're saying, something that I also hear from the timber industry a bit too, that there's not enough contemporary regulation or Acts around it. Are there other areas where I guess what we've always be looking for in this process is where's the common ground here – are there other areas that we could pursue? Or Justin, I don't know whether you've got any comments on that?

**MR FIELD:** I think we should have a conversation about plantations at some point.

**MR BLANCH:** Well, I'd say there's like in terms of koalas and gliders, a strong recommendation to prevent immediately any more logging of good quality habitat and populations where those two endangered species are. The industry knows and we talk to Forestry Corporation a lot, in a forest, in any boardroom, they know we can stop them cutting the forest now. So why do it at risk - so they're wasting a lot of money. They've got one or two drones that they own. We hire more drones than they do and we're a small charity. The should have that technology. So they know we can kick them out of the forests where they get a lot of their valuable wood. So they're going to lose even more money. They want certainty. If the EPA says, "You can't go into glider

or koala habitat anymore,” at least they’ll stop wasting all this money trying to log and plan for logging in areas where you want it to stop and they’ll be made to look – have even less social licence.

5

[REDACTED]

10

[REDACTED]

**MR DUNCAN:** That is what it is.

15 **MR FIELD:** Yes. And so it’s sort of like no one’s quite sure what framework we’re working with and what’s the possibility of having that conversation because of course there’s these processes going on and in some ways they constrain having some of these practical conversations.

20 Can I just say, we’ve spent yesterday in Parliament and we certainly got the impression from some people within Government that they’d be very open to receiving advice from your Panel, even if there’s a process to end but for some interim things to be done now recognising the urgent need, particularly in those high conservation value forests for greater gliders and koalas. And that sort of advice might then trigger an honest conversation about, okay, let’s get out of those areas and what is the figure that enables that to occur. But without that sort of advice coming from  
25 someone a bit independent, it’s hard for them to do these things and –

30 **MR DUNCAN:** That’s why I asked the question because I haven’t seen any, but we also spent some time in Parliament yesterday and there was reference to a timber industry submission, which I’m not sure whether we received yet.

**MS MILLER:** I think we’ve received what we’ve got, but we haven’t read it yet, yes.

35 **MR DUNCAN:** Yes, I haven’t read it yet but I understand in that they have a view about some of these areas as well. So it’ll be – by the way, all the submissions will be published, so we’ve probably got another week to work through loading those up and that’s so you get to see it as well.

40 **MR BLANCH:** One last comment – in terms of, you’ve asked for like a suggestion on what areas should not be logged. Generally, the Forestry Corp and other campaigners and joint operators we work with and so on, just sort of between 600 and 800 metres altitude and above, that’s glider heartland. Well, what’s left because they’re all, as Susie said, pushed out of the lowland. So if you’re looking for a clear  
45 recommendation, no more logging in forests at that altitude and above. It’s climate refuge, it’s where they haven’t logged. Forestry Corp are now saying they’ve got to go there because they’re getting pushed out of koala habitat. We want to push them out of koala habitat and glider habitat.

**MR DUNCAN:** So I mean, that's what I guess we're in stakeholder engagement teasing out, you know, what are the areas that, whatever the reset is, we're not making that decision but whatever it is, what are the type of things you could put around it.

5 **MR FIELD:** And that's about – I think we did the assessments, it's probably about between 15 and 20%, the current harvestable area and we've got some maps to support that at the moment. We've been doing work on that – and the Government does have this information. It's not as ground truth probably as our information is, which is a real shame, but we can provide that support of advice.

10 But I think we just want to be really clear that that wouldn't be the end of the game, that's an interim measure until we work out how transition happens because otherwise, and you'll see what's happened in Victoria, where industry's sort of been left in place with uncertainty and now they're coming up with new models for how they can get  
15 access to resource under various sort of management guises. It actually just prolongs the difficulty.

**MR DUNCAN:** But I think, like with anything, if you can step through this in a very systematic and with the right scientific way, then there's a pathway to an outcome,  
20 isn't there, whatever the timeframe is.

**DR SMITH:** Yes. Can I just - there's around 50 listed species where native forest logging was listed as a key threatening risk -

25 **MR DUNCAN:** Sorry?

**UNKNOWN SPEAKER:** We might have lost -

30 **MR DUNCAN:** I can see the screen's frozen.

**MS MCLEAN:** We can hear you but we can't see you.

**MR DUNCAN:** Okay. Can we keep talking? Are you comfortable with that?

35 **PROF O'KANE:** Yes, sure.

**MR DUNCAN:** Okay. We're not sure what's happened there, we can't see you at all. But anyway. Keep going if you can hear us, keep going.

40 **DR SMITH:** Yes. So I'm just saying there's around 50 species that are listed under the EPBC Act where logging is a key threat to habitat. So koalas and gliders are like the standard bearers. Every patch that we protect for those critters also protects so many other wildlife that are not like anywhere else on the planet and are heading towards extinction. So I just wanted to add that.

45 **MR DUNCAN:** No, I understand.

**DR SMITH:** - the areas that need protection. And then just from NCC's point of view, we do a lot of work – we've got some projects under the Saving Our Species program for New South Wales, trying to protect things like large forest owls, which are also endangered.

5

**MR DUNCAN:** Owls, did you say?

**DR SMITH:** Owls, that's right.

10 **MS RUSSELL:** That's all right, yes.

[cross talk].

**MS MILLER:** Oh. Thank you.

15

**MR DUNCAN:** We're back again. We can see you.

**DR SMITH:** And so in our large forest owls project, we are working with private landholders who have hollow bearing trees on their property to try to protect those trees. We're also putting up nest boxes. Sometimes those nest boxes are for prey species to try to make sure that the larger animals have prey to feed on. But it's a lot of work. It's a large effort to do that protection and restoration. And so it's heartbreaking when people – you know, Government's investing, people are going out, putting a lot of effort into trying to protect these remaining hollow bearing trees and meanwhile in the state forest nearby there's trees with large hollows that are being cut down.

20

25

**MR DUNCAN:** Okay. Where to next?

**MR FIELD:** Well, do we want to get into –

30

**PROF O'KANE:** Could I have a couple of questions in there?

**MR DUNCAN:** Mary, sorry.

**PROF O'KANE:** I would like on the agenda to hear about plantations, that's been signalled. I'd also like to hear about what should happen if moratoria were put on various forests. What should happen to those forests? Should they turn into state forest, national park, put out to private ownership? So I'd like to hear a bit about that as well if we can just add it to the list of things to talk about. And also about alternative wood substitute products. What should we do about the requirements for timber and how should that be managed?

35

40

**MR FIELD:** I suggest we do the second one first because it sort of leads into the other ones. Our strong view is that Forestry Corporation needs to cease to exist. It has –

45

**PROF O'KANE:** Sorry, I lost just that vital set of words at the end of the sentence.

**MR FIELD:** Forestry Corporation needs to go as an entity and as a public land manager, in our view. It has a terrible record of compliance. It's the worst performing public agency, from our analysis, with environment and logging laws. It's got more prosecutions and breach notices and the like that any public agency – closely followed  
5 by Water New South Wales - Sydney Water, interestingly.

**MR DUNCAN:** Sydney Water –

**MR FIELD:** Sydney Water. Yes, anyway –  
10

**MR DUNCAN:** Getting a bit close for me, I declare that I'm on Water New South Wales' board.

**MR FIELD:** Sydney Water, that's right. And it's just getting worse in the last four  
15 years. We've documented that in the submission, the number of breaches, prosecutions, \$1.6 million in fines and scathing judgments from the Land and Environment Court about their behaviour. We also know that ultimately if they maintain sort of responsibilities in the forest, what's happened in Victoria is the real risk, that they just end up – they've got a corporate directive, their statement of  
20 corporate intent. That wasn't changed, at the end of the day they've got to continue to pursue timber.

**MR DUNCAN:** In Victoria?

**MR FIELD:** No, no, in NSW. I was saying the Forestry Corporation in New South  
25 Wales has got a corporate mandate and without clear changes to that corporate mandate or changes at the board level or changes to the Act or the removal, they'll just keep doing what they do, which is trying to access timber and sell it. And that's what we're seeing happening in Victoria because they've never really resolved what to do  
30 with the forests and sort of what to do with that agency and so they continue to try advocate and push for access to timber through various guises. So we think they should go and so that goes to the question, well what do you do with those forests?

Now, I guess that's where there is an opportunity for sort of localised engagement  
35 with communities, traditional owner groups as well might have a role. But at the end of the day, the Act that's in place in New South Wales that has the structures to sort of manage the environmental values of the forest is the National Parks and Wildlife. They are well placed to be able to be the manager of most of this land. The type of  
40 tenure that covers this land is where the discussion is. Like, some of it should go into National Parks, some of it should be in state reserves where there's ecological values protected whilst access is retained and resources are put into making these forests accessible for recreation and for other public uses.

**MR DUNCAN:** It's a good point, and I could make a comment there, you know that's  
45 been my view, I've been involved in state level and well, the community practically, and it's an outdated model as well, there's tenure based levers. And I think there is probably an opportunity to think about some other models but whether this process gets to that or not, but as you say, I think what you're just pointing out there's a

continuum there of how these things can work. And whether it's recreation use, national park or flora reserve or whatever, even on Crown lands you'd have to say that model is not contemporary.

5 **MR FIELD:** And I think Susie talked about the experience of the CRA. It was quite in depth and it was a lot of analysis and ground truthing and community engagement and look, it might be that that is the sort of – similar sort of process needs to be gone through to work out what actually happens which each of these forests and there'll be a local and regional sort of approach to that, no doubt.

10

So I don't think we could get too prescriptive. I could imagine there'd be resistance to the idea of setting up a new public land manager, of an agency. There are existing organisations within the structures of Government that could do that. There's existing Acts that enable different types of access to be provided and different protective elements as well. So I think we could work through that over time but at the end of the day, Forestry Corporation has to go or it's very difficult to have an honest conversation about how to do this.

15

**MR DUNCAN:** That's your primary [non-transcribable] it's not so much where because it's what's there now is not right but you'd be open to – whether it's existing like 10 years across Government or whatever, to think that through a bit for the future, with the best outcome in mind.

20

**MS RUSSELL:** Yes, that's right. And I think clearly some forests are so damaged that probably they're not national park worthy. But they are very much a community use, recreation values and accessible and ready for restoration programs. I mean, people are dying to get involved in hands on restoration activities and some of these forests are in the perfect locations like Kiwarrak Forest, which is just near Taree. Again, a history of Aboriginal relationship with that forest, those coastal forests, Kiwarrak and Yarratt, heavily logged, heavily degraded but relatively flat and accessible and great places for recreation and community restoration.

25

30

**MR DUNCAN:** We were hearing all about this yesterday and -

35 **MS RUSSELL:** Oh sorry.

**MR DUNCAN:** We were hearing about this yesterday. I hadn't heard about it to such a degree, but there's a lot of recreational mountain biking and that sort of thing there, is that right?

40

**MS RUSSELL:** Kiwarrak has a mountain biking network that the Federal Government put four hundred and something thousand dollars to restore after the fires. That is currently being logged. So we've got this bizarre situation where we've got a koala hub, we've got koalas slowly coming back into that forest since the fire. It was absolutely burnt to a crisp. Images of charred dead koalas in trees, like they were incinerated and then yes, big fanfare and we're putting all this money in to restore the bike paths and now Forestry are in there smashing all the trees and basically going to require another couple of hundred thousand dollars to go in and fix it again.

45

**MR DUNCAN:** They're taking out – what, they would pull damaged trees from the fires or something?

5 **MS RUSSELL:** No, no, no. They're just taking out – a lot of those trees are –

**MR DUNCAN:** Survivors.

10 **MS RUSSELL:** Yes, yes. They burnt across the crown but you know [non-transcribable].

**MR DUNCAN:** So I mean that's important to understand that. And just to clarify the Victorian issue because we're hearing a bit of innuendo about it, we haven't got the facts but are you saying that the Forestry Act, whatever the equivalent is in Victoria, hasn't changed even though the decision's been made?

**MR FIELD:** So what we're seeing – now, well, VicForests still –

20 **MR DUNCAN:** Still exist, yes.

**MR FIELD:** – exist in a format and they've never really resolved what to do with these forests. So there's a management question in place, right, and we're hearing things like forest gardening, proposals around forest gardening as sort of a management tactic.

25 **MR DUNCAN:** Tree farming? Or tree farming?

**MR FIELD:** Well, there's a few different things going on down there but basically it's just other models of management that enable ongoing access to timber. I mean, there's a slightly different history in Victoria and the way they came to a decision largely as a result of ongoing legal cases and substantial challenges to the resource access meant that they had no choice but to end it quickly at the end.

35 But they hadn't really worked out what they were going to do first and so it's left a bit of a vacuum, which has led to some pretty ordinary processes being put around management. I think if you were going to end it here, the real rationale for ending it is one, the industry needs certainty and a plan for future but we want to maintain and restore the ecological values of what's there.

40 And so environmental protection and restoration is sort of one of the key focuses, you want to have a plan for how to manage those forests with that in mind and if you leave Forestry Corporation in the role of land manager, their motivation, without changes to their corporate mandate or Act, is to continue to push for access to timber and so I think we just make sure that – it's a block at the moment for good conversation and  
45 good decision making whilst they have a role, if the decision is taken to end native forest logging.

**MR DUNCAN:** Okay. So let's go into those next two points around – is it wood substitute products or plantations, whatever you -

5 **MR BLANCH:** Plantations might make sense first – plantations, they're still shrinking nationally and in New South Wales. Forestry Corp haven't expanded  
conversion free plantations for 20 years because they had free access to forest. So  
what we have is sort of dumb timber not smart timber, killing the gliders and koalas,  
releasing carbon and not growing for purpose tree crops on long cleared land where  
10 there's good environmental assessment and social licence and you can defend it  
against bushfire and climate disasters. So there's a -

**MR DUNCAN:** So is there properly regulated, properly planned, proper - products  
going in. Is there a model there that works, whether it's investment or government  
15 funding? Is there a model that works?

**MR BLANCH:** Well, first point, the plantations, new plantations, not converting  
native forest -

20 **MR DUNCAN:** Yes, no thanks -

**MR BLANCH:** Will not happen without a lot of money.

**MR DUNCAN:** Yes, no, we understand that.

25 **MR BLANCH:** So the question is does Government expand it to like Forestry  
Corporation, they make money out of the plantations. In talking to Softwoods  
Working Group and others, a lot of private sector groups do not want any more money  
going to Forestry Corporation because they think they're inefficient. Put it to the  
private sector, so then some model of how to leverage private sector investment in  
30 plantations like we do in Victoria with \$100 million.

But I think there are sort of three different types of plantations. Pine for trusses, new  
multi-species eucalypt plantations that bring carbon and biodiversity benefits and  
timber over 20, 30, 50 years. And then farm forestry and there are different models  
35 required for all those and it's not just the plantation, it's the wood manufacturing  
plants and the wood innovation, CLT, GLT, particularly on the North Coast, it's really  
very dumb use of timber. There are no big wood manufacturing plants north of  
Newcastle. It's a real gap. So yes, certainly I think I shared with you the Frontier  
Economics report we commissioned a couple of years ago.

40 **MR DUNCAN:** I've read that.

**MR BLANCH:** They estimate \$150 million of funding needed to boost plantations. I  
think that will be at very minimum and we need a fair dinkum assessment of the real  
45 cost of expanding plantations and doing it well, not creating more environmental  
problems.

**MR DUNCAN:** [non-transcribable] I'm not speaking for Government, by the way, but it could be a reasonable investment if you could get some sort of -

5 **MR FIELD:** Well, I was just going to say if you think you need to meet all of our current – all the products produced from the timber industry in New South Wales at the moment, hardwood, softwood plantations combined. If you just want to end up doing all of that out of plantations, it's a really big investment.

10 But I don't think we should be trying to do that and pretend that we should be because at the moment we're exporting whole logs, we're exporting woodchip, I think we could probably all agree that it's time that ended. It looks like it is declining largely because there's others providers of some of this material biomass around the world starting to take over parts of that market, but it's also an incredibly inefficient use of our natural resource and of very low value. So I think you could get a lot of – deliver a  
15 lot of genuine timber needs and high value timber needs from repurposing existing plantations with those higher value products.

20 So I think there's a big offset there, a lot goes to woodchip and a lot is wasted and the thing is that there are also high value uses of a lot of softwood as well. Like, a lot of structural softwood applications now becoming preferred use where hardwoods used to be in place. And we're seeing things like the recent Essential Energy decision to move away from timber power poles to composite. It looks like it's partly price, it's partly there's more efficient use of [non-transcribable] looks like they're easy to work with and access to resource is part of that as well and you'll see that in the pallet sector  
25 as well.

And so I think that demand across the board is going to change once you remove that sort of very cheap subsidised access to native forest timbers. Industry will make its own decisions. I know when Mick and I did the timber inquiry, we went out to Borg's  
30 plant out at Oberon. That is a phenomenal facility. They are screaming for fibre resource. They're investing in their own plantations because Forestry Corporation can't do it quickly enough.

35 **MR DUNCAN:** It's industrial in scale, is it?

**UNKNOWN SPEAKER:** It's massive.

40 **MR FIELD:** It's ginormous. And it's the biggest in the southern hemisphere, it provides I think 60 or 70% of all of our fibreboard products and largely they can make a model of investment for plantation for themselves work. And I think if you put it to people like Rambles, CHIP, BlueScope, other users of pallets, they'd look at cooperative models with Government around plantations so they had a secure resource into the future as well.

45 **MR DUNCAN:** Sort of leading us into the substitute products.

**MR FIELD:** Yes, and that's I thought why that was a good model to do it. But if you talk to people in the private plantation – I think they'll honestly tell you New South

Wales may not be the best place to do sort of large scale, partly because of land value, partly because of competing uses with agriculture. I think there's probably a substantial amount of land that you could find that would be suitable. You'd have to build the social licence and make sure the model worked. But if you're trying to just  
5 replace everything we do now with plantations, it's hard and expensive – and we shouldn't do that.

**MR DUNCAN:** I'm really not [non-transcribable] but I think what I thought was what Stuart has said, the last 20 years or so - development varieties or whatever you want to  
10 call it. But it sort of hasn't happened and I think that the investment models of the past didn't help either because they didn't have good planning and execution and then people say, "Well, they don't work because they don't grow good trees."

I guess my view is I'm not convinced about that. South America seems to be able to  
15 grow plantation, new goods if they need to or other countries. So my question would be are they part of the solution, not the solution, if you know what I mean? That's where I was getting to. Susie, you seem to have a different view, so –

**MS RUSSELL:** Yes. I think that the way that Forestry Corporation and State Forests,  
20 whatever before, manage the hardwood plantations is absolutely abysmal. You know, I mean most of it is in cleared areas of state forest, so you have a state forest but in the middle of it you will have 10, 20, 50 hectares of what they have called plantation with a lot of native veg ingrowth and it's a ridiculous scenario to think that we're going to protect the forests and then we're going to allow them to go in and clear this big gap  
25 around the creek because somebody said it was a plantation. And some of those plantations are where somebody's scattered seed in the 60s or planted a few jiffy pots.

**MR DUNCAN:** Yes, I know.

**MS RUSSELL:** You know? That is what they're saying is plantation. So clearly  
30 plantations need to be there – if they're being grown for fibre, they need to be grown somewhere where the transport costs to get them to where they're going to be used are not absurd, down sort of windy gravel country roads. It just doesn't make sense.

I mean, the reason those green triangle plantations work is because they are near the  
35 port and so if there is to be a plantation estate for fibre, it needs to be planned and put near a port and again, there are a whole lot of issues around that. It's been not very successful anywhere. The MIS plantations have largely been cleared. Right, they don't exist anymore. They were going to be the great new fibre resource. A lot of them have  
40 been chipped and burnt in the Broadwater and the Condong power stations on the North Coast. They've just literally gone up in smoke.

**MR DUNCAN:** So a couple of questions on that, fibre's a good one but you would  
45 like to think that we develop a sort of downstream fibre industry here rather than necessarily export it. I mean, in my mind, that's the value product but secondly, I'll test something out with you, where I live there's a lot of lazy Crown land that's been really degraded, you know, grazing and other things. But also all I see happening there is [non-transcribable] takeover and nobody's really managing that. The lessees don't

probably have the resources and the Government hasn't got the resources in the variety of Crown land. But also macadamia nuts are on the way out on the Northern Rivers, mostly because of climate change and we can produce them better in North Queensland or even offshore. So what about the concept of those sorts of areas  
5 converting, you know, in that there was some sort of incentive for landholders or –

**MS RUSSELL:** Well, as long as plantations are seen as being this – you know, plantations are largely managed as a clearfell crop, okay and if you are putting them on steep slopes and then you're going to clear them and then you get an extreme  
10 rainfall, you have a disaster. And the Northern Rivers, as we saw from the floods in 2022, is particularly prone to those extreme events. We need to be revegetating those macadamia farms. I mean, they are what hold the soil together. But there is much more accessible land that is grazing country –

15 **MR DUNCAN:** Like Crown leases and things.

**MS RUSSELL:** Well, I don't know much about Crown leases, so I won't say –

20 **MR DUNCAN:** Yes, okay.

**MS RUSSELL:** But I think we need to be looking at – I mean, personally I think we need to be looking at bamboo. Like, bamboo is –

25 **MR DUNCAN:** It's another fibre, yes.

**MS RUSSELL:** I have bamboo floorboards, solid bamboo floorboards. Beautiful hardwood. You know, basketball courts are being done with –

30 **MR DUNCAN:** Courts and all sorts of things, yes.

**MS RUSSELL:** Click together, engineered products, amazing. That is the sort of thing that an industry could be set up for a fraction of the price that you're talking about investment in plantations. But is it the Government's job to set up a new  
35 industry? Is it the Government's job to meet the timber needs? I mean, we don't meet our steel needs. We weren't capable of making face masks. I mean, as a country there are many things that we do not do and I think we need to prioritise and what is it the Government's job to do and certainly the softwood division of Forestry Corporation makes a profit.

40 So there's an argument that that should continue. But the hardwood division, including the plantations, runs at a loss and it destroys all these other values. I don't see any argument there at all why that should continue. And private industry has developed plantations, South Australia, Tasmania and Victoria, very effectively. Are we going to  
45 sort of have some new government subsidy program for putting in plantations here that in another 20 years are just going to be cleared because they didn't work.

**MR DUNCAN:** Mary, we've had a bit of a discussion about the points you raise, is there anything –

**PROF O’KANE:** Yes, so one other thing – I mean, that’s been very good and very helpful. What about the current timber workers? What should happen with them because the point you’re making, Susie, is what Government should do or shouldn’t do. Should anything be done in the ways of structural adjustment if timber’s closing or should they be made redundant? There are of course industrial laws around this but to what extent should Government get involved there and do you have ideas, should they be retrained and if so to what?

**MS RUSSELL:** Yes. Mary, always got plenty of ideas. Always got plenty of ideas. Look, the people who are working on those big machines in the forest are readily able to take up jobs. I mean, I came down the Pacific Highway to get here. There are probably 10 times the whole forestry workforce working on the road construction –

**MR DUNCAN:** Raymond Terrace.

**MS RUSSELL:** Raymond Terrace. Exactly. Like, mega building. I mean, we saw massive damage to roads out in Western New South Wales from those floods. There is a lot of scope for using people with those skills, driving heavy machinery. The people working in the mills I think are the ones – people working in the Forestry Corporation usually just end up moving over into the next agency. So there’s a new land manager and they take up jobs in that agency.

That’s what happens in the forestry structuring processes in ‘98, 2003. I know several of those people who went from Forestry to the National Parks Service. They’re very happy about their new job. They’re much happier than they were in Forestry Corporation and the mill workers are the ones who are poorly paid and who are most likely to have a hard time. And I think yes, there should be adequate sort of severance pay and retraining programs for those people to assist them in new types of industries, but not necessarily in the forest industry.

I mean, I had a long talk with Jeremy Buckingham yesterday and he said, “Look, medicinal cannabis would employ hundreds of people and these people have the kinds of skills that could be put to work in another industry.” I don’t think that it’s a matter of like for like. I mean there are new industries coming that are able potentially to soak up some of these people in regional New South Wales if we just had a bit of vision from Government to take some steps that are sort of inevitable but are being delayed and because of climate change, we really need to move quickly on these.

You know, I would much rather be engaged in a proactive discussion about restoration and solutions than attaching myself to a piece of logging machinery to try and delay the destruction of greater glider homes, you know.

**PROF O’KANE:** Thank you.

**DR SMITH:** Can I jump in on the jobs thing? I think the first thing is Stuart’s report showed there’s around 1,070 people in the entire hardwoods industry and the industry likes to say there’s 20,000 workers but we know that only one in 20 of those is in

hardwood, most is in softwood. So I think that's the first thing. It's not a huge number of jobs. In some areas though where it's small communities, it can be a large or a significant proportion of the economic activity and so structural adjustments is important. But also right now there's a really tight labour market in the region. In my  
5 regional town, they can't get enough bus drivers. So it's actually a really opportune time to make sure that an adjustment goes well and people are redeployed.

**MR BLANCH:** I'd like to jump in and respond to your question, Mary. I think – I'm not sure how, Peter, you want to go into details, but clearly Pentarch and the Eden mill  
10 are key. If Pentarch are going to sell, that would remove one of the biggest obstacles, particularly for the chip mill and Eden and able to reorient that to higher and best use of the wood rather than low value woodchips exported.

And secondly, a large wood manufacturing industry based around Grafton would  
15 replicate what Borg has done on the South Coast based on pines on what cusp does in Wynyard in north Tasmania and the green triangle. We need an economic investment program and it's not just largesse but triggers private sector investment because they'll make a lot of money if there's enough plantations provided over time.

**MR DUNCAN:** You make a good point. I mean, using in Oberon – made the  
20 softwood plantations work, basically. If you didn't have those types of investments, they wouldn't work the way they're working. I think the mills alone didn't do it, did they?

**MS RUSSELL:** No.  
25

**MR BLANCH:** A smart sort of wood or not just wood but broader innovation for the materials that Forestry Corp and the timber industry claim make it harder to provide  
30 because obviously we need to think about some of the appearance grade wood over time. Power poles are being sorted out with composites. Bamboo floors. Cross laminate, glue laminate timber, like a wood engineering investment program would be a really good recommendation.

An investment in key areas, particularly around Grafton along that North Coast where  
35 there's a real deficit of good wood manufacturing, good for union workers, who typically AWU workers are better employed in those areas than forest contractors out in the forests. And I think it's industrial hemp, bamboo plantations, reorienting woodchip and wood burn than Condong and Broadwater are into, high value uses, you're going to get a lot more than a thousand jobs.  
40

And you could reorient Eden from a bit of an embarrassment economically to a future  
in jobs which it uses its natural values and position on the port rather than just low value woodchips, putting them on a boat. It's not a good way to use our precious  
45 forests.

**MR DUNCAN:** Mary, are you happy at this point?

**PROF O'KANE:** Yes, no, that's some very good points. Thank you for that.

**MR BLANCH:** And 3RT, I don't know if you've looked up 3RT?

**MR DUNCAN:** 3RT?

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**MR BLANCH:** 3RT.

**MR DUNCAN:** You'd better explain that.

10 **MR BLANCH:** It's – Suzie?

**MS RUSSELL:** No, you go.

15 **MR BLANCH:** Well, I think it's a South Australian based private company that makes artificial wood and they want to get a foothold in New South Wales.

**MR DUNCAN:** Some of that flooring in those materials, is that what you're talking about?

20 **MR BLANCH:** It looks like hardwood, worth talking to folks from 3RT. They're very frustrated after years and years of being ignored by the New South Wales Government.

**MR DUNCAN:** What is the product? What sort of -

25

**MR BLANCH:** Well, it makes it looks like beams.

**MR DUNCAN:** But where does it come from? What's the source or -

30 **MR BLANCH:** Well, it's wood fibre. It's wood fibre, like out of chips and ground down sawdust, manufactured into look alike hardwood. So when the timber industries say you can't replicate appearance grade timber for nice floors in rich people's homes in eastern Sydney, it's not true. The trouble is where a state government, on behalf of our taxpayers, subsidise Forestry Corp to keep making a loss and damaging our  
35 timber, it undermines private sector investment because they can't compete. Why would they put a lot of money into this state when Forestry Corp have got the whole thing cornered?

40 **DR SMITH:** We're in a nice boardroom in Sydney, there's not a single piece of hardwood in this room. Like the veneer table, it's doing a great job. And even Hurfords, one of the hardwood mills on the North Coast, they sell – they make engineered floorboards that use 96% less hardwood because it's just a veneer layer. So that's already a pretty good saving. They also sell oak and species from overseas. So the industry's already diversified, there's already a lot of demand for engineered  
45 products, they do a better job than the old solid wood. It's an old way of doing things and the market's moved on.

**MR DUNCAN:** Yes, you make a good point, Brad. And I think that's why I said before the last 20 years sadly not enough development has happened, that side of things as well. There's technology on all sides of the discussion – "technology" is probably the wrong word but diversification and substitution as well. So we've got  
5 about 15 minutes left -

**MR FIELD:** Yes and well, it might be good to actually good to move into a discussion about PNFs as well, of private native forestry –

10 **MR DUNCAN:** Yes, I was going to –

**MR FIELD:** – that's part of it. But I think that what everyone's just illustrated is that there's going to be some regional specific considerations here. It's a very different environment on the South Coast, where it's largely woodchip and the port facility is  
15 sort of the centre of the timber industry down there. They've got that wonderful port resource.

So it's going to mean a more bespoke local outcome and that's the same thing with the North Coast, where you've actually got the problems with those sort of embedded  
20 plantations or those converted plantations, not suitable in the long term but there are other areas that are prime for development. But they've also got a much more mature private native forestry industry there, so –

**MR DUNCAN:** Justin, we did hear that quite clearly yesterday in Parliament, this sort  
25 of regionality of the issues and I think you'd get it from – you know, whether it's species or any part of this spectrum, you'd get the same thing. It's not one size fits all – is it?

**MR FIELD:** I think some people feel like there's a big opportunity with private native  
30 forestry. It needs much more understanding of what's going on in the sector to work out what role it can play. I spent four years trying to understand that in Parliament what was going on with PNF. There's no good data. There's very poor cooperation between LLS and the EPA on the regulation.

35 In fact, the EPA, I believe, had to go to court with LLS to get access information about current PNF operations so they could regulate, as they're required by law to do. We don't know how much land is actually being logged, we don't know what yield has come from those forests and we don't know how much people getting are for the timber. It is a bit the wild west. There's going to be a significant risk of bleed from – if  
40 you were to end public native forest logging into a PNF without –

**MR DUNCAN:** [non-transcribable].

**MR FIELD:** Yes, and it needs to be factored in. You don't want to just shift all of the  
45 impacts on to private land. It needs a better regulatory framework and a clear understanding of what its purpose is going to be and I think we should be – there should be I would describe it as a boutique private native forestry industry that is focused on the highest values, so it doesn't just become a substitute for more

chipboard or be burnt or firewood, whatever. There's real value there on the land and if we want landholders to manage it with good silvicultural practices, we need to be able to demonstrate that it's a high value product that's worth managing well.

5 There is an overlap between sort of these high conservation value areas and where the best timber on private land is, so I think we should just acknowledge that and be aware of the bleed risks, which means if you're going to signal an end to native forest logging, you need to remove some of the mill capacity up there. If you leave the mills intact, in place, without a package for them to be removed, taken out of the system, 10 they will be a pull factor for timber from wherever they can get it from. There are some mills that only use private native forest materials now already.

So that will require a piece of work to understand what role it can play and a picture of the current industry. It's much more north focused, there's very little on the South 15 Coast and I don't think we really want to get into a situation where through this process it opens up a much bigger private native forestry industry on the South Coast. It's not well suited to it and there's not the mill infrastructure there for the transport networks to facilitate access to it. It just becomes sort of another fragmented broken industry down there. So it does require some consideration –

20 **MR BLANCH:** So I'm still on board of the FSC, as Susie has done. A recommendation that private logging and plantations would be supported by a state government to meet the requirements of FSC forest management certification would be a useful third party independent certification source that prevents leakage out of 25 shutting down native forest logging on public land and becomes replicated on private land.

And there's evidence of that on the North Coast where, you know, poor farmers, you get offered 40 grand to log all your tallowwoods round the back paddock, that's your 30 new car. It's very tempting and almost no regulation, no transparency, no breaks by Government, no independent third party certification.

**MR DUNCAN:** So would Forest Stewardship Council's certification apply to future well done and well managed hardwood plantations?

35 **MR BLANCH:** If they're made to, but Forestry Corp can't do it.

**MR DUNCAN:** We'll leave Forestry Corp out of it.

40 **MR BLANCH:** Yes.

**MR DUNCAN:** But if someone come along and a well put together, well managed and a well harvested plantation, would they do it –

45 **MR BLANCH:** Well, FSC does, in 99% of – I think FSC certifies about 2 million hectares in Australia, about 99% are plantations. So –

**MR DUNCAN:** They're private plantations or are they-?

**MR BLANCH:** Yes. Mainly private.

**MR DUNCAN:** Private.

5

**MR BLANCH:** There's only one FSC private native forest logger in Australia and he lives up the Hunter Valley.

**MR DUNCAN:** Do you have someone to give us any information on that, about what FSC does. I mean, we haven't reached out to them particularly but if you're on the board –

**MR BLANCH:** I'm going to defer to the former chair. She knows vastly more than I do.

15

**MR DUNCAN:** I mean, is there a source of information there? Because that's interesting -

**MR BLANCH:** Call Mel Robertson.

20

**MS RUSSELL:** Yes, the CEO.

**MR BLANCH:** I can contact –

**MR DUNCAN:** Mel Robertson?

**MR BLANCH:** Yes, she's based in Melbourne and FSC, she'd loved to be consulted and there is what's called group schemes, small group schemes on the North Coast have been tried where governments – and in Tassie they're looking at it to fund the admin and compliance and auditing costs for like 20 small private –

30

**MR DUNCAN:** In Tasmania.

**MR BLANCH:** And in New South Wales, on the North Coast they tried – it's too expensive for someone who's got their own private land to get annual auditing and make a lot of money and then support, particularly for the loads to go to a FSC owned investor -

35

**MR DUNCAN:** Who else there would be? Are there private consultants that do that sort of thing?

40

**MS RUSSELL:** Yes, there are.

**MR DUNCAN:** Yes. They're sort of independent verifiers or whatever you call them.

45

**MR FIELD:** I recognise we've got probably no more than five –

**MR DUNCAN:** Yes, Mary?

**MS RUSSELL:** I'm actually going to leave now because I've got to go to a press conference. So I've got another thing.

5 **MR DUNCAN:** Good to see you again, Susie, after all this time.

**MS RUSSELL:** Thank you all very much.

**MR DUNCAN:** You know where to find us –

10

**MS RUSSELL:** Yes.

**MR DUNCAN:** – if you think of anything else that you want to say. But we've got this in that system, Justin, that we've got this document.

15

**MR FIELD:** Yes. No, no, I appreciate it.

**MS RUSSELL:** Sorry, I don't mean to interrupt, like do take your last five minutes but I've got to be somewhere to –

20

**PROF O'KANE:** Thanks, Susie.

**MR DUNCAN:** Good luck.

25 **MR FIELD:** We'll see you there soon. I thought it might be useful just to conclude in the following way. We understand that sort of five options have been floated, I think by the steering committee and StollzNow are sort of seeking views from stakeholders on those five options. I guess from our perspective, we don't want to be constrained by those five options as being the thinking and we'd ask you to not be either. You know, obviously we want to see an end to public native forest logging in New South Wales and what happens with the land we've talked about and sort of how some of these transitions might work we've talked about. But at the end of the day, there is this urgency.

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35 So the sixth option is an end now, allowing four year transition period with the end of time for the end of North Coast contracts, you just need to look at what's happened in the Great Koala Park proposed footprint. Because the Government signalled straight after the election they were going to do it, obviously it was an election commitment, what has happened, there's been a massive intensification over the last 12 months of logging in that footprint. If there was a signal that there was an end, that the transition was going to be four years, you run the risk of there being a substantial effort to get into those highest value areas.

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**MR DUNCAN:** But I think the important thing – you end in those areas and then have a four year transition on the edges.

45

**MR FIELD:** That's right.

**MR DUNCAN:** That is potential for something like that.

**MR FIELD:** And that's what we describe as option 6, like be really conscious of the risks associated with a long transition. Politically I think the risks are much greater -

5

**MR DUNCAN:** Yes, so those options are not ours but –

**MR FIELD:** No, no.

10 **MR DUNCAN:** – we are aware of what they are.

**MR BLANCH:** And it's unfair to the people. We talk to the people in the industry, they're hated in their communities, they feel like they've got no job options staying in industry, they're getting out and the people left at Forestry Corporation are juggling lots of tasks that they literally cannot do. It's unfair to them and it stymies investment for another three years.

20 So I'd say immediate protection of endangered species habitat and then end logging across the state by Christmas next year. That's a short, a targeted, very focused transition where the Government brings people together and try to work out how to do this. Not about whether we should do it but how to do it fairly and the sticky issue about carbon markets, plantation, First Nations getting land back, that needs some focused thought but a rapid transition and a lot of money.

25 **MR DUNCAN:** There must be some solutions in carbon but there seems to be too much greyness in it, not enough [non-transcribable]-

**MR FIELD:** Well, if we don't know what's coming – then Christmas.

30 **MR DUNCAN:** Yes, Christmas in the discussion. Yes. So just for a minute, moratorium, four year transition, bring people together, carbon, Aboriginal management, is that all part of option six in your mind?

35 **MR FIELD:** Not a four year transition from our perspective. I think that's what's been floated in option five. We would think you could wrap up a process within 12 months. Remember, four years crosses two electoral terms. Forestry never goes well when it sort of crosses electoral terms. They don't want this to be any more politicised than it is and I know it's not yours to manage the politics but you'd just be mad to announce that sort of proposal, it'd be unmanageable and you'd find that interest groups that didn't want to transition would just drag their heels through the process. There are risks –

40 **MR DUNCAN:** No, when I said a transition, I was saying moratorium first.

45 **MR FIELD:** Yes.

**MR DUNCAN:** Then four year transition and then the industry and all the discussion-

**MR BLANCH:** I take your point but 12 months, it's all over. Forestry Corporation lobby us for a package to get out of logging, particularly in glider and koala habitat. They are absolutely caught, as is the EPA, and you need a very quick transition. Look what happened in WA, they got it over and done in a year or something and in  
5 Victoria they were going to have a six or seven year transition, they did it in I think one or two years, they were forced to. But please don't put the position where the New South Wales Government just drags on and on and on where politically, economically, environmentally, carbon wise, it's a disaster. We must avoid that. A quick, really well paid solution -

10 **MR DUNCAN:** Because you don't want what happened in Victoria, where things haven't been resolved.

**MR BLANCH:** No, it's because they didn't deal with big forest. They didn't deal  
15 with big forest. I'd get rid of the Forestry Act, get rid of Forestry Corporation, some new public body to manage the public plantations and get a lot of private sector investment into the plantations that will manufacture.

20 **MR DUNCAN:** We probably need to wrap up, Justin. But Mary, anything from you before we –

**PROF O'KANE:** No, I think that's been very comprehensive. Thank you all.

25 **MR DUNCAN:** It's been comprehensive, so thanks very much.

**DR SMITH:** Sorry - you said that there was some greyness around the carbon  
question and there's some things that are very clear and some data that should be available. So the first thing that's clear is the New South Wales Government is failing to meet its 2030 carbon target and it needs opportunities to [non-transcribable]  
30 emissions.

It's also very clear that logging our native forests are creating a lot of emissions. The estimates are somewhere between one and a half million tonnes and five million tonnes a year but that's clear that there's a lot of emissions created from logging and  
35 that would help the carbon account. When it comes to how that fits into the carbon markets, I agree that's complicated but if you're looking at the state carbon budget, then it's very clear.

40 **MR DUNCAN:** We've got some of that, yes. Any final things?

**MR FIELD:** And we're available if you need.

45 **MR DUNCAN:** Well, we've said that to others and we appreciate you coming in and the work you've done but also people are making late submissions, so if there's anything following you want to submit after that, please feel free to do it.

**MR BLANCH:** We've got a report from Frontier Economics about where the jobs will be in New South Wales once logging ends.

**MR DUNCAN:** Was that the Frontier Economics –

**MS MILLER:** It's a new one?

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**MR BLANCH:** That's a new one. It's in late draft stage but that's probably not available. I can get the Frontier Economics people to offer you a briefing but it won't be finalised probably for a month or -

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[REDACTED]

15 **MR BLANCH:** Yes, good point. Well, Justin's the best contact person so if you want to contact Justin about the Frontier Economics report number 2. I've already let Treasury, Tara's office and Penny's office know it's coming. So they know it's coming.

20 **MR DUNCAN:** Okay. Well, if they know about it, it's probably –

**MR BLANCH:** I was thinking December. We were trying to get it done in October. The trouble is a lot of forestry industry people don't want to talk to our consultants because they – well, they know the end is coming and they don't want to give us ammunition, which from their point of view makes sense but they also need investment in all the things we've talked about and they're literally caught. So you can have a confidential discussion, a briefing and we don't have to be in the room, you can just talk to our consultants.

25  
30 **MR DUNCAN:** Sure, we'll have to talk about it. We'll come back to you. Thanks, Justin. Thanks for your time.

**MR BLANCH:** Thank you. Thanks, Mary. Thanks.

35 **PROF O'KANE:** Thank you.

**MS MCLEAN:** Thank you.

40 **>THE MEETING CONCLUDED**