North East Forest Alliance presentation to Independent Forestry Panel

Dailan Pugh, November 2024

NEFA speaking notes for presentation to the Independent Forestry Panel are provided below, due to time constraints only Koala Hubs and Resources were covered during the meeting, with an additional discussion about plantations.

In response to Peter Duncan's questions regarding the establishment of plantations on cleared lands in north east NSW, I would like to add that while supported in principle, past endeavors have been fraught. Many Forestry Corporation plantations on purchased lands have failed, often due to inappropriate species selection. Forestry Corporation's Joint Venture plantations with landowners (including on macadamia country) have been a dismal failure, with most being abandoned, either handed back to landholders or prematurely logged (with landholders then having to undertake the expensive process of removing stumps). The MIS plantations established with landholders have also been a failure since the collapse of the scheme, with many subsequently bulldozed out and returned to grazing country, and many now being clearfelled and exported as pulp or being burnt in the Harwood and Condong power plants. The objective of providing future sawlog resources has not been a success. There needs to be a full review of the reasons for past failures before any new scheme is instigated.

SPEAKING NOTES

Koala Hubs

In response to a recommendation by the Independent Review into the Decline of Koala Populations in Key Areas of NSW (NSW Chief Scientist and Engineer 2016) "*That government agencies identify priority areas of land across tenures to target for koala conservation management and threat mitigation",* in 2017 the Office of Environment and Heritage analysed Koala records *"to delineate highly significant local scale areas of koala occupancy currently known for protection",* noting:

> *These areas are not designed to be an exhaustive account of all koala presence across NSW, but rather define areas of currently known significant koala occupancy that indicate clusters of resident populations known as Koala Hubs.*

Of the 100,000 ha identified across NSW, 20,000ha is on State forests. The then NSW Government ignored and suppressed the report. Since the report was released in a GI(PA) request, NEFA have been agitating for logging of Koala Hubs to stop. By April 2024 2,800 ha of Koala Hubs on State forests had been logged since they were identified, with the logging fragmenting numerous Koala Hubs.

Following the March 2023 election, in August 2023 NEFA lobbied both the Environment and Forestry Ministers to protect Koala Hubs across all State forests. On 11 September Environment Minister, Penny Sharpe, issued a directive to the EPA to "*ensure that koala hubs (critical multi-generational resident koala populations and their habitats) within the proposed Great Koala National Park assessment area are protected, consistent with the government's election commitment*". Subsequent EPA proposals to stop intensive logging of Koala Hubs outside the park have been rejected by the Forestry Corporation.

Resources

Based on FRAMES Wood Supply Agreements (WSAs) were issued (for free) in 1999 for 269,000 m3/yr (cubic metres per annum) of Large High Quality (HQ) Logs from north-east NSW public forests and hardwood plantations for 20 years after which yields would plummet.

Since then

- estimated yields of large high quality sawlogs have halved, and actual yields are well below this
- over $13 million has been spent buying back Wood Supply Agreements and compensating sawmillers for phantom timber promised to them for free
- the definition of high quality logs has been expanded to include **small** high quality logs
- millions have been spent buying private lands for logging and hardwood plantations
- environmental protections have been reduced

In 2003 the FRAMES model was revised downwards: Large HQ sawlogs over 20 years of 205,000 m3/yr, with yields modelled to drop to around 64,000 m3/yr after 2023. The caveat was "the modelled outcome is generally 10-15% above the likely outcome"

WSA issued for large high quality sawlogs 215,422 m3/yr in Type A agreements plus 7,655 m3/y in Type B agreements. As well as adding commitments for Small high Quality logs. This is substantially more than the 20 year volume identified.

Again the timber wasn't there, In a series of court cases Boral took Forests NSW for failure to honour WSAs for every year from 2004 until 2010, resulting in a government payout to Boral of $550,000 for the first 3 years, and undisclosed amounts thereafter.

The modelling showed a dismal future for hardwood supply from north east NSW, which was always an intended outcome of the intentional overcutting for 20 years. Despite the buybacks and yield reductions, and intentional over-cutting, by 2012 sawmillers were openly expressing concerns about future timber yields, proposing that national parks needed to be opened up for logging to meet expected shortfalls after the expiry date of the WSAs in 2023, or sooner.

In 2014 new modelling identified almost double the long-term total volumes identified in 2010. The Government then bought back 50,000 m3 of Boral's Wood Supply Agreement for $8.55 million, though extended their Wood Supply Agreement for a further 5 years until 2028. Wood Supply Agreements were then set at 158,488 m3 of large high quality logs.

The Forestry Corporation's comparisons of actual to estimated timber resources are showing significant shortfalls. For 2010/11 to F2018/19" yields were just 87.3% of predictions.

In the 2019/20 wildfires half of north-coast State Forests were burnt. The Forestry Corporation undertook a shoddy desk-top assessment that identified, averaged across the north coast State Forests, there was a loss of around 10% of sawlogs and 25% of smaller trees. North from Coffs Harbour these losses increase to 15% of sawlogs and 35% of smaller trees. Despite this the Forestry Corporation claimed there would be no significant impacts on sustained yields and all Wood Supply Agreements were extended until 2028.

Over the past 2 years the average yield of large high quality sawlogs, including piles, poles and girders, was 114,541m3. Which is significantly less that the Wood Supply Agreements.

We need to complete our transition to plantations for sawn and composite timber products. Hardwood and softwood plantations already provide 91% of Australia's log production. Already hardwood plantations produce 3.5 times the timber produced from native forests, The proportion of saw and veneer logs obtained from hardwood plantations needs to be increased, rather than 87% being exported as woodchips. Sawn timber and engineered wood products from plantations can replace the timber we obtain from native forests.

Economics

Logging of public native forests is an economic basket case. In 2023 Forestry Corporation lost $15 million on their hardwood operations, that is a cost of $1,281 for each hectare logged. This is despite being paid $31 million for their community service obligations that year, and obtaining tens of millions in regular equity injections. We should not be paying to degrade forests and log the homes of threatened species. Public forests are of greater economic benefit for water yields, tourism and carbon storage than they are for logging. It is in the best interest of taxpayers to stop logging of public native forests.

Tourism

Tourism is far more important to the north coast economy than logging, and is the fastest growing sector that will deliver increasing economic and employment benefits over time.

National Parks are a significant drawcard for tourists to the north coast. Tourists spend money in travel to regional areas, and in regional towns on such things as food, fuel, accommodation, tours, arts and crafts. They provide a needed economic boost to many towns.

In 2021 the University of Newcastle undertook an economic impact analysis of the potential regional and broader impacts of the proposed Great Koala National Park. Finding that over 15 years the net impact of creating the GKNP would be:

- *Increase in total output of $1.18 billion*
- *Over 9,000 additional jobs*
- *Additional total value-added of $531million, including $330million in wages and salaries to workers living in the region.*

Water

Streamflow is the leftover rainfall that the forest doesn't use.

Regrowth forests can use 2-3 times more water than old forests, thereby reducing water yields to streams. Logging also has a significant impact on erosion and water quality.

Forests encompass a significant proportion of the water supply catchments of many east coast towns. The quantity and quality of water emanating from forests affects the need for costly water supply infrastructure, including storage and treatment. The water yields from forests are thus of significant economic value, particularly in droughts.

When logging stops, the forest will mature and use less water, increasing the volume of and quality of runoff into regional water supplies.

Carbon

Rapidly increasing atmospheric CO_2 is causing climate heating, which is an existential threat to our future and quality of life. As temperatures rise, and droughts and wildfires increase in frequency and extent, it is a growing threat to the health and survival of numerous other species and is causing ecosystem collapse.

Our rainforests are legacies from Gondwana, over 70 million years ago. On the north coast over a third of our rainforests were burnt in the 2019/20 fires, the regrowth making them more vulnerable to burning again, this should be a wake-up call.

Many forest species were severely impacted. We have Bell Miner Associated Dieback rapidly increasing as forests become stressed in dry years, this is ecosystem collapse resulting from the invasion of lantana due to repeated logging events.

We rely upon forests for numerous ecosystem services, including sequestering CO_2 from the atmosphere and storing it out of harm's way in their wood and soils. While we release large quantities of CO_2 by clearing and logging forests, the existential threat is that if forest ecosystems collapse and become net emitters of CO_2 then our ability to limit the extremes of climate heating will be lost.

Past logging has more than halved the carbon stored in our forests and soils. If we protect existing degraded forests they can begin sequestering meaningful volumes immediately.

My assessment is that logging of public forests in north east NSW releases over one million tonnes of CO_2 each year, and that by stopping logging the recovering forests will be able to sequester over two million tonnes of CO_2 per annum

Given the developing climate crisis we urgently need to increase their sequestration of CO_2, which can be achieved by stopping logging our public native forests.

We have no time to waste, we need to protecting existing forests and allow them to regain their lost carbon to help avoid the worst consequences of climate heating.