



NSW Legislative Council Hansard

Brigalow and Nandewar Community Conservation Area Bill

Extract from NSW Legislative Council Hansard and Papers Tuesday 21 June 2005.

Second Reading

The Hon. IAN MACDONALD (Minister for Primary Industries) [8.12 p.m.]: I move:

That this bill be now read a second time

I seek leave to incorporate my second reading speech in *Hansard*.

Leave granted.

Since 1995, the Carr Government has carried out Forestry Assessments in accordance with the national forest agreement between the Commonwealth and the States.

These assessments have produced historic regional forest agreements in four major coastal regions—the Eden area, southern NSW and on the upper and lower north coast.

In striking an appropriate balance between social, economic, environmental and cultural values, the Government's forest assessments have set a national benchmark for the involvement of all stakeholders and community groups.

They have resulted in a world-class conservation network that protects biodiversity, old-growth forests and wilderness, as well as providing secure access for the timber industry to timber resources and long-term certainty for the industry's future.

Over the past decade, the Carr Government has declared over two million hectares of new national parks and reserves. More than half of these gains have resulted from these forestry assessments and we have supplemented this with significant purchases of high conservation areas throughout the State.

We have now completed our fifth major forestry assessment—in the Brigalow and Nandewar regions of the central west. As a result we will make the single most important one-off addition to the reserve system in western NSW.

This Bill will permanently protect 352,000 hectares of high conservation value forests in new reserves, including public land that will change its tenure from productive forests to reserves and former private lands that have been purchased by the Department of Environment and Conservation in recent years.

It also introduces an entirely new land management tenure. To be known as a Community Conservation Area, this tenure was developed specifically for this part of western NSW.

Most importantly, the Government's new Community Conservation Area will provide an appropriate balance—between conservation and sustainable industries that will provide jobs in the timber, gas, minerals and apiary sectors. It will also be underpinned by strong community involvement.

The Government's decision follows five years of detailed scientific analysis and consultation with timber operators, conservation and Aboriginal groups, the minerals and gas industries and local communities.

The Brigalow and Nandewar regions have experienced over one hundred years of intensive development, including the clearing of approximately 70 percent of the original vegetation. These areas are the heart of what we call the sheep-wheat belt and they have contributed greatly to the State's—indeed, the nation's—economic development.

As a result of this massive clearing, however, this part of NSW has experienced a high rate of extinctions. Indeed, species decline in the region is amongst the worst in Australia. This is why the Commonwealth Government recently declared the Brigalow region as a "biodiversity hotspot", one of fifteen around the nation.

The creation of new conservation reserves is an essential part of reversing this trend. The public lands that will be permanently protected as a result of this Bill contain the highest quality habitat for the most endangered species. They contain the best of the region's remaining vegetation and biodiversity.

I'm also pleased that the forests of highest cultural significance to Aboriginal people will also now be

permanently protected and managed to support Aboriginal cultural heritage and cultural practices.

Local Aboriginal communities will benefit from jobs set aside for Aboriginal people, as well as the inclusion of land in special areas that will permanently protect Aboriginal culture. They'll also fully participate in the future management of the public lands that make up the new Community Conservation Area.

Two of the Aboriginal communities' icons of traditional and cultural significance—the Goonoo and Terry Hie Hie forests—have been identified as areas that could be managed through Indigenous Land Use Agreements, based on the highly successful model of the Arakwal National Park at Byron Bay.

The forests in these regions contain 47 threatened fauna species and the new conservation reserves will provide permanent strongholds for these animals and birds, including the Turquoise Parrot, the Barking Owl, Mallee Fowls and the Swift Parrot.

The Government's decision will protect 60,000 hectares of endangered ecological communities and rare, vulnerable and endangered ecosystems.

Most importantly, it will ensure the continuation of a viable, sustainable and value added timber industry, with up to 57,000 cubic metres of cypress pine per year available to the Cypress industry in secure 20 year wood supply agreements.

This industry has provided a vital part of the region's economy over the past century, creating jobs and providing prosperity to small towns that have had little opportunity to diversify their economies.

In order to sustain and improve this industry the Government will provide an \$80 million package to create new jobs, assist mills to exit the industry, compensate workers with either new jobs or generous redundancy packages and develop joint investment strategies to better use the timber resources and add value to the industry's products.

The provision of unprecedented industry assistance at a rate of two Government dollars for every one dollar of private investment will facilitate this investment in value adding processes.

Forests NSW will also source timber from outside the bioregions and dedicated resources will be committed to obtaining timber from private property and leasehold lands.

The previous timber supply zones for the region will no longer apply and timber will be made available from areas to the south, as well as from the west.

Haulage assistance will also be available as part of the Wood Supply Agreements to equalise any transportation costs associated in obtaining timber from non-traditional supply areas.

There will in fact be a net increase in the number of jobs as a result of the funding announced as part of this decision—both within the timber industry and in the new reserves created within the Community Conservation Area.

Some timber mills in both the cypress and ironbark industries have already nominated to exit the timber industry permanently.

In keeping with the Government's innovative forestry policies, these mills will receive generous assistance packages for business exit.

Some small ironbark operators will also exit the industry due to the Government's decision. A separate generous compensation package will be negotiated with these small operators.

The Government is also committed to reviewing the firewood industry and an exit package will also be available for this sector.

The Government has made adequate provision for mills that will cease operations. We've put aside up to \$15 million for the business exit fund. The fund will provide generous business exit payments similar to the successful model used in the coastal assessments.

This fund will also include a special one-off redundancy payment of \$72,000 to timber workers from the affected mills who wish to exit the timber industry.

There is, however, a special fund to create new jobs for any displaced timber worker who wishes to take up the Government's offer of alternative employment.

Workers who opt to take a new position created as a result of Government initiatives, will also receive a one off payment of \$27,000—on top of their Award entitlements, as well as an amount of up to \$45,000 for any required retraining and relocation expenses.

It's important to emphasise that the individual interests of every displaced timber worker will be carefully managed by the Government's highly successful Forestry Structural Adjustment Unit. The Unit reports to the Minister for Natural Resources and its recommendations will be made to the Ministers for the Environment and Primary Industries through the Community Conservation Council.

Provision has also been made for a special Transition Fund of \$10 million over five years. This will ensure continuity of employment for timber workers in those mills that will continue to operate.

This Government is determined to assist the remaining mills to add value to their operations and will be investing jointly with these mills in a range of innovative industry initiatives. If any of these mills require extra assistance during the transition period this fund may be accessed to ensure that workers remain employed while these initiatives come on line and new jobs are established.

One of the most important aspects of the Government's policy is the provision of certainty to the industry. As with the previous forestry assessments, those cypress mills which are remaining in the industry will receive 20 year wood supply agreements.

In addition, the Government will invest over \$50 million in the future of the region's timber industry.

At least \$15 million will be provided for timber industry development with wide ranging initiatives to improve production and maximise value-adding in this important industry. Work on the value adding package has been undertaken in close consultation with the Forest Products Association and the Construction Forestry Mining and Energy Union.

We'll continue to work with the Association and the union on new projects for the region. The Government will work closely with industry to identify those ideas that will help to develop a strong value-added industry.

The industry has already developed some of those ideas in its Cypress Industry Strategic plan. The government looks forward to working with the remaining mills to consolidate and then build on these plans.

Another special fund will be used to create new jobs and improve the quality of white cypress forests to ensure the long-term viability of the timber industry. \$12 million will be available to employ up to 50 workers in a major white cypress thinning program. This program will not be limited to areas within the Community Conservation Area but will be extended to private and Crown lease lands.

This program will optimise the growth rate and quality of white cypress trees and is an essential part of improving the productivity of the forests and ensuring a sustainable timber industry in the long term. This package also includes both dedicated permanent jobs for displaced timber workers and the Aboriginal community.

Parts of the Brigalow and Nandewar regions have high minerals and gas potential. Significant exploration activity has already occurred and is expected to expand rapidly over the next 10 to 20 years.

The Government's decision will preserve the full economic potential of the regions by ensuring the local coal and gas reserves can be accessed by the mining industry—including in reserve zone 3 which is the same as State Conservation Areas in the *National Parks and Wildlife Act* which permits exploration and extraction activities for gas and mining.

The job potential from these industries is considerable. It's predicted that more than \$2 billion will be invested in these industries over the next 15 years. As a result hundreds of new jobs will be created.

Indeed, the first of these jobs are already in place, following the development by Eastern Star Gas of a \$9 million natural gas-gathering system and electricity generating facility near Narrabri.

The Government's decision will also ensure that the regionally important apiary industry will continue to have full access to the forests for honey production. This industry will securely operate in all zones of the new Community Conservation Area.

The Government will also provide funding of \$2 million over four years to assist with the acquisition and transitional arrangements that will arise from revocation of occupational permits, including annual permits allowing grazing in State Forests.

Compensation will also be provided to landholders for existing infrastructure on leased land that could be

usefully retained and used in the management of a new reserve. These arrangements are consistent with those put in place following other forestry decisions.

An Occupational Permit Taskforce will be established by DEC based on the model effectively used in other forest assessments and will include representatives from the NSW Farmers Association and the Department of Primary Industries.

The taskforce will advise landholders of the revocation of occupational permits, identify capital works that may have taken place on the leased land, consider the effects of the loss of permits on landholders and manage transitional arrangements such as fencing and access issues in order to limit negative impacts. Permissive occupancies will also be considered.

An important part of this legislation is the proposal to create a Community Conservation Area.

This is an internationally recognised reserve concept new to Australia, and is based on recognised International Union for the Conservation of Nature (IUCN) Reserve categories. It's a different way of resolving forestry assessments by creating a framework for the coordinated management of *all* public lands.

It will achieve both permanent conservation outcomes and provide certainty to the various industries operating in the region.

The Community Conservation Area will have three statutorily defined conservation zones:

- Zone 1—a conservation and recreation zone that reserves certain former State forests, Crown land and land vested in the Minister administering the *National Parks and Wildlife Act 1974* as national parks under the *National Parks and Wildlife Act 1974*.
- Zone 2—a conservation and Aboriginal culture zone that reserves certain former State forests as Aboriginal areas under the *National Parks and Wildlife Act 1974*.
- Zone 3—a conservation, recreation and mineral extraction zone that reserves certain former State forests and Crown land as State conservation areas under the *National Parks and Wildlife Act 1974*.

No commercial extraction of timber can occur in these three zones.

Over the next five years \$29 million in recurrent funding will be provided to the Parks and Wildlife Division of the Department of Environment and Conservation to manage these zones. This will eventually reach \$8 million annually and will be supplemented by \$9.5 million in capital funding to establish infrastructure in these zones.

Statutory responsibility for these three conservation zones will reside with the Minister for the Environment.

The fourth zone in the Community Conservation Area will provide for commercial timber extraction and mining. Statutory responsibility for this zone will reside with the Minister for Primary Industries. The usual Special Management Zoning system applied by Forests NSW will be established within zone 4.

Minor boundary adjustments to the zones will be required for roads, access and other operational matters. These adjustments must be in order to alter the boundaries of the land for the purposes of more effective management and to adjust boundaries to public roads.

Any such adjustment must not result in any significant reduction in the size or conservation values of the land. Adjustments are also authorised in connection with easements.

The Director General of the Department of Environment and Conservation must have the agreement of the relevant ministers to make any changes. Adjustments must be made before 31 December 2005 or in the case of an adjustment of the boundary of land adjoining a public road, by 31 December 2011.

Clause 16 of the Bill provides that future additions to these zones may be made by proclamation. Clause 17 provides that land in Zone 1, 2 or 3 can only cease to be in that zone if its reservation as a national park, Aboriginal area or State conservation area is revoked by an Act of Parliament.

In other words, the conservation gains achieved by this decision are secure. It also provides that land in Zone 4 ceases to be in that zone if it ceases to be State forest.

Clause 19 of the bill provides that land in Zone 1, 2, 3 or 4 is not eligible to be identified or proposed for identification, or declared, as a wilderness area under the *Wilderness Act 1987* or the *National Parks and Wildlife Act 1974*.

Some of the State forest identified for addition to the conservation reserves has existing non-negotiable leases.

This land will be vested in the Minister for the Environment under Part 11 of the *National Parks and Wildlife Act 1974* and held until the leaseholders voluntarily sell their interests.

If this occurs the land will be formally included in the appropriate conservation zone. \$9 million will be provided over the next five years for the purchase of these leases and to buy high conservation value private land that might come onto the market in the future.

Any land within these regions that is later purchased for conservation by the Department of Environment and Conservation will be included in one of the three conservation zones, unless the land is more appropriate as a boundary rationalisation for an existing national park or nature reserve.

Management of the new Community Conservation Area will also link directly to management of the existing reserve system, including the icon Warrumbungles and Mt Kaputar National Parks and the Pilliga Nature Reserve.

While individual agencies will be responsible for managing each of the four zones, responsibility for overseeing the coordinated management of the Community Conservation Area will reside with the new Community Conservation Council. This Council will also be responsible for implementing other aspects of the Government's decision.

The Council will consist of the Directors General of the Premier's Department and the Departments of Environment and Conservation, Primary Industries and Infrastructure Planning and Natural Resources—or their delegates.

The Council will be subject to the control and direction of the relevant Ministers in the exercise of its functions and will report directly to the Premier.

The Council will also be responsible for developing a Community Conservation Agreement. The purpose of the agreement is to provide a coordinated management framework for the entire Area, which will ensure integrated and effective management across all zones, including for pest, weed and fire management.

The management principles that will apply in Zones 1, 2 and 3 will be developed in accordance with guidelines to be provided to the Council by the Minister for the Environment. The principles are not to be inconsistent with the relevant management principles in the *National Parks and Wildlife Act 1974* applying to national parks, Aboriginal areas and state conservation areas respectively.

The reporting framework for the three conservation zones will be the established *State of the Parks* system with further reporting as required by the Council.

The Council will also be responsible for providing recommendations to the Government regarding all aspects of the restructuring of the timber industry, including exit payments to mills and workers and timber industry development initiatives.

While the legislation will not commence in full until 1 December 2005, coordination and planning must commence immediately. Provisions of the Act that relate to funding and the Community Conservation Council will therefore commence on 1 July 2005.

The Council will be advised by three Community Conservation Advisory Committees which will include a wide representative membership, with priority given to local people. These community-based advisory committees around the three main groups of forests in the region: the Goonoo in the south; the Pilliga in the central area and the northern forests such as Bebo and Terry Hie Hie.

These advisory committees are central to the Government's decision. They'll bring together local communities and a range of social, scientific, conservation and economic interests. They'll also include local Aboriginal community representatives.

Agencies responsible for managing the public lands which make up the CCA's core areas will attend as observers. The Chairs of the relevant Catchment Management Authorities will also be members and this arrangement will link public and private land management issues.

The main work of the CCA advisory committees will be:

- To advise on the Community Conservation Area Agreement, with specific focus on those management issues that require coordination across all zones within the CCA, including fire and pests.
- To consult and ensure effective communication with local communities.

- To form partnerships with private land owners to implement landscape-wide policies.
- And to provide advice to the Director General of DEC on draft plans of management for CCA zones 1, 2 and 3.

The intention is that the Advisory Committees will attempt to reach consensus on the various issues they consider, and where this is not possible, the Council will be provided with the various views of the committee members.

In other words, this model will form the basis for establishing a co-operative management framework and community partnerships involving all interested stakeholders—including local CMAs, local councils, government land management agencies, tourism organisations, Aboriginal groups, landholders, conservationists, industries and scientific institutions.

I turn now to the source of funding to implement this decision.

The Bill will reform the Environmental Trust to combine the resources of the existing Environmental Trust Fund and the Waste Fund. The new Trust will therefore be larger and more flexible.

The *Forestry Restructuring and Nature Conservation Act 1995* will also be amended to allow funding to be provided for the purpose of implementing the forestry restructuring and assistance schemes in the Brigalow and Nandewar bioregions.

Section 7 of the *Environmental Trust Act 1998* will also be amended to allow funding to be provided for other key environmental initiatives including:

- Selected waste reduction, resource recovery and waste management programs. These programs are currently funded by the Waste Fund, which will now be combined with the Environmental Trust Fund.
- The purchase of water to enhance environmental flows for the State's rivers and restoring and rehabilitating major wetlands.
- The declaration of new marine parks.
- And the provision of funding support to community conservation groups.

The legislative amendments to the *Forestry Restructuring and Nature Conservation Act 1995* will enable the Environmental Trust to fund the proposed Brigalow and Nandewar outcomes. The Ministers for the Environment and Primary Industries will be jointly responsible for approving relevant spending on these programs.

I'm proud to introduce this Bill, which forms a crucial part of the Carr Government's continuing forest reform and internationally acclaimed conservation achievements.

I commend the Bill to the House and table for the information of Honourable Members, colour copies of a map that shows the land described in the Schedules to the Bill.