

The NSW Legislative Council's Portfolio Committee No.4 – Customer Service and Natural Resources (the Committee) self-referred an *Inquiry into the long-term sustainability and future of the timber and forest products industry* (the Inquiry) on 25 March 2021. The Inquiry focused on a range of issues relating to the sustainability of the industry, future opportunities for the timber and forest products industry and timber dependent communities, and the suggested role of government in addressing key economic, environmental and social challenges.

The Committee's Report was tabled on 15 September 2022.

The NSW Government recognises the important role that the timber and forest products industry plays as a significant contributor to regional employment, communities and the broader economy, and remains committed to supporting it. The NSW Government acknowledges the efforts of the Chair, Hon Mark Banasiak MLC, the Committee and the broad range of experts, businesses and individuals who provided valuable input to the Inquiry.

The NSW Government is committed to the implementation of a modern regulatory framework for the NSW forestry sector that ensures the industry is ecologically sustainable. This framework is set out in the NSW Forestry Industry Roadmap, which has been substantially delivered by the NSW Government.

The NSW Government acknowledges that there are a range of views in the community on issues being considered by the Committee.

The Inquiry made 24 recommendations. The NSW Government has carefully considered the Inquiry's findings and a response to the Inquiry recommendations is provided below.

NSW Government Response:

Recommendation	NSW Government Response
<p>1 That the NSW Government identify and implement as a priority a long term funded strategy for the expansion of both softwood and hardwood timber plantations in New South Wales</p>	<p>Supported.</p> <p>The NSW Government is taking all available steps to increase the sustainable supply of timber.</p> <p>The investigation of options to increase the plantation estate in NSW (both softwood and hardwood) is underway.</p> <p>In the last quarter alone, a total of 2100 hectares have been added to the plantation estate.</p>
<p>2 That the NSW Government establish further state-owned timber plantations</p>	<p>Supported.</p> <p>In addition to the commentary in the Government Response to recommendation 1, the Forestry Corporation of NSW's strategic objectives include actively pursuing strategic plantation acquisitions and acquiring greenfield sites for plantation expansion (including for carbon sequestration opportunities).</p>
<p>3 That the NSW Government review its incentives to increase private investment in timber plantations</p>	<p>Supported.</p> <p>The NSW Government remains committed to increasing private investment in timber plantations.</p>
<p>4 That the NSW Government provide long term support to workers in the timber and forest products industry transitioning away from native forestry to other parts of the sector with access to worker transition services, training and retraining support, relocation support, and counselling.</p>	<p>Noted</p> <p>The NSW Government has supported all industries, including forestry workers, affected by the worst bushfires on record, supply chain shocks as a result of COVID-19 and the largest floods ever recorded in NSW. For forestry workers this support has included over \$210 million spent across a range of tailored support measures specifically targeting forestry-related industries. The NSW Government will continue to advocate for and support the forestry workforce in NSW.</p>

Recommendation	NSW Government Response
<p>5 That the NSW Government consider the impact of a transition away from public native forestry on communities where native forest logging currently occurs and provide investment and incentives to encourage new economic opportunities in publicly owned forests</p>	<p>Noted.</p> <p>The inquiry found that there remains a place for sustainable harvesting of timber from public native forests, in accordance with the stringent ruleset contained in Integrated Forestry Operations Approvals and other environmental requirements in the NSW Forest Management Framework. In this regard, the NSW Government supports the Committee’s view that “sustainable forestry harvesting operations can coexist with environmental values” (Inquiry report p65).</p> <p>The complete cessation of harvesting from public native forests is not supported by the NSW Government given the severe economic consequences for regional industries and employment, as well as the potential carbon and environmental impacts associated with importing timber from jurisdictions with lesser environmental protections.</p> <p>The NSW Government is committed to increasing plantations and participation in farm forestry to strengthen timber supply.</p> <p>State forests are a unique component of the Crown estate that already sustainably facilitates multiple uses. The government is committed to ensuring regional communities are supported with a range of employment opportunities, including a sustainable timber industry. Analysis conducted in response to Recommendations 6, 9, 19 and 22 will inform future regional economic development opportunities.</p>
<p>6 That the NSW Government prioritise a review of its current timber import and export model, including consideration of limits on timber exports, to address supply needs</p>	<p>Noted</p> <p>The NSW Government has already moved to redirect 270,000 tonnes of export timber to domestic markets over the next three years to ensure we address local needs first. If necessary, further action will be taken in this regard.</p> <p>The NSW Government is committed to increasing plantations and participation in farm forestry to strengthen timber supply.</p>
<p>7 That the NSW Government review funding support for a cooperative approach to effective weed management, noting that all landholders must take responsibility for weed control</p>	<p>Noted, subject to funding considerations and timings associated with the Government’s Budget cycle.</p> <p>The implementation of recommendation 8 will help guide further action in this regard.</p>

Recommendation	NSW Government Response
<p>8 That the NSW Government commission the Natural Resources Commission to conduct an evaluation of the effectiveness and efficiency of weed management arrangements in New South Wales</p>	<p>Supported, noting that the Natural Resources Commission (NRC) last conducted a review of weed arrangements in 2014.</p> <p>The recommendation is supported subject to funding considerations and timings associated with the Government's Budget cycle.</p>
<p>9 That the NSW Government identify and facilitate opportunities for further engagement with indigenous communities on forest management practices, particularly cultural burning</p>	<p>Supported.</p> <p>The NSW Government is committed to Closing the Gap. Work is already underway to identify and facilitate these opportunities.</p> <p>The NSW Government supports increased opportunities for Aboriginal knowledge and management practices to inform land management and care for Country.</p>
<p>10 That the NSW Government provide ways to support local government, including but not limited to funding, to ensure that local roads impacted by significant heavy motor vehicle use are adequately maintained</p>	<p>Supported.</p> <p>Forestry Corporation is responsible for the management of approximately 60,000km of roads within the State forest estate.</p> <p>NSW Government has provided significant funding for local roads including funding for post-bushfire road repairs across the State, and more recently \$60 million across four years to repair flood-damaged roads, bridges, culverts and other important infrastructure across the State forest network.</p> <p>The NSW Government will continue to support the upgrade and maintenance of the State forest road network in accordance with priority needs. In addition to financial and in-kind contributions from industry and the Forestry Corporation, tailored government funding and equity injections, grant programs and other measures,</p> <p>Other avenues for regional Councils include the \$543 million <i>Fixing Country Roads</i> program, providing targeted infrastructure funding from Restart NSW for regional freight projects, and the \$500 million <i>Fixing Local Roads</i> program. In 2020, the Commonwealth Government committed an additional \$191 million to support economic activity in Regional NSW and accelerate the delivery of the <i>Fixing Local Roads</i> program, increasing the total funding to \$691 million.</p> <p>In addition, the NSW Government has recently announced an additional \$50 million to support 94 councils for repairs to local roads impacted by potholes.</p>

NSW Government Response



Inquiry into the long-term sustainability and future of the timber and forest products industry

Recommendation	NSW Government Response
<p>11 That the NSW Government investigate the feasibility of the Oberon Rail Link</p>	<p>Noted.</p>
<p>12 That the NSW Government publicly release and respond to the findings of the Natural Resources Commission's <i>Coastal IFOA operations post 2019/20 wildfires</i> final report on post bushfire logging in public native forests before the end of 2022</p>	<p>Noted.</p>
<p>13 That the NSW Government review the Coastal Integrated Forestry Operations Approval with regard to the impacts of the 2019/20 bushfires and the findings of the 2021 NSW and Commonwealth State of the Environment Reports</p>	<p>Noted. A five-year review of the Coastal IFOA is scheduled to commence after 2023.</p>
<p>14 That the NSW Government ensure that the NSW Environment Protection Authority has the necessary resources to undertake its forestry compliance obligations</p>	<p>Supported.</p>
<p>15 That the NSW Government conduct a review of the Private Native Forestry Codes of Practice, released in May 2022, in 12 months to assess its operation and effectiveness</p>	<p>Supported. The new Private Native Forestry Codes of Practice (PNF Codes) include an annual check and 5-yearly reviews.</p>
<p>16 That the NSW Government regularly publish data on the volumes and extent of Private Native Forestry operations in each forest management area</p>	<p>Supported. NSW Local Land Services will publish information on harvest activities in each PNF Code region on an annual basis, commencing in 2023.</p>
<p>17 That the NSW Government investigate the removal of dual consent requirements from the approval process for Private Native Forestry development applications in such a way that still allows for local councils to plan and account for road maintenance</p>	<p>Supported, subject to further consultation with stakeholders including local government. The NSW Government provides significant support to local councils to manage impacts to local roads as outlines in response to Recommendation 10.</p>

Recommendation	NSW Government Response
<p>18 That the NSW Government does not consider the establishment of the Great Koala National Park until an independent, comprehensive study is conducted to assesses the full impact of the proposal, including its environmental, economic and social impacts across all affected industries</p>	<p>Supported.</p>
<p>19 That the NSW Government consider commissioning a cost benefit assessment of the native hardwood forestry sector to consider the most beneficial use of public native forests and the long-term structure of the native hardwoods timber and forest products industry</p>	<p>Noted.</p>
<p>20 That the NSW Government provide funding opportunities for the timber and forest products industry, particularly small-medium operators, to encourage innovation</p>	<p>Supported in principle, subject to funding considerations and timings associated with the Government's Budget cycle.</p> <p>It is noted that the NSW Government's Forest Industries Innovation Fund loan scheme has funded 15 projects totaling \$29.92 million. This program is fully subscribed.</p> <p>The NSW Government supports the development of industry innovation opportunities for timber and forest products, such as engineered wood products, and more efficient processing to maximise utilisation of all timber products. This aligns with NSW Government's policy on delivering a circular economy and the principles of Ecologically Sustainable Forest Management.</p>
<p>21 That the NSW Government investigate ways to incentivise Private Native Forestry certification, including potential group certification schemes or streamlined approval processes</p>	<p>Supported.</p> <p>The NSW Government has recently announced a Certification Pilot Program that will be delivered by NSW Local Land Services and is aimed at reducing the cost and administrative burden for landholders seeking to certify that their forest management is ecologically, socially and economically sustainable. The program will include a feasibility study of a group certification scheme.</p>
<p>22 That the NSW Government investigate ways in which it can facilitate the establishment of community-based initiatives supporting healthy working forests across the State</p>	<p>Supported.</p> <p>The investigation of opportunities for greater community involvement in supporting multi-use State forests is already underway.</p>

Recommendation	NSW Government Response
<p>23 That the NSW Government establish separate industry advisory bodies for the softwood and hardwood sectors to provide ongoing advice regarding industry needs, challenges and opportunities</p>	<p>Supported. The Minister for Agriculture has already established these bodies – the Hardwood Industry Advisory Group and the Softwood Industry Advisory Group. These bodies have been in place since the 2019 election.</p>
<p>24 That the NSW Government:</p> <ul style="list-style-type: none">• conduct a skills audit for the timber and forest products industry to assist in identifying gaps in the sector• invest in greater access to gaining skills and training across the regions to meet industry needs and challenges	<p>Supported, subject to funding considerations and timings associated with the Government’s Budget cycle.</p>