



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEE NO. 4

# Long term sustainability and future of the timber and forest products industry

Report 54

September 2022

4





Portfolio Committee No. 4 - Customer Service and Natural Resources

# **Long term sustainability and future of the timber and forest products industry**

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Long term sustainability and future of the timber and forest products industry.

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Chair: The Hon Mark Banasiak MLC.



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## Terms of reference

1. That Portfolio Committee No. 4 - Industry inquire into and report on the long term sustainability and future of the timber and forest products industry and the role of the Forestry Corporation and other government agencies in supporting the industry, in particular:
  - (a) the nature of, and relationship within, the value chain between the timber and forest products industry, logistics companies, manufacturers, retailers, exporters and their relationship with timber supply and environmental management, and opportunities to enhance supply chains,
  - (b) the impact of external influences on the timber and forest products industry, including but not limited to drought, water, fire, regulatory structures, habitat protection and local, state and federal policies regarding climate change and plantation establishment,
  - (c) projections for softwood and hardwood supply and demand over the next 30 years,
  - (d) transparency and data reporting of timber supply,
  - (e) opportunities for the timber and forest products industry and timber dependent communities and whether additional protections, legislation or regulation are required in New South Wales to better support the forestry products industry and timber-dependent communities, including opportunities for value adding,
  - (f) the role of the government in addressing key economic, environmental and social challenges to the industry, including funding and support to encourage improvements in forestry practices, training, innovation and automation, workplace health and safety, industry and employee support, land use management and forestry projects,
  - (g) the environmental impact and sustainability of native forest logging, including following the 2019/20 bushfire season,
  - (h) the operation, effectiveness and outcomes of the implementation of the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package,
  - (i) best practices in other Australian and international jurisdictions in relation to the sustainability of the timber and forest products industry, including social sustainability, community and Indigenous engagement and multiple uses of the forest estate and
  - (j) any other related matters.
2. The Committee report on a date of the Committee's choosing

The terms of reference were self-referred by the committee on 25 March 2021.<sup>1</sup>

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<sup>1</sup> *Minutes*, NSW Legislative Council, 24 March 2021, p 2095.

## Committee details

### Committee members

<b>Hon Mark Banasiak MLC</b>	Shooters Fishers and Farmers Party	<i>Chair</i>
<b>Hon Mick Veitch MLC</b>	Australian Labor Party	<i>Deputy Chair</i>
<b>Hon Scott Barrett MLC*</b>	The Nationals	
<b>Mr Justin Field MLC**</b>	Independent	
<b>Hon Taylor Martin MLC***</b>	Liberal Party	
<b>Hon Peter Poulos MLC****</b>	Liberal Party	
<b>Hon Peter Primrose MLC</b>	Australian Labor Party	

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\* The Hon Scott Barrett MLC replaced the Hon Wes Fang MLC as a substantive member of the committee from 1 March 2022. The Hon Wes Fang MLC replaced the Hon Sam Farraway MLC as a substantive member of the committee from 25 January 2022.

\*\* Mr Justin Field MLC substituted for Ms Emma Hurst MLC from 26 March 2021 for the duration of the inquiry.

\*\*\* The Hon Taylor Martin MLC replaced the Hon Catherine Cusack MLC as a substantive member of the committee from 20 May 2021.

\*\*\*\* The Hon Peter Poulos MLC substituted for the Hon Lou Amato MLC from 13 May 2021 to 20 May 2021. The Hon Peter Poulos MLC replaced the Hon Lou Amato MLC as a substantive member of the committee from 20 May 2021.

### Committee Secretariat

Ms Frances Arguelles, Principal Council Officer

Ms Lauren Evans, Senior Council Officer

Ms Rachel Buist, Council Officer

Ms Rhia Victorino, Director

## Chair's foreword

This broad-ranging inquiry was an immense undertaking, examining the many complex aspects of the timber and forest products industry. During its course, the committee heard from various stakeholders including industry representatives, environmental advocates, academics, community groups and individuals. We travelled across the state to native forests, plantations and timber-mills, and not only saw first-hand the scale of various harvesting operations but also spoke with different communities across the regions. The extensive evidence we received revealed a multitude of, at times, competing views about the future and long term sustainability of the industry.

Notwithstanding this, there was a consensus that the demand for timber and forest products is growing and cannot be met with existing supply. It became clear to the committee that we are heading towards a timber supply crisis in New South Wales, particularly with regard to softwood plantation timber.

Over the years, there has been a progressive loss of timber supply, particularly of native hardwood timber, with forest areas taken out of harvesting and put into protected areas with little effort to compensate for this loss. Recent events such as the COVID-19 pandemic and the devastating 2019/20 fires have only exacerbated an already precarious situation.

Indeed, the committee makes a number of findings in this regard, determining that the timber and forest product industry has suffered from a lack of long term vision over successive governments to address supply issues, industry needs and community expectations. In particular, we find that the lack of expansion of timber plantations has significantly contributed to the current timber crisis. The committee also recognises the many people and communities dependent on the industry who face ongoing uncertainty from the widespread economic and social impacts of the current timber shortage. Further findings are made with respect to the impact of forestry operations on local roads, dual consent requirements and industry innovation.

While circumstances have continued to evolve for the timber and forest products industry, there is no doubt more work to be done by the NSW Government in this space. Accordingly, the committee presents a suite of recommendations to address the numerous and wide-ranging concerns raised throughout the inquiry. Key among these is the call on the NSW Government to immediately act on expanding both hardwood and softwood timber plantations across the state. Other recommendations include providing long term support to workers in the timber and forest products industry, reviewing the current timber import and export model, reconsidering dual consent requirements and weed management practices, supporting local government to maintain local road networks, and investigating ways to support healthy working forests across the state.

I wish to thank my fellow committee members for their diligent and constructive efforts over the course of this inquiry. On their behalf, I would like to acknowledge the committee secretariat for their professional support and hard work. Finally, I would like to thank all who participated in the inquiry, including the many people and communities we visited across the state. We are grateful for your contributions to this important inquiry.



The Hon Mark Banasiak MLC  
**Committee Chair**

## Findings

- Finding 1** **36**  
 The demand for timber and forest products, particularly plantation softwood saw logs and fibre, in New South Wales is growing and cannot be met with existing supply.
- Finding 2** **37**  
 In the last decade, there has been no increase in additional hardwood and softwood timber plantations.
- Finding 3** **37**  
 The lack of expansion of timber plantations by the NSW Government has significantly contributed to the current timber crisis which has only been further exacerbated by recent events, including the 2019/20 bushfires.
- Finding 4** **37**  
 There has been a loss in native hardwood timber supply over successive governments with forest area taken out of harvesting and put into protected areas with little effort to compensate for the loss of wood supply through an expansion of hardwood plantations.
- Finding 5** **38**  
 The reduction in harvestable areas of public native forests and failure to expand native hardwood plantations has resulted in the loss of wood supply which has had a corresponding impact on the jobs, livelihoods and communities dependent on the timber and forest products industry. This impact has been exacerbated by the 2019/20 fires.
- Finding 6** **64**  
 The transport and haulage of timber and forest products causes significant impact on local road networks.
- Finding 7** **79**  
 Dual consent requirements are an unnecessary element in the private native forestry approval process that significantly impacts the ability of landholders to diversify and improve revenue streams from their property.
- Finding 8** **79**  
 On balance, dual consent requirements can be removed whilst ensuring that concerns over local road maintenance and broader community feedback are adequately addressed.
- Finding 9** **104**  
 The NSW Government has failed to substantially deliver on the four priority pillars outlined in its NSW Forestry Industry Roadmap:
- Regulatory modernisation and environmental sustainability
  - Balancing supply and demand
  - Community understanding and confidence
  - Industry innovation and new markets.

- Finding 10** **105**  
The deficiencies in the Great Koala National Park Economic Impact Assessment and Environmental Benefit Analysis, as prepared for the National Parks Association, are significant enough that they cannot be relied upon to make a rigorous and objective decision on the proposal to establish the Great Koala National Park.
- Finding 11** **106**  
There is untapped potential for innovation in the timber and forest products industry that the NSW Government should be doing more to capitalise on.

## Recommendations

- Recommendation 1** 38  
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.
- Recommendation 2** 38  
That the NSW Government establish further state-owned timber plantations.
- Recommendation 3** 39  
That the NSW Government review its incentives to increase private investment in timber plantations.
- Recommendation 4** 39  
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.
- Recommendation 5** 39  
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.
- Recommendation 6** 40  
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.
- Recommendation 7** 63  
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.
- Recommendation 8** 64  
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.
- Recommendation 9** 64  
That the NSW Government identify and facilitate opportunities for further engagement with indigenous communities on forest management practices, particularly cultural burning.
- Recommendation 10** 65  
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.
- Recommendation 11** 65  
That the NSW Government investigate the feasibility of the Oberon Rail Link.

- Recommendation 12** 78  
That the NSW Government publicly release and respond to the findings of the Natural Resources Commission's *Coastal IFOA operations post 2019/20 wildfires* final report on post bushfire logging in public native forests before the end of 2022.
- Recommendation 13** 78  
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.
- Recommendation 14** 78  
That the NSW Government ensure that the NSW Environment Protection Authority has the necessary resources to undertake its forestry compliance obligations.
- Recommendation 15** 79  
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.
- Recommendation 16** 79  
That the NSW Government regularly publish data on the volumes and extent of Private Native Forestry operations in each forest management area.
- Recommendation 17** 80  
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.
- Recommendation 18** 105  
That the NSW Government does not consider the establishment of the Great Koala National Park until an independent, comprehensive study is conducted to assess the full impact of the proposal, including its environmental, economic and social impacts across all affected industries.
- Recommendation 19** 105  
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.
- Recommendation 20** 106  
That the NSW Government provide funding opportunities for the timber and forest products industry, particularly small-medium operators, to encourage innovation.
- Recommendation 21** 107  
That the NSW Government investigate ways to incentivise Private Native Forestry certification, including potential group certification schemes or streamlined approval processes.
- Recommendation 22** 107  
That the NSW Government investigate ways in which it can facilitate the establishment of community-based initiatives supporting healthy working forests across the State.

**Recommendation 23**

**107**

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.

**Recommendation 24**

**108**

That the NSW Government:

- 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.

## Conduct of inquiry

The terms of reference for the inquiry were self-referred by the committee on 25 March 2021.

The committee received 234 submissions and two supplementary submissions.

The committee held seven public hearings: four at Parliament House in Sydney, one in Tumut, one in Moruya and one in Coffs Harbour.

The committee also conducted site visits to:

- Western Murray Land Improvement Group office in Barham
- Koondrook-Perricoota Forest and its surrounds, including Pollack Swamp, Crooked Creek, Goodooga campground and Waitisy's Corner
- Visy's Kraft Mill in Tumut
- Blowering Nursery in Tumut
- various forest locations and sites in the Eden region, including the Allied Natural Wood Enterprises/Pentarch site
- various sites in compartment 146 of Mogo State Forest
- a private native forestry operation in Bucca
- various forest locations in the Mid North Coast region, including Lower Bucca State Forest and Orara East State Forest
- the proposed site of Great Koala National Park
- Borg Panels manufacturing plant in Oberon
- Highland Pine Products Mill in Oberon
- Essington State Forest.

Inquiry related documents are available on the committee's website, including submissions, hearing transcripts, tabled documents and answers to questions on notice.

# Chapter 1      Background

This report will begin with an overview of the timber and forest products industry, providing background information about timber and forest products, the nature of the industry and its contribution to the economy. The chapter will also outline how the timber and forest products industry is managed in New South Wales including an overview of key government agencies, relevant legislation and the regulatory and policy framework that governs the industry.

## The timber and forest products industry

- 1.1 Under the *Forestry Act 2012*, 'timber' is defined as any of the wood component of a tree and 'forest products' are the products of trees and other vegetation (other than timber) that are of economic value.<sup>2</sup> Together, timber and forest products are a key resource produced in New South Wales and Australia more broadly.<sup>3</sup>
- 1.2 Timber and forest products have many uses, from providing materials for construction and infrastructure such as housing materials, electricity and telephone poles to furnishings and everyday materials such as books and paper.<sup>4</sup>
- 1.3 In New South Wales, producing timber and forest products is a \$2.4 billion dollar industry. More than 22,200 people in the state are currently employed in the forestry and wood products manufacturing sectors in a diverse range of jobs. This includes 3,300 in forestry and harvesting and 18,950 in paper and wood products manufacturing, with 42 per cent of these jobs based in regional New South Wales.<sup>5</sup> Forestry and timber products jobs are heavily weighted to the softwood sector. In 2019-20, employment in forestry and related industries in New South Wales was 20,000. Of this total, 922 are employed in native forestry.<sup>6</sup>
- 1.4 The committee was informed that there are four key components of the timber and forest products industry: growing; harvesting and haulage; processing and manufacturing; and marketing and distribution,<sup>7</sup> reflecting the basic elements of the industry value chain. With the growth of trees in New South Wales forestry estate to be discussed later in the chapter, this next section focuses on key aspects of the process of timber production from harvesting to processing and manufacturing.

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<sup>2</sup> *Forestry Act 2012*, s 3.

<sup>3</sup> NSW Government, *NSW Forestry Industry Roadmap*, August 2016, p 4.

<sup>4</sup> *NSW Forestry Industry Roadmap*, August 2016, p 7.

<sup>5</sup> *NSW Forestry Industry Roadmap*, August 2016, p 6.

<sup>6</sup> NSW Department of Primary Industries, *Forestry*, <https://www.dpi.nsw.gov.au/about-us/publications/pdi/2020/forestry> and Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, Natural Resources Commission, *Final Report: Coastal IFOA operations post 2019/20 wildfires*, June 2021, pp 38 and 40.

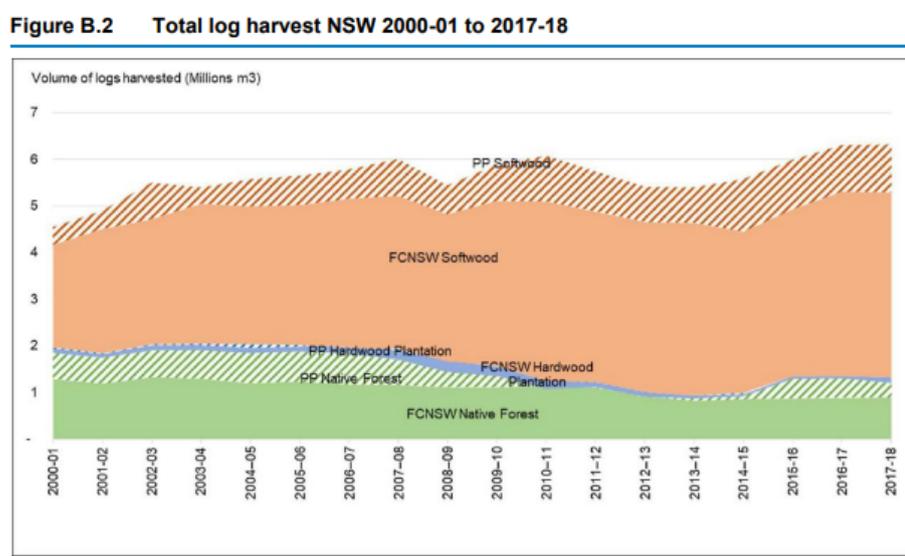
<sup>7</sup> Submission 68, Softwoods Working Group, p 3.

### The process of timber production

1.5 Timber is currently sourced from a mix of dedicated plantations (both softwood and hardwood) which have been either deliberately planted or converted from native forests with a mix of natural regeneration and seeding, or from existing native forests. Producing timber and forest products begins with harvesting operations. Harvesting, sometimes referred to as logging, is the planned extraction of wood from a forest. Trees are felled according to a harvesting plan and the trunks have branches removed and are cut into logs for transport to the mill.<sup>8</sup>

1.6 Together the below figures detail the volume of logs harvested from 2000-01 to 2018-19.

**Figure 1 Total log harvest in New South Wales from 2000-01 to 2017-18**



**Note:** PP refers to Private Property. FCNSW refers to Forestry Corporation of NSW.  
**Source:** ABARES and Indufor, Native Forest Harvesting and Haulage Review and Benchmarking, Final Report, p 6.

Source: IPART, Final Report: Review of Forestry Corporation’s Native Timber Harvesting and Haulage Costs 1 July 2016 – 30 June 2019, May 2021, p 31.

**Figure 2 Volume and value of logs harvested 2018-19**

Volume and Value of Logs Harvested 2018-19			
Log Type	Volume '000 m <sup>3</sup>	Value \$ m	
Hardwood native	1057	\$ 142	
Hardwood plantation	353	\$ 31	
Softwood	5119	\$ 348	
<b>Total</b>	<b>6529</b>	<b>521</b>	

Source: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) (2020). Australian plantation statistics 2020 update, June 2020.  
[https://daff.ent.sirsidynix.net.au/client/en\\_AU/search/aset/1030441/0](https://daff.ent.sirsidynix.net.au/client/en_AU/search/aset/1030441/0)

Source: NSW Department of Primary Industries, Forestry, <https://www.dpi.nsw.gov.au/about-us/publications/pdi/2020/forestry>.

<sup>8</sup> Department of Agriculture, Water and the Environment, *Glossary*, Regional Forest Agreements <https://www.awe.gov.au/agriculture-land/forestry/policies/rfa/glossary>.

- 1.7 Following its harvest, timber is graded and processed. Timber is cut from the edges after a log has been squared. Throughout this process, the timber is graded depending on internal and external defects. For timber processors and manufacturers, the preferred tree species are usually the ones which produce the least amount of defect and thus more profitable logs.<sup>9</sup>
- 1.8 The grading and processing of timber and forest products usually occurs at sawmills or timber products processing facilities. New South Wales has the largest number of hardwood sawmills in Australia and the largest processing capacity for hardwood and softwood sawmills and paper mills.<sup>10</sup> According to Timber NSW, there are currently 63 hardwood mills and 13 softwood mills processing more than 5.6 million cubic metres of sawlogs every year.<sup>11</sup>
- 1.9 After a tree has been processed, depending on the type and quality of timber, the finished product is categorised for specific use and distributed to manufacturers, retailers or on to export. Below is a table summarising the most common types of timber products after processing.

**Table 1 Common types of processed timber**

<b>Roundwood poles</b>	High quality logs which are rounded and sold as structural products such as poles, piles and bridged girders.
<b>Saw logs or sawn timber</b>	The main product extracted from a log, used for building and construction materials such as frame and trusses.
<b>Peeled veneer</b>	Produced by slicing or peeling logs, generally used for building products, formwork, flooring, and plywood.
<b>Woodchips</b>	Produced from low quality logs, also known as pulp wood or as a by-product of sawn timber processing, commonly used in landscaping or exported for paper and cardboard products.
<b>Split firewood</b>	Medium and lower quality logs cut and split into fence posts or for burning.
<b>Saw dust</b>	The lowest value product usually sold to the equine, chicken and landscaping industries or sometimes burnt to produce heat and energy.

Source: Submission no. 222 Timber NSW, pp 56-57.

<sup>9</sup> Submission 222, Timber NSW, p 41.

<sup>10</sup> Australian Government, Department of Agriculture, Fisheries and Forestry: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), *Australia's forests at a glance 2019*, p 66.

<sup>11</sup> Submission 222, Timber NSW, p 2.

## The forestry estate in New South Wales

1.10 Forestry estate in New South Wales where trees are grown for timber and forest products can be divided into the following types:

- Native forests – State forests comprising native trees which are managed by Forestry Corporation of NSW (FCNSW)
- Private Native Forests – native trees on private land and managed by the landowner
- Plantation Forests – public or private plantations which can comprise of both native and exotic tree species.<sup>12</sup>

1.11 The types of trees that comprise these forests are usually categorised into two types: softwood and hardwood trees.<sup>13</sup>

1.12 The map below provides a snapshot of the state's forestry estate, including cypress and major river red gum forests which are classified as softwood forests.<sup>14</sup>

**Figure 3** New South Wales forestry estate



Source: NSW Government, *NSW Forestry Industry Roadmap 2016*, p 13.

<sup>12</sup> Submission 19, NSW Government, p 4.

<sup>13</sup> Submission 222, Timber NSW, p 48.

<sup>14</sup> *NSW Forestry Industry Roadmap*, August 2016, p 13.

### Native forests

- 1.13** Approximately 22 million hectares of New South Wales forestry estate is native forest, which accounts for 15 per cent of forests in Australia. Of this area, approximately 6 million hectares are set aside in formal reserves under the *National Parks and Wildlife Act 1975*. These nature conservation areas are not available for timber harvesting.<sup>15</sup>
- 1.14** Two million hectares of native forests are managed by FCNSW. These forests are also 'multiple use public forests' which allow for harvesting operations as well as tourism and recreation, conservation and agricultural uses. Fifty per cent of forests managed by FCNSW is not available for harvesting due to various restrictions. This leaves a total of 1 million hectares for harvesting, of which approximately 30,000 hectares are harvested annually.<sup>16</sup>
- 1.15** Almost all timber harvested from the native forest estate are from hardwood species.<sup>17</sup> Native forests take approximately 60 years to regrow for harvesting and once harvesting is complete, forests are left to regenerate.<sup>18</sup>

### Private Native Forests

- 1.16** Private Native Forests (PNF) are native forests on private land that are used for the production of timber and managed by the landowner.
- 1.17** Prior to harvesting any timber from their land, landholders need an approved PNF Plan from Local Land Services. A PNF Plan is a legally binding agreement between a landholder and Local Land Services which requires the landholder to conduct PNF operations in accordance with the relevant PNF Code of Practice.<sup>19</sup> Areas of environmental significance and heritage value are excluded from harvesting, such as mapped old growth forest, rainforest, riparian buffers, and Aboriginal heritage objects and places.<sup>20</sup>
- 1.18** Private native forests constitute 8.85 million hectares, or 40 per cent of New South Wales' total native forest estate. As at September 2021, approximate 580,000 hectares of private land was covered by approved PNF plans. PNF plans are heavily concentrated on the NSW North Coast.

<sup>15</sup> *Australia's forests at a glance 2019*, p 2; *NSW Forestry Industry Roadmap*, August 2016, p 6 and Evidence, Mr Dean Kearney, Senior Manager Planning, Forestry Corporation of NSW (FCNSW), 24 May 2022, p 8.

<sup>16</sup> *NSW Forestry Industry Roadmap*, August 2016, p 6; Evidence, Mr Kearney, 24 May 2022, p 8 and FCNSW, *2020-21 Sustainability report*, p 11.

<sup>17</sup> Submission 222, Timber NSW, p 48.

<sup>18</sup> Submission 111, Australian Forest Products Association, p 9.

<sup>19</sup> NSW Environment Protection Authority, *Private Native Forestry Plans*, <https://www.epa.nsw.gov.au/your-environment/native-forestry/about-private-native-forestry/pnf-vegetation-plans>.

<sup>20</sup> Local Land Services, *Getting started in farm forestry*, Farm Forestry, <https://www.lls.nsw.gov.au/help-and-advice/private-native-forestry/getting-started-in-private-native-forestry>.

In May 2022, the NSW Government remade the Private Native Forestry Codes with an explicit purpose to simplify regulation of PNF and support increased PNF activity.<sup>21</sup>

**1.19** The figure below is an overview of the number and area of approved PNF Plans in the state over the last decade.

#### Figure 4 PNF Plans approved by Local Land Services

**Table 1:** Total number of private native forestry plans approved

Forest region	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Northern NSW	312	285	248	202	306	314	229	216	275	252
Southern NSW	18	28	6	7	13	11	2	12	9	18
River Red Gum	18	26	16	11	18	10	11	9	2	8
Cypress and Western Hardwood	8	9	11	2	2	3	11	11	9	10
Totals	356	348	281	222	339	338	253	248	295	288

**Table 2:** ~ Area (hectares) of private native forestry plans approved

Forest region	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Northern NSW	58,730	43,200	35,190	24,671	41,464	33,177	24,584	24,458	30,738	30,586
Southern NSW	3,093	4,243	494	577	756	701	259	372	426	4,932
Riverina Red Gum	4,664	10,047	1,694	871	7,286	2,416	2,549	4,134	24	3,367
Cypress and Western Hardwood	5,678	3,698	3,521	1,837	2,155	1,892	4,261	4,555	3,248	3,685
Totals	72,165	61,188	40,899	27,956	51,661	38,186	31,653	33,519	34,436	42,570

Source: Local Land Services, *Monitoring, Evaluation and Reporting – PNF Plans*, <https://www.lls.nsw.gov.au/help-and-advice/private-native-forestry/reporting>.

### Plantations

**1.20** Another a key source of timber and forest products are plantations. Plantation estates can include both hardwood and softwood trees, however, plantations in New South Wales predominantly grow softwood trees. Across the state, there are approximately 296,000 hectares of softwood plantations and 93,000 hectares of hardwood plantations, located on both Crown and private land.<sup>22</sup>

<sup>21</sup> Timber NSW, *Private Native Forestry Review*, <https://timbernsw.com.au/private-native-forestry/> and Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, NSW Chief Scientist & Engineer, *Advice on koala protection in the proposed new Private Native Forestry Codes of Practice*, September 2021.

<sup>22</sup> *NSW Forestry Industry Roadmap*, August 2016, p 6.

- 1.21** In New South Wales, plantations can only be established on cleared land.<sup>23</sup> Plantations are usually thinned a number of times during their rotation, with an estimated three per cent being clear-felled and replanted each year.<sup>24</sup>
- 1.22** FCNSW is the largest plantation manager in New South Wales, managing approximately 230,000 hectares of softwood timber plantations in the central west, south and north of New South Wales and just under 35,000 hectares of hardwood timber plantations in north-east New South Wales.<sup>25</sup>
- 1.23** The types of timber grown in softwood plantations are predominantly radiata pine and southern pine while species such as Coastal Blackbutt, Spotted Gum, Flooded Gum, Dunn's White Gum and Gympie Messmate are grown in hardwood plantations. Softwood plantations are generally harvested for saw log production on a 30-35-year rotation, while hardwood plantations serve pulpwood and saw log markets.<sup>26</sup>

## Management of the timber and forest products industry

- 1.24** According to the NSW Government, forestry management in New South Wales has, in essence, four primary elements:
- a Comprehensive, Adequate and Representative (CAR) reserve system that securely protects forest environment and heritage values on public and private land
  - a system for managing and regulative native forestry on public and private land
  - a system for authorizing and regulating plantation operations on public and private land
  - a system for managing forests outside reserves in a manner that contributes to environmental, social and economic outcomes.<sup>27</sup>
- 1.25** Against this setting, forests and forestry operations are administered by a number of government agencies, governed by several pieces of legislation and operate within a complex regulatory and policy framework. This section provides an overview of the role of the government agencies, key aspects of the relevant legislation, and regulatory and policy settings.

### Key government agencies

- 1.26** The key NSW Government agencies responsible for forestry are Forestry Corporation of NSW, NSW Department of Primary Industries, Local Land Services, NSW Environment Protection Authority, Natural Resources Commission and NSW Department of Planning & Environment.<sup>28</sup>

<sup>23</sup> Submission 19, NSW Government, p 4.

<sup>24</sup> *NSW Forestry Industry Roadmap*, August 2016, p 6.

<sup>25</sup> Forestry Corporation of NSW (FCNSW), *Annual Report 19-20*, 31 October 2020, p 5.

<sup>26</sup> *Australia's forests at a glance 2019*, p 35 and Submission 222, Timber NSW, p 48.

<sup>27</sup> Submission 19, NSW Government, pp 2-3.

<sup>28</sup> Submission 19, NSW Government, pp 5-6.

### *Forestry Corporation of NSW*

- 1.27** Forestry Corporation of NSW (FCNSW) manages native and plantation forests across New South Wales. As mentioned previously, FCNSW has responsibility for approximately 2 million hectares of land which includes native forests and hardwood and softwood timber plantations.<sup>29</sup> Harvesting and haulage of FCNSW timber resources is conducted by contractors.<sup>30</sup>
- 1.28** FCNSW is a state-owned corporation under the *State Corporations Act 1989*, which establishes commercial businesses on behalf of the people of New South Wales to provide services to the economy and infrastructure to the state.<sup>31</sup>
- 1.29** The objectives of FCNSW are set out in section 10 of the *Forestry Act 2012*. The principal functions of FCNSW are set out in section 11 of the Act as described below:
1. The principal functions of the Corporation are as follows—
    - a. to carry out or authorise the carrying out of forestry operations in accordance with good forestry practice on Crown-timber land or land owned by the Corporation,
    - b. to take or authorise the taking of forest materials from State forests or land owned by the Corporation,
    - c. to sell, supply or process timber, forest products or forest materials taken or harvested under paragraph (a) or (b),
    - d. to establish and maintain plantations,
    - e. to control and manage, subject to Part 5, forestry areas,
    - f. subject to the Rural Fires Act 1997, to carry out measures on Crown-timber land for the protection from fire of timber and forest products on that land,
    - g. to grant forestry rights in respect of State forests, timber reserves or land owned by it, including any such right that is for the benefit of the Corporation,
    - h. to acquire, hold, sell or otherwise deal with or trade in carbon sequestration rights (including for the benefit of other persons).<sup>32</sup>
- 1.30** The NSW Government contributes approximately \$18 million per year in Community Service Obligation funding to FCNSW as a fee for service for land management activities, including fire management on non-productive land, management of pests and weeds, tourism and non-commercial public roads across the estate. According to FCNSW, the total cost of land management is offset by revenue from timber production.<sup>33</sup>

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<sup>29</sup> Submission 19, NSW Government, p 6.

<sup>30</sup> Evidence, Mr Dean Anderson, Regional Manager Snowy Region, Forestry Corporation of NSW, 24 May 2022, p 14.

<sup>31</sup> NSW Treasury, *State owned corporations*, 3 February 2022, <https://www.treasury.nsw.gov.au/information-public-entities/government-businesses/state-owned-corporations>.

<sup>32</sup> *Forestry Act 2012*, s 11(1)(a)-(h).

<sup>33</sup> Submission 19, NSW Government, p 6.

- 1.31** In addition to its principal functions, under the Act, FCNSW may provide facilities and services or undertake other activities within State forests and conduct any business and provide any service it considers will further its objectives. The Act sets out rules for making forestry areas available for non-forestry purposes.<sup>34</sup>
- 1.32** FCNSW is also a statutory firefighting authority that plays a role in fire management in native forests. As part of their workforce, FCNSW has trained firefighters who carry out fire mitigation and hazard reduction programs, training and maintenance programs and firefighting response in coordination with other agencies (such as the NSW Rural Fire Service).<sup>35</sup>

### *NSW Department of Primary Industries*

- 1.33** NSW Department of Primary Industries (DPI) - Forestry is responsible for the management and administration of forests and related services in New South Wales, including policy, industry development, and science and research for the timber and forest products industry.
- 1.34** In particular, DPI - Forestry is responsible for:
- developing forest industries, including delivering the NSW Forestry Industry Roadmap (to be discussed in greater detail in chapter 5)
  - approving and regulating plantations on both public and private land
  - providing forest science, both plantations and native forestry including biosecurity
  - providing forestry policy advice, both on plantations and native forestry.<sup>36</sup>

### *Local Land Services*

- 1.35** Local Land Services (LLS) is a frontline agency providing land management services to farmers, landholders and the wider community. LLS's core services include providing advice on biosecurity, emergency management, profitable and sustainable agriculture, native vegetation, and conservation and restoration.
- 1.36** Relevant to the timber and forest products industry, LLS is responsible for industry policy advice where it relates to PNF, including leading reviews of the PNF Codes of Practice, and for extension and support services to provide landholders a one stop shop for land management advice.<sup>37</sup>

### *NSW Environment Protection Authority*

- 1.37** The NSW Environment Protection Authority (EPA) is the state's independent environmental regulator who is responsible for the regulation of public and private native forestry.<sup>38</sup>
- 1.38** In terms of forestry operations, the EPA is responsible for protecting ecological values in native forestry operations on both public and private land. It is also responsible for monitoring forestry

<sup>34</sup> *Forestry Act 2012.*

<sup>35</sup> FCNSW, *Annual Report 2019-2020*, October 2020, p 5.

<sup>36</sup> Submission 19, NSW Government, p 5.

<sup>37</sup> Submission 19, NSW Government, p 5.

<sup>38</sup> Submission 19, NSW Government, p 5.

operations and the enforcement of PNF approvals and Integrated Forestry Operations Approvals (IFOAs). IFOAs set the environmental rules for forestry operations in certain estates and are explained in greater detail later in the chapter.<sup>39</sup>

### *Natural Resources Commission*

- 1.39** The Natural Resources Commission (NRC) is an independent body that has the general function of providing the NSW Government with independent advice on natural resource management, including forests.<sup>40</sup>
- 1.40** The NRC was established under the *Natural Resources Commission Act 2013* and has specific legislative functions relating to improving the management of water, soil, and native vegetation and diversity, including forestry management.<sup>41</sup>
- 1.41** In 2020/21, a key aspect of the NRC's work included 'improved evidence-based decisions on forest management', such as a forest monitoring and improvement program, the Coastal IFOA monitoring program, and independent research on koalas.<sup>42</sup>
- 1.42** Following the 2019/20 bushfires, the NRC was commissioned to provide the relevant ministers with independent, evidence-based advice on where, when and how it would be practicable to commence forestry operations under standard Coastal IFOA conditions while satisfying the purposes of part 5B of the *Forestry Act 2012* and the objectives and outcomes specified in the Coastal IFOA. The final report '*Coastal IFOA operations post 2019/20 wildfires*' was handed to the NSW Government in June 2021. The NSW Government has not responded to the report or made the report public. The report was leaked to the Guardian on the 25 November 2021. The executive summary of the report was tabled at the inquiry hearing on 5 April 2022.

### *NSW Department of Planning & Environment*

- 1.43** The NSW Department of Planning and Environment is the cluster agency that includes National Parks and Wildlife Services and also has forest management responsibilities. Its key responsibilities relevant to the timber and forest products industry include:
- management of the NSW National Park estate, including World Heritage areas and Wetlands of International Significance
  - monitoring and reporting on activities and forest assets within the national reserve system and areas incorporating Matters of National Environmental Significance, including outstanding universal values in world heritage properties
  - leading wildlife, biodiversity, ecosystem and conservation policy, research and programs, including through the Saving Our Species Program
  - protecting threatened species and communities

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<sup>39</sup> Submission 19, NSW Government, p 5.

<sup>40</sup> *Natural Resources Commission Act 2013*, s 12.

<sup>41</sup> *Natural Resources Commission Act 2013*, s 3. See also: Natural Resources Commission, *About Us*, <https://www.nrc.nsw.gov.au/about-nrc>.

<sup>42</sup> Natural Resources Commission (NRC), *Annual Report 2020-2021*, pp 7-14.

- assessing the status of species, communities, populations and habitat, and listing under the *Biodiversity Conservation Act 2016*
- mapping native vegetation, including the mapping of threatened ecological communities on State forests
- providing environmental and economic science and research services.<sup>43</sup>

### **Key legislation and regulatory framework**

- 1.44** There are a number of key laws sitting within a complex regulatory and policy framework that relate to forest management in New South Wales. Underpinning this framework for forest management are the principles of ecologically sustainable forest management (ESFM), embedded in Commonwealth forestry policy framework.<sup>44</sup>
- 1.45** ESFM acknowledges that forest management should meet the present needs of the community, provide for future generations, and maintain and protect other forests values. Management practices apply to public and private natural forests and to plantations. Three principles guide today's concept of ESFM, namely to maintain the ecological process within forests; preserve their biological diversity; and obtain for the community the full range of environmental, economic and social benefits from all forest uses within ecological limits.<sup>45</sup>
- 1.46** Below is an overview of key legislation and the regulatory framework characterised by agreements and approvals that govern forest operations, guided by ESFM.

#### ***Forestry Act 2021***

- 1.47** *Forestry Act 2021* provides for the regulation of forestry operations on native forests and other Crown-timber lands, and the delivery of ESFM. The Act also prescribes FCNSW as the land manager of Crown-timber land and allows for the dedication of flora reserves in native forests.<sup>46</sup>
- 1.48** Forestry Regulation 2012 (the Regulation) supports the implementation of the *Forestry Act 2012*.<sup>47</sup>

#### ***Biodiversity Conservation Act 2016***

- 1.49** *Biodiversity Conservation Act 2016* provides for the maintenance of a healthy, productive and resilient environment, consistent with the principles of ecologically sustainable development, and includes the listing of threatened species (flora and fauna), threatened ecological communities and threatening processes, and voluntary conservation measures for private land.<sup>48</sup>

<sup>43</sup> Submission 19, NSW Government, p 5.

<sup>44</sup> NSW Government, *NSW Forest Management Framework*, November 2018, p 7 in Submission 19, NSW Government, p 3.

<sup>45</sup> Department of Agriculture, Water and the Environment, *Ecologically Sustainable Forest Management*, 4 November 2019, <https://www.awe.gov.au/agriculture-land/forestry/policies/rfa/about/esfm>.

<sup>46</sup> Submission 19, NSW Government, p 2.

<sup>47</sup> Forestry Regulation 2012.

<sup>48</sup> Submission 19, NSW Government, p 2.

- 1.50 The Act also provides the EPA's enforcement powers and compliance tools to regulate public and private native forestry. Defenses for harming animals and damaging plants and habitat are provided where forestry operations have been carried out and are compliant with an IFOA or a PNF Plan and PNF Code of Practice.<sup>49</sup>

#### ***Protection of the Environment Operations Act 1997***

- 1.51 *Protection of the Environment Operations Act 1997* aims to protect, restore and enhance the quality of the environment of New South Wales and prevent the degradation of the environment. Its companion administrative Act establishes statutory responsibilities for the EPA to deliver on these objectives. A defence for polluting waters is provided where forestry operations have been carried out, and are compliant with, an IFOA or a PNF Plan and PNF Code of Practice.<sup>50</sup>

#### ***Other relevant legislation***

- 1.52 Other legislation relevant to forest management include:
- *National Parks and Wildlife Act 1974* which prescribes management requirements for the majority of the New South Wales public reserve system and the protection and management of Aboriginal heritage.
  - *Plantations and Reafforestation Act 1999* which, together with the Plantations and Reafforestation (Code) Regulation 2001, provide for the authorisation and regulation of plantations and plantation operations on public or private land
  - *Local Land Services Act 2013* which provides for the regulation of native vegetation management on private land, and the authorisation and regulation of private native forestry operations. This includes the delivery of ESFM on private forests.<sup>51</sup>

#### ***National Forest Policy Statement***

- 1.53 New South Wales is a signatory to the National Forest Policy Statement which commits to the sustainable management of all Australian forests, whether on public or private land, or reserved or available or production.<sup>52</sup>

#### ***Regional Forest Agreements***

- 1.54 Regional Forest Agreements (RFAs) are bilateral agreements between the Commonwealth Government and four state governments, including New South Wales. RFAs are given statutory effect under the *Regional Forest Agreements Act 2002* (Cth).<sup>53</sup>
- 1.55 The RFAs provide a streamlined approach to satisfying Commonwealth legislative requirements for environmental planning and assessment, and for conducting forestry operations. The RFAs

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<sup>49</sup> Submission 19, NSW Government, p 2.

<sup>50</sup> Submission 19, NSW Government, p 2.

<sup>51</sup> Submission 19, NSW Government, p 2.

<sup>52</sup> Submission 19, NSW Government, p 3.

<sup>53</sup> Submission 19, NSW Government, p 3.

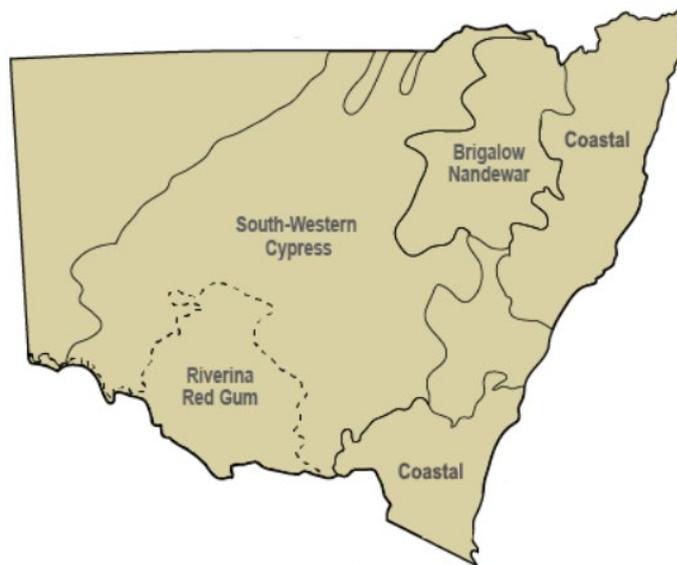
aim to provide certainty of resource and supply to industry, meet ESFM objectives and provide for the protection of the state's forest biodiversity.<sup>54</sup>

- 1.56 The New South Wales and Commonwealth governments signed RFAs for the Eden, North East and Southern regions of New South Wales on 26 August 1999, 31 March 2000 and 24 April 2001 respectively. These agreements were set to expire over the coming years, however, they have now been revised and extended until 2039.<sup>55</sup>

### *Integrated Forestry Operations Approvals*

- 1.57 As previously noted, Integrated Forestry Operations Approvals (IFOA) set the environmental rules for how forestry operations can be carried out on native State forests and Crown-timber lands in New South Wales. They include rules to protect native plants, animals, important habitat and ecosystems, soils and water in native forestry operations on public land. They also set requirements to achieve ESFM in New South Wales.<sup>56</sup>
- 1.58 There are four IFOAs in New South Wales: Brigalow Nandewar, Riverina Red Gum, South Western Cypress and Coastal. The IFOAs were made in 2010, 2011, 2011 and 2018 respectively.<sup>57</sup> The map below outlines the forestry regions of New South Wales which are covered by the separate IFOAs.

**Figure 5 Map of Integrated Forestry Operation Approvals**



Source: EPA, *Integrated Forestry Operations Approvals*, (14 July 2022), <https://www.epa.nsw.gov.au/your-environment/native-forestry/integrated-forestry-operations-approvals>.

<sup>54</sup> NSW Department of Primary Industries, *NSW Regional Forestry Agreements*, <https://www.dpi.nsw.gov.au/forestry/regional-framework>

<sup>55</sup> *NSW Regional Forestry Agreements*, <https://www.dpi.nsw.gov.au/forestry/regional-framework>.

<sup>56</sup> NSW Environment Protection Authority, *Integrated Forestry Operations Approvals (IFOAs)*, 14 July 2021, <https://www.epa.nsw.gov.au/your-environment/native-forestry/integrated-forestry-operations-approvals>.

<sup>57</sup> Submission 19, NSW Government, p 4.

### ***Wood supply agreements***

- 1.59** Timber from native forests is allocated through long term wood supply agreements (WSAs) or timber supply agreements between FCNSW and saw millers and other timber processors.<sup>58</sup>
- 1.60** WSAs are usually in place for 20 years, however, some timber is sold on short term parcel sale agreements. All wood supply agreements on the North Coast will now expire in 2028. There are three current wood supply agreements on the South Coast which expire in 2029, 2030 and 2033. At least three wood supply agreements on the South Coast expired in 2018 and 2020 and have not been renewed.<sup>59</sup>

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<sup>58</sup> Submission 19, NSW Government, p 11.

<sup>59</sup> IPART, *Final Report: Review of Forestry Corporation's Native Timber Harvesting and Haulage Costs 1 July 2016 – 30 June 2019*, May 2021, p 34.

## Chapter 2 Timber supply

Central to this inquiry is the issue of timber supply in New South Wales. This chapter examines the current state of timber supply and demand as well as the key pressures on the timber industry. The chapter also considers stakeholder views on securing timber supply in the future and the NSW Government's response to timber supply issues.

### Current state of timber supply and demand

- 2.1** During the inquiry, stakeholders discussed the consistent and continued increase in demand for timber and forest products. Timber NSW argued that the demand for timber 'has never been higher'.<sup>60</sup> Indeed, based on the NSW Government's most recent data, overall consumption of forest products in Australia has risen over the past 40 years where consumption per capita of wood-based panel products has increased by more than 150 per cent and consumption per capita of paper and paperboard products has increased by approximately 40 per cent over the same period.<sup>61</sup>
- 2.2** In addition, the committee received evidence that the New South Wales population will grow by 100,500 people on average each year to 2031, thereby representing an increased demand for housing, which uses timber as a primary building construction material.<sup>62</sup> As explained by Timber NSW, the design, manufacturing and housing sectors rely heavily on the timber and forest products industry, noting that:
- 75 per cent of sawn timber produced is used in residential construction
  - 20 per cent of timber is used by the furniture industry
  - 5 per cent of timber usage is by the kitchen sector.<sup>63</sup>
- 2.3** To demonstrate, the Housing Industry Association (HIA) advised that the unprecedented levels of demand for new homes have led to a record number of new homes under construction. They highlighted that in New South Wales, the number of detached homes under construction at the end of 2021 was 50.8 per cent higher than at the end of 2019.<sup>64</sup>
- 2.4** As was noted by several witnesses, the overwhelming majority of timber used in housing construction is from softwood plantations. Mr Warwick Drysdale from the Frame and Truss Manufacturers Association of Australia said 'by far the greatest percentage of timber used in frames and trusses is presently, but not necessarily, from a softwood resources'.<sup>65</sup> Mr Simon

<sup>60</sup> Submission 222, Timber NSW, p 75. See also: Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 9.

<sup>61</sup> NSW Government, *NSW Forestry Industry Roadmap*, August 2016, p 2. See also: Submission 19, NSW Government, p 11.

<sup>62</sup> *NSW Forestry Industry Roadmap*, August 2016, p 2 and Evidence, Mr Simon Croft, Executive Director, Building Policy, Housing Industry Association, 24 May 2022, p 17.

<sup>63</sup> Submission 222, Timber NSW, p 115.

<sup>64</sup> Answers to questions on notice, Housing Industry Association, 17 June 2022, pp 1-2.

<sup>65</sup> Evidence, Mr Warwick Drysdale, Member and Sponsor, Frame & Truss Manufacturers Association of Australia, and Director, Program Timber Supplies, 24 May 2022, p 24.

Croft from the Housing Industry Association said 'certainly I think there's less and less hardwood used and more of some solid pine softwoods, by a lot of engineered timbers being utilised for the structural applications'.<sup>66</sup>

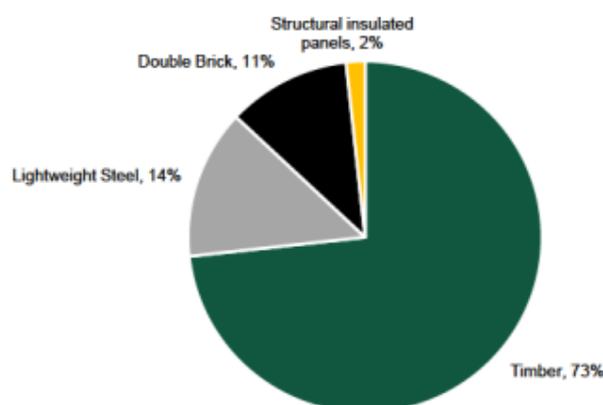
**2.5** Timber NSW acknowledged that softwood pine has become the timber of preference for New South Wales residential house frames and is the main fibre source for commodity products like plywood, fibreboard, and paperboard.<sup>67</sup>

**2.6** Professor Brendan Mackey provided further evidence of the extent to which domestic Australia timber supply was provided from plantations, which are primarily softwood, stating that 'Australia has a total of 134 million hectares of forest of which 132 million hectares are native forests and only 1.95 million hectares are commercial plantations. Yet, 88 per cent of Australia's wood supply is sourced from these commercial plantations which are only 1.5 per cent of the total forest area. In NSW, the figure is 86 per cent of wood supply'.<sup>68</sup>

**2.7** While the demand for timber has increased, particularly softwood, however, the committee heard that timber supply has struggled to meet this demand, so much so that the Institute of Foresters of Australia and Australian Forest Growers declared that 'Australia is heading for a timber supply crisis'.<sup>69</sup>

**2.8** In response to questions about alternative building materials, Mr Simon Croft, Executive Director, Building Policy, HIA argued that while there has been growth in the use of alternative framing materials and building systems, these still represent a very small proportion of the market.<sup>70</sup> To emphasise the point, the HIA highlighted the reliance on timber, which is almost entirely softwoods, for essential structures in the housing sector as demonstrated in the following figure.

**Figure 6 Load Bearing Elements in New Detached Houses**



Source: Submission 122, HIA, p 3.

<sup>66</sup> Evidence, Mr Simon Croft, Executive Director, Building Policy, Housing Industry Association, 24 May 2022, p 21.

<sup>67</sup> Submission 222, Timber NSW, p 92.

<sup>68</sup> Submission 229, Professor Brendan Mackey, p 1.

<sup>69</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 3.

<sup>70</sup> Evidence, Mr Croft, 24 May 2022, p 17.

- 2.9** This sentiment was shared by some stakeholders who expressed strong concerns about the lack of timber supply.<sup>71</sup> For example, the Australian Forest Products Association claimed that without an increase in supply of high-quality local timber and forest products, Australia risks not having enough domestic timber supply to meet housing construction needs, paper and packaging needs, bioenergy demand and emerging bioproducts. The Association further argued that there is 'no guarantee that imports will be able to reliably fill this gap'.<sup>72</sup>
- 2.10** Others, however, made a distinction between hardwood and softwood supply challenges, with the Nature Conservation Council of NSW (NCC) arguing that demand for native forest products has reduced 'as consumers demand sustainable materials and builders switch to engineered plantation-based timber products that are cheaper and easier to work with'.<sup>73</sup>
- 2.11** Likewise, the Colong Foundation for Wilderness argued that 'markets for hardwood have been in decline, which will get worse as softwood engineered products become more prevalent and consumer awareness of the environmental impacts of the native forestry industry increases...'.<sup>74</sup>

### Supply projections

- 2.12** In discussing timber supply, stakeholders gave evidence about supply projections for both hardwood and softwood timber.
- 2.13** Regarding hardwood supply, the committee received evidence that Australian domestic hardwood timber supply from native forests is decreasing and is expected to continue to decline. Timber NSW highlighted that harvest levels from Australian native forests declined by more than 50 per cent in the decade from 2008-09 to 2018-19.
- 2.14** Regarding softwood supply, the committee heard from the Institute of Foresters of Australia and Australian Forest Growers that Australian domestic softwood timber supply is expected to remain relatively static for the next decade and beyond. Growth in softwood plantations that produce timber for housing has not kept pace with population growth or timber demand over the past 15 years.<sup>75</sup>
- 2.15** In support of this view, the Softwoods Working Group, a joint timber industry and community body representing the interests of the South West Slopes region of New South Wales, reflected on the softwood supply projections for the region. The South West Slopes contains the largest area of softwood plantation in New South Wales with approximately 125,000 ha of both public and private land, and is the second largest softwood plantation estate in Australia.<sup>76</sup>

<sup>71</sup> Submission 222, Timber NSW, p 137; Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 20; Submission 224, Australian Workers' Union (AWU) and CFMEU – Manufacturing Division (AWU and CFMEU), pp 48-68; Submission 111, Australian Forest Products, p 8 and Submission 233, Pentarch Forestry, p 2.

<sup>72</sup> Submission 68, Softwoods Working Group, p 14; Submission 111, Australian Forest Products Association, p 2.

<sup>73</sup> Submission 198, Nature Conservation Council of NSW (NCC), p 15.

<sup>74</sup> Submission No. 217, Colong Foundation for Wilderness, p 9.

<sup>75</sup> Submission 223 Institute of Foresters of Australia and Australian Forest Growers, p 3.

<sup>76</sup> Submission 68, Softwoods Working Group, p 1 and 8.

- 2.16** The Group informed the committee that even before the 2019/20 bushfires, the processing sector of the region had 'already identified resource security as a major impediment to growth in the industry', asserting that:
- actual fibre yields from the 125,000 ha of softwood plantations in the South West Slopes region had reached a plateau of around two million tonnes per annum (mtpa) even before the 2019/20 bushfires, noting that virtually no new plantations have been established over the last 10-15 years
  - processors in the region required approximately three mtpa of fibre in order to operate at pre-fire capacity, however, the plantations have only been able to supply two mtpa, leaving a shortfall of one mtpa that has required import from other areas of New South Wales and Northeast Victoria
  - projected forecasts of supply have been for a declining yield into the future, as some areas of private plantations were not replanted after harvest but sold for conversion back to agricultural use.<sup>77</sup>

### **Sustainable yield modelling**

- 2.17** The committee also received evidence from the NSW Government in relation to the projections of hardwood and softwood supply from State forests.
- 2.18** The NSW Government advised that, in order to ensure that the supply of timber and forest products can meet demand for current and future uses, sustainable yield from State forests is regularly calculated. This is known as sustainable yield modelling, which is managed by Forestry Corporation of NSW (FCNSW) and determined by Integrated Forestry Operations Approvals (IFOAs) and Regional Forestry Agreements (RFA). IFOAs and RFAs, outlined in chapter 1, set out how sustainable yield is to be calculated, reviewed and periodically updated in NSW RFA regions.<sup>78</sup>
- 2.19** Sustainable yield data generates detailed models that show how much timber of which types and species can be responsibly harvested in each region each year to ensure that the amount of timber available in the forest does not decline over the long term. Guided by strict environmental regulations, the sustainable yield models identify the quality and quantity of timber, not the number of trees, that can be produced from native forests for timber production.<sup>79</sup>
- 2.20** According to the NSW Government, New South Wales has committed to manage the availability of timber resources for the State forest estate in each RFA in accordance with ecologically sustainable forest management (ESFM) principles and within sustainable yield limits.<sup>80</sup>

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<sup>77</sup> Submission 68, Softwoods Working Group, p 8.

<sup>78</sup> Submission 19, NSW Government, p 13.

<sup>79</sup> Submission 19, NSW Government, p 14.

<sup>80</sup> Submission 19, NSW Government, p 13.

- 2.21** In native forests, one per cent of trees are harvested each year.<sup>81</sup> Different tree species are found in different forests and grow at different rates, so the sustainable yield models reflect:
- the proportion of the overall forest and of each harvest area that is set aside under environmental regulations that protect wildlife habitat, rainforest, old growth, riparian zones and other important ecological features across the landscape
  - measurements from thousands of randomly located plots where the size, quality and species of all trees are recorded
  - growth rates from trees in special permanent plots which have been re-measured regularly to track their development
  - operational data on the volume of timber harvested in the areas set aside.<sup>82</sup>
- 2.22** In plantations, large areas are planted with trees the same age and species. The sustainable yield is calculated using data about the size of the area planted, the age of the trees and growth rates.<sup>83</sup>
- 2.23** The committee received evidence that FCNSW has undertaken sustainable yield modelling for both hardwood forests and softwood plantations in the State forest estate following the 2019/20 bushfires. The results of this modelling are discussed in further detail later in the chapter as part of broader discussions about the impact of the 2019/20 bushfires.

*Transparency and accuracy of sustainable yield modelling*

- 2.24** Some stakeholders expressed concerns regarding the lack of transparency and accuracy of the sustainable yield modelling managed by FCNSW.<sup>84</sup> For example, the North East Forest Alliance argued that the allocations of timber from public native forests have always been 'plagued by overestimation' given that the projections for timber supply have been on the decline for years, and disputed the recent sustainable yield model following the 2019/20 bushfires, to be discussed later in the chapter.<sup>85</sup>

## Key pressures on timber supply

- 2.25** During the inquiry, stakeholders discussed a number of pressures on the supply of timber in New South Wales, including those that the timber and forest products industry has had to operate under for some time now as well as more recent pressures which inquiry participants argued have exacerbated an already challenging situation for the industry. This section examines such pressures, including the steady reduction of native forests for harvesting over the last two decades, a lack of forward planning by successive governments, as well as the impact of the 2019/20 bushfires, the reliance on the import and export market, and the COVID-19 pandemic on timber supply and the industry more broadly.

<sup>81</sup> FCNSW, *Timber volumes and modelling*, <https://www.forestrycorporation.com.au/sustainability/timber-volumes-and-modelling>.

<sup>82</sup> Submission 19, NSW Government, pp 13-14.

<sup>83</sup> Submission 19, NSW Government, p 13.

<sup>84</sup> See for example: Submission 5, North East Forest Alliance Inc., pp 26-28; Submission 125, South East Conservation Alliance, p 2 and Submission 214, South East Forest Rescue, p 26.

<sup>85</sup> Submission 5, North East Forest Alliance Inc., pp 26-28.

### **Reduction of native forests for harvesting**

- 2.26** According to industry stakeholders, a long-standing pressure on timber supply, in particular of native hardwood, has been the continued removal of native forests for commercial timber production.<sup>86</sup>
- 2.27** For example, Timber NSW claimed that the areas of native forest available for harvesting have halved over the last 25 years due to the conversion of native forests into national parks and reserves, and the tightening of environmental regulation. They argued that this has increased pressures on hardwood supply as 87 per cent of hardwood is supplied from native forests while 13 per cent of hardwood is supplied by plantations.<sup>87</sup>
- 2.28** Timber NSW concluded that, 'due to government reallocations of production forests into reserves, the New South Wales timber industry faces significant obstacles in achieving consistent, reliable supply of hardwood timber, particularly of specific species'.<sup>88</sup>
- 2.29** To address this supply issue, some industry stakeholders called to expand the availability of native forests for harvesting, acknowledging that any such expansion should be consistent with ecological sustainable forest management.<sup>89</sup> On the contrary, however, others called instead for the end of native forest harvesting altogether, which will be discussed further in the next chapter.

### **Lack of forward planning and investment**

- 2.30** Many stakeholders also expressed concerns about the lack of forward planning by governments past to address long term supply issues, not only noting that timber and forest products take decades to grow and harvest but that other factors at play, such as fire, must also be accounted for. These stakeholders asserted that the lack of long term planning has contributed to existing supply issues.<sup>90</sup> For example, Timber NSW spoke of the 'negligence' that will be 'felt for many generations' with the lack of planning to protect timber supply from the bushfires:

Timber is a resource that must be actively managed, like any other. The industry has been penalized by the government's lack of a proactive approach and forward planning for bushfires to protect the resource. Given the timescales of the industry, the impacts of this negligence will be felt for many generations.<sup>91</sup>

- 2.31** For Mr Stephen Dadd, Executive Director, Pentarch Forestry, the current and unprecedented timber crisis 'highlights the chronic underinvestment in plantations that our industry has made over many decades, and also the impact of the wind back in regrowth forestry – State forest resource – into our industry'.<sup>92</sup>

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<sup>86</sup> Submission 223 Institute of Foresters of Australia and Australian Forest Growers, p 12 and Submission No. 222, Timber NSW, p 112.

<sup>87</sup> Submission 222, Timber NSW, p 112.

<sup>88</sup> Submission 222, Timber NSW, p 119.

<sup>89</sup> Submission 222, Timber NSW, p 135 and Submission 224, AWU and CFMEU, p 27.

<sup>90</sup> See for example: Submission 217, Colong Foundation for Wilderness, p 9; Submission 222, Timber NSW, p 9 and Submission 225, Hurford Group, p 2.

<sup>91</sup> Submission 222, Timber NSW, p 75.

<sup>92</sup> Evidence, Mr Stephen Dadd, Executive Director, Pentarch Forestry, 5 April 2022, p 26.

- 2.32** Meanwhile, the Colong Foundation for Wilderness reflected on the lack of forward planning asserting that the 'serious resource scarcity issue' has been largely unaddressed by the government. They argued that 'wood supply has been plaguing the native forestry sector for years' and provided examples of failed government interventions to free up wood supply.<sup>93</sup>
- 2.33** Commenting on the need for foresight when considering not just what gets harvested but 'what is left behind', Mr James Felton-Taylor, Director, Australian Sustainable Timbers reflected on the gravity of decisions that have an impact decades into the future:

[F]orestry can be done well; however, we need to both focus on what is left behind rather than what is extracted. As foresters, I think we often get a bit carried away with talking about what is coming out rather than what is staying behind. You have got to remember that when we manage the decisions we make in the forest, they are with us for 80 to 100 years plus.<sup>94</sup>

- 2.34** According to the Softwoods Working Group, 'external influences on the industry have always been of major significance' but acknowledged that 'many of these factors are beyond the direct control of the industry per se'. Nevertheless, the Group insisted that these external influences 'need to be either prepared for or mitigated again'.<sup>95</sup> Some of these, as raised by inquiry participants, are explored further in the following sections.

### 2019/20 bushfires

- 2.35** In 2019/20, devastating bushfires ravaged New South Wales causing substantial impacts on all aspects of the timber and forest products industry. According to the NSW Government, more than five million hectares (ha) of New South Wales were affected by fires in the 2019/20 bushfire season across national parks, native forests and private property. The affected areas of native forests included:
- 831,000 ha (44 per cent) of native forest
  - 428,00 ha (62 per cent) of harvestable native forest
  - 62,000 ha (24 per cent) of hardwood and softwood plantations,
  - 52,000 ha (25 per cent) of stocked softwood plantations.<sup>96</sup>
- 2.36** Fire impacts on harvestable areas differed substantially across the state, with some areas being more heavily impacted than others. For example, Colong Foundation for Wilderness informed the committee of the varying degrees of impact across the different regions:

In the North Coast, an average of 44.3 per cent of the net harvestable area was burnt, ... In the Southern and Eden RFA regions, an average of 80 per cent of the harvestable area was burnt, with 85 per cent burnt on the South Coast, 79 per cent burnt in the

<sup>93</sup> Submission 217, Colong Foundation for Wilderness, p 9.

<sup>94</sup> Evidence, Mr James Felton-Taylor, Director, Australian Sustainable Timbers, 29 September 2021, p 11.

<sup>95</sup> Submission 68, Softwoods Working Group, p 6.

<sup>96</sup> Submission 19, NSW Government, p 17.

Eden region and 69 per cent burnt in the Tumut region. Specifically, in the Batemans Bay area of supply, a shocking 96 per cent (78,868 hectares) of the area was burnt.<sup>97</sup>

- 2.37** According to the Natural Resources Commission, wood supply fell sharply in all regions as a direct result of the 2019/20 bushfires.<sup>98</sup> Indeed, FCNSW advised of the significant impact in its review of sustainable yield following the fires, discussed below.

***Impact on sustainable yield***

- 2.38** In response to the bushfires, the NSW Government advised that it has recalculated sustainable and long term yields for both hardwood forests and softwood plantations. The calculation also includes post-fire salvage harvesting of both their plantation and native forestry estate.<sup>99</sup>
- 2.39** According to the NSW Government, early resource analysis by FCNSW of its fire-affected softwood plantation estate revealed a significant decline in wood supply for an extended period. The total supply will drop from approximately four million tonnes per annum (mtpa) before the fires to three mtpa after the fire salvage period.<sup>100</sup> This has exacerbated ongoing concerns regarding current timber and forest products supply.
- 2.40** The committee was informed that, as part of the FCNSW's review into its sustainable yield modelling following the 2019/20 bushfires, projected reductions in log quantities ranged between four per cent and 30 per cent across the state's RFA regions. This is detailed in the table below.

**Table 2 Overview of fire impact on short-term wood supply for New South Wales RFA regions**

<b>Annualised sustained yield for first three reporting periods</b>			
<b>RFA region</b>	<b>Year range</b>	<b>High-quality logs (m3 )</b>	<b>Modelled Reduction due to fire Impacts %</b>
North East	2020 - 2031	230,000	4%
Eden	2020 - 2034	22,700	13%
South Coast	2020 - 2034	35,000	30%
Tumut	2020 - 2034	25,800	27%

*Source: FCNSW, 2019-2020 Wildfires, NSW Coastal Hardwood Forests Sustainable Yield Review, December 2020*

<sup>97</sup> Submission 217, Colong Foundation for Wilderness, p 7.

<sup>98</sup> Tabled document, Natural Resources Commission, *Executive Summary from Final report on Advice on Coastal IFOA operations post 2019-2020 wildfires*, June 2021, p 1.

<sup>99</sup> Submission 19, NSW Government, pp 18-20.

<sup>100</sup> Submission 19, NSW Government, p 14.

- 2.41** As well as recalculating its sustainable yield, FCNSW explained that while the 2019/20 bushfire season was 'the worst in living memory', FCNSW has 'worked hard to ensure native forests recover and to replant all fire-affected plantations for the future'.<sup>101</sup>
- 2.42** Post-fire salvage harvesting also commenced to salvage fire-affected forests as much as possible. The NSW Government advised that, in softwood plantations, pine trees are less fire tolerant than many native Australian species, so fire-damaged trees where possible were salvaged for processing. Indeed, the committee was advised that pine trees affected by fire can still be harvested and processed into timber products in much the same way as unburnt trees. The NSW Government further informed that around four million tonnes of timber have been salvaged from softwood plantations and processed into essential wood products.<sup>102</sup>
- 2.43** Meanwhile, native forestry operations proceeded under special conditions issued by the NSW Environment Protection Authority in selected areas of fire-affected native forests.<sup>103</sup> Selective harvesting in fire-affected native forests is different from softwood plantations as native forest have site specific conditions in which harvesting can occur.<sup>104</sup> Further discussion about post-fire salvage harvesting, in particular concerns raised by inquiry participants about these operations, can be found in chapter 4.
- 2.44** The harvesting of fire-affected forests assisted in temporarily meeting supply pressures as well as providing financial relief to sawmill processors across the state. For example, Hyne Timber stated that saw logs were highly sought after as a result of the bushfires, with 1.6 million burnt logs being processed at the Tumbarumba Mill alone.<sup>105</sup>
- 2.45** Stakeholders noted, however, that since post-fire salvage harvesting has now halted, supply pressures are now again impacting the industry.<sup>106</sup>

***Impact on the industry and community***

- 2.46** Beyond the impact of the bushfires on timber supply, stakeholders also spoke of the impact on different aspects of the timber and products industry, including its workers, and the communities who support it.
- 2.47** For example, Hyne Timber, owner and operator of the Tumbarumba Mill, estimated their log feedstock supply was reduced by 40 per cent due to the 2019/20 bushfires. They argued that as a major regional employer and critical component in the local supply chain, the loss of log supply will have extensive impacts on the regional economy.<sup>107</sup> To demonstrate this, Hyne Timber

<sup>101</sup> FCNSW, *2019–20 Wildfires Environmental impacts and implications for timber harvesting in NSW State forests*, June 2020, p 6 and FCNSW, *Impacts of fires 2019-2020*, <https://www.forestrycorporation.com.au/operations/fire-management/fire-impact-of-2019-20>.

<sup>102</sup> Submission 19, NSW Government, p 19.

<sup>103</sup> Submission 19, NSW Government, p 20.

<sup>104</sup> Submission 19, NSW Government, pp 19-20.

<sup>105</sup> Submission 75, Hyne Timber, p 3.

<sup>106</sup> See for example: Submission 111, Australian Forest Products Association, p 9; Submission 222, Timber NSW, p 124 and Submission 224, AWU and CFMEU, p 48.

<sup>107</sup> Submission 75, Hyne Timber, REMPLAN: Economic Impact Assessment, p vi.

referred to an economic impact analysis of the bushfires on the Tumbarumba community due to the loss of log supply. The analysis found that:

... [O]ver the next three years alone, the loss of local supply to the Tumbarumba sawmill would result in an estimated 157 fewer jobs across the Snowy Valleys, with around 140 of those jobs lost in Tumbarumba across a range of industries, as a result of direct and in-direct economic loss. This included a loss of \$177 million in gross revenue in Tumbarumba alone and a significant reduction of by-product supply to local downstream manufacturers such as Visy.<sup>108</sup>

- 2.48** Indeed, Timber NSW gave evidence about the significant effect of the fires on processing facilities with direct losses in product and equipment. They specified that in at the Eden woodchip facility about 75,000 tonnes of woodchips were lost in the blaze, along with 4,000 tonnes of hardwood logs, conveyors and a workshop filled with spare parts and tools.<sup>109</sup>
- 2.49** Timber NSW also asserted that the impact of the fires has been most immediately felt by those who had forests or plant and equipment destroyed, as well as contractors and processors. According to them, 'there has been anxiety and distress due to the unprecedented state of operational and financial uncertainty' given that the 'livelihoods, and those of their employees, depend upon access to resources no longer available'<sup>110</sup>
- 2.50** As an example, Mrs Theresa Lonergan, a member of the Australian Forest Contractors Association and local harvesting contractor in Tumbarumba, gave compelling evidence regarding the impact of the bushfires on her contracting business. The following case study details her experience:

**Case study –Mrs Theresa Lonergan, Australian Forest Contractors Association and forestry contractor<sup>111</sup>**

Mrs Theresa Lonergan is director of P & T Lonergan, a forestry contracting business based in the Tumbarumba region. Mrs Lonergan spoke of the devastating impact of the 2019/20 bushfires to contracting businesses in the region as 'we had 17 crews at the time of the fires and we have gone to eight'.

For Mrs Lonergan her small business was directly impacted, losing their workshop and office in the bushfires. In addition, the financial impact has meant a reduction in staff and reliance on her family to support the business: 'My husband and two sons drive our machine. We had one more operator plus I had an office lady, who I had to let go because the office burnt. In July last year we lost our other operator. He got full time employment with another contractor. We cannot hold him back. Luckily our sons have stood by us, but I personally am out on the machine now.'

<sup>108</sup> Submission 75, Hyne Timber, p 3.

<sup>109</sup> Submission 222, Timber NSW, p 72.

<sup>110</sup> Submission 222, Timber NSW, p 72.

<sup>111</sup> Evidence, Mrs Theresa Lonergan, Member and former Director, Australian Forest Contractors Association, Director, P & T Lonergan Pty Ltd, 8 February 2022, pp 15-19. This case study is based on the content of the evidence.

Mrs Lonergan feels that the impact to her business is worsened by the lack of financial support from the Government following the bushfires, explaining that of the grants offered 'none of them were suitable for the forestry contracting businesses'. To prevent bankruptcy of many forestry contracting businesses, Mrs Lonergan believes there should be more support: 'We have been looking for support from the Government and think that the Government should support us'.

- 2.51** It is noted that the Bushfire Industry Recovery Package (BIRP) was established in April 2020 to provide immediate financial assistance to support industries, including forestry, which suffered significant damage as a result of the bushfires.<sup>112</sup>
- 2.52** According to the NSW Government, the package was developed in consultation with industry and had two program elements:
- Supply Chain Support Grants (\$65.8 million) which provided funding for short term recovery needs. Specific to the forestry industry this included burnt timber haulage and storage, nursery expansion and measures to improve soil stabilisation, road construction and groundcover recovery in fire impacted PNF areas; and
  - Sector Development Grants (\$72.3 million) which focused on larger projects delivered in the medium to long term to aid industry-wide recovery and rebuilding, with a focus on job creation via projects to increase value-add production, support supply chain efficiencies, product diversification and market expansion.<sup>113</sup>
- 2.53** The committee heard that the BIRP was generally supported by industry.<sup>114</sup> For example, the Australian Forest Products Association strongly supported the package, welcoming the support from the NSW Government to the forest industry following the 2019/20 bushfires. The Association stated that
- [The BIRP] provided urgently needed support for the state's forest industries which were severely impacted by the fires. The program provided immediate support across the whole forest industry sector, softening the impact of the bushfires, and supported employers as they dealt with the arrival of COVID-19.<sup>115</sup>
- 2.54** However, others maintained that the package did not provide sufficient support the industry. For example, the Australian Workers' Union and the CFMEU – Manufacturing Division (AWU and CFMEU) argued that while they supported investments to assist the salvage harvesting initiative as it sought to retain as many jobs as possible by maximising recovery of the burnt resource, they advised that there should have been a stronger link to long term job retention in funding especially where it was not clear the extent to which the grants would support employment if the resource challenge was not overcome.<sup>116</sup>

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<sup>112</sup> Submission 19, NSW Government, p 21.

<sup>113</sup> Submission 19, NSW Government, p 21.

<sup>114</sup> See for example: Submission 111, Australian Forest Products Association, p 15 and Submission 222, Timber NSW, p 125.

<sup>115</sup> Submission 111, Australian Forest Products Association, p 15.

<sup>116</sup> Submission 224, Australian Workers' Union and CFMEU Manufacturing Division (AWU and CFMEU), p 24.

### Reliance on the imports and exports market

- 2.55** According to the NSW Government, Australia imports more timber and forest products than it exports, approximately importing 30 per cent of timber needs.<sup>117</sup> In 2020-21, New South Wales forestry exports were worth \$114.6 million (excluding woodchips) while \$731.2 million in wood products were imported.<sup>118</sup>
- 2.56** In this regard, many stakeholders raised concerns about the reliance on the import and export market to meet supply needs. These inquiry participants highlighted a range of recent events that have significantly exacerbated supply pressures,<sup>119</sup> including:
- global timber shortages in which other international markets are preferred and are a more lucrative export destination than Australia<sup>120</sup>
  - more competitive rates from international manufacturers to process and manufacture timber products compared to local manufacturers, which are then exported back to Australia<sup>121</sup>
  - reliance on overseas markets for residual logs where international events have caused disruption to supply (for example the heightened trade relations with China and the Ukraine/Russia War)<sup>122</sup>
  - increased cost in shipping containers and related port and shipping constraints (for both international and domestic exports). This has also meant that freight restrictions, costs and levies applied to log haulage are inhibiting the transfer of locally available logs between states<sup>123</sup>
  - national policy decisions from exporting countries to retain their local timber to meet their own supply needs.<sup>124</sup>

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<sup>117</sup> Submission 19, NSW Government, p 11 and Evidence, Mr Dean Kearney, Senior Manager Planning, Forestry Corporation of NSW, 24 May, p 9.

<sup>118</sup> NSW Department of Primary Industries, *Performance, Data and Insights 20-21*, <https://www.dpi.nsw.gov.au/about-us/publications/pdi/2021/forestry>.

<sup>119</sup> See for example: Submission 68, Softwoods Working Group, p 14; Submission 222, Timber NSW, p 241; Submission no. 223 Institute of Foresters of Australia and Australian Forest Growers, p 3 and Submission 224, AWU and CFMEU, p 31.

<sup>120</sup> See for example: Submission 75, Hyne Timber, p 5; Submission 224, CFMEU, p 31; Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 20.

<sup>121</sup> Submission 75, Hyne Timber, p 5.

<sup>122</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 20; Submission 224, AWU and CFMEU, p 14 and p 33 and Evidence, Mr Warwick Drysdale, Member and Sponsor, Frame & Truss Manufacturers Association of Australia, and Director, Programmed Timber Supplies, 24 May 2022, p 24.

<sup>123</sup> Answers to questions on notice, Housing Industry Association, 17 June 2022, p 1.

<sup>124</sup> Evidence, Mr Drysdale, 24 May 2022, p 24.

## COVID-19 pandemic

- 2.57** Many stakeholders also discussed how the COVID-19 pandemic and related local and international disruptions in trade and logistics have affected timber and forest products supply.<sup>125</sup> As described by Mr Rod Caust, General Manger – Commercial, Bunnings:

Restrictions imposed due to COVID[-19] across New South Wales, Victoria and Tasmania, ... have impacted the supply of materials ... These shortages and impacts have been felt industry-wide, limiting the operations and capacity of all timber suppliers and retailers.<sup>126</sup>

- 2.58** Some stakeholders, such as Hyne Timber, raised how COVID-19 resulted in an increase in the renovation and construction market due to more people working from home and diverting funds from overseas holidays into home improvements.<sup>127</sup> Mr Adam Morton, Category Manager—Timber, Bunnings observed that:

[P]eople who may not have had the ability to travel were starting to actually invest some of that money that they might have spent on travel in their homes. We saw a huge increase in DIY activity from our perspective where customers were improving their backyards, building decks, renovating homes, performing maintenance and all that sort of thing.<sup>128</sup>

- 2.59** Furthermore, the HomeBuilder economic stimulus package rolled out by the Australian Government in 2020 to support the construction industry during the COVID-19 pandemic further increased demand on construction materials, including timber and forest products. As some stakeholders advised, the take-up of that particular stimulus for new home builds was significantly higher than anticipated,<sup>129</sup> resulting in a 'long pipeline of work' which has just started and requires managing and sourcing the supply of products to support these projects.<sup>130</sup>

## Impact of timber shortage on jobs, livelihoods and communities

- 2.60** Acknowledging the various pressures on the timber and forest products industry, numerous stakeholders expressed deep concerns about the economic and social impact of current timber supply issues. This section focuses in particular on the impact of timber shortage on the jobs, livelihoods and communities who support the timber and forest products industry, noting the benefits of the industry to those within it are explained in further detail in chapter 3.

<sup>125</sup> See for example: Submission 75, Hyne Timber, p 4; Submission 233, Pentarch, p 2; Evidence, Mr Stephen Dadd, General Manager, Building Products Division, Boral, 29 September 2021, p 2 and Evidence, Mr Rod Caust, General Manager – Commercial, Bunnings, 29 September 2021, p 3.

<sup>126</sup> Evidence, Mr Caust, 29 September 2021, p 3.

<sup>127</sup> Submission 75, Hyne Timber, p 4.

<sup>128</sup> Evidence, Mr Adam Morton, Category Manager—Timber, Bunnings, 29 September 2021, p 7.

<sup>129</sup> See for example: Submission 111, Australian Forest Products, p 10; Submission 222, Timber NSW, p 116 and Evidence, Mr Morton, 29 September 2021, p 7.

<sup>130</sup> Evidence, Mr Morton, 29 September 2021, p 7.

- 2.61** Some inquiry participants told the committee about how the lack of timber supply coupled with persistent inaction has and will continue to cost people in the industry their jobs.<sup>131</sup> For example, union members cited by the AWU and CFMEU insisted that without a secure wood supply, countless jobs would be lost and its impact would 'devastate the community':

Stable and secure wood supply is important to our business because: Ultimately without it there would be hundreds if not thousands of job losses in the community ... We would be an unable to consistently supply our customers' order requirements which would cause us to lose business, be unable to produce our products cost effectively and possibly shut down or close our business permanently, the roll-on effects would devastate the community.<sup>132</sup>

- 2.62** Indeed, the committee heard that such losses – of jobs and livelihoods – would have grave impacts on the families who are dependent on the industry. This was described to the committee firsthand: '[O]ur jobs are what enable us to give our families a life. It's what pays our bills and allows us to care for our children. A lack of wood supply affects us and other workers in our field all around the state'.<sup>133</sup>

- 2.63** The committee was also told of the impact on the wider communities who rely heavily on this sector.<sup>134</sup> For some regions, the timber industry has deep historic roots which have continued to hold today. For these areas, the economic and social reliance on the timber industry is evident in the range of indirect jobs, such hospitality, administration and services, which contribute to the diversity of economic opportunities in the community.<sup>135</sup>

- 2.64** For example, the committee received evidence about the heavy reliance on the timber industry for employment in Tumut:

The downturn of this site would be devastating to the region and have wider impacts for the State... The Tumut region relies on the timber industry, 80 per cent to 90 per cent of the region's population are employed either directly or indirectly by the timber industry.<sup>136</sup>

- 2.65** In another example, Ms Alison Rudmand, New South Wales District Assistant Secretary, CFMEU, discussed how important the local timber mills in Oberon are to the people of that community, and if there were to be any reduction in their operation resulting in families leaving, the impact on local businesses would be critical:

... 470 families ... who rely on those mills ... we know that those families do not have a lot of other options. There is not a lot of other work in Oberon. If those mills were

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<sup>131</sup> See for example: Submission 17, Colong Foundation for Wilderness, p 10; Submission 224, AWU and CFMEU, pp 3-4 and Evidence, Mr Anthony McMahon, Acting Chief Executive Officer, Bega Valley Shire Council, 5 April 2022, p 5.

<sup>132</sup> Submission 224, AWU and CFMEU, p 61.

<sup>133</sup> Submission 224, AWU and CFMEU, p 11.

<sup>134</sup> See for example: Submission 7, Hyne Timber, pp 3-4; Submission 68, Softwoods Working Group, pp 1-2; Submission 224, AWU and CFMEU, pp 48-68 and Evidence, Mr Jim Snelson, CEO, Borg Manufacturing, 24 May 2022, p 23.

<sup>135</sup> NSW Department of Primary Industries, *NSW Forestry Industry Roadmap – Frequently Asked Questions*, <https://www.dpi.nsw.gov.au/forestry/industry-roadmap/frequently-asked-questions>.

<sup>136</sup> Submission 224, AWU and CFMEU, p 21.

to even have to reduce... even if they had to halve and go down to less shifts, if 200 families were to leave that would have a critical impact, not only on them but upon every single business that currently operates in Oberon.<sup>137</sup>

**2.66** Furthermore, Timber NSW explained that the lack of reliable supply of timber makes it difficult for the industry to plan and for timber communities to survive it becomes difficult to attract and retain talent and investment in the sector.<sup>138</sup> ForestWorks added that forestry workers are a small number of people that perform highly specialised roles where investment in training and skills in the sector should be supported.<sup>139</sup>

**2.67** The committee also received evidence on how the difference between the hardwood and softwood sectors has impacted on job security, with one stakeholder advising that the growth in softwood production in their district has resulted in significant job losses as hardwood mills have closed:

Batlow has lost a lot of forestry jobs over the years closures of the hardwood mills as softwood production for timber and pulp is the way the forestry has gone in this district. ... Foresters and the clerical staff relocated to Tumbarumba and Sydney.<sup>140</sup>

**2.68** Separately, ForestWorks raised the concern that the salvage harvesting of plantations following the bushfires has only disguised and delayed the impact of the current timber shortage, particularly amongst harvesting and haulage contractors. It explained that once activity levels drop when timber is no longer salvageable, employment opportunities would cease:

Harvesting and haulage contractors have been faced with the conundrum of needing to retain their existing workforce at high activity levels to manage timber salvage, knowing that when the timber is no longer salvageable, there would be significantly reduced opportunities for employment. ... Many contractors are facing significant debt and no employment.<sup>141</sup>

**2.69** Other stakeholders suggested that jobs impacted by the timber shortage in native forestry, particularly from the hardwood sector, could transition to plantations.<sup>142</sup> Challenging this view, however, the AWU and CFMEU argued that this transition may not be feasible given that the 'reality is that there is no ready harvest' or consistent government assistance to worker transition services, training and retraining support, relocation support, and counselling.<sup>143</sup>

<sup>137</sup> Evidence, Ms Alison Rudmand, New South Wales District Assistant Secretary, CFMEU, 29 September 2021, p 24.

<sup>138</sup> Submission 222, Timber NSW, p 120.

<sup>139</sup> Submission 194, Forest Works, p 12.

<sup>140</sup> Submission 107, Mr Scott Baron, p 1.

<sup>141</sup> Submission 194, ForestWorks, p 22.

<sup>142</sup> See for example: Submission 101 Brooman Forest Conservation Group, p 22; Submission 120, Friends of the Forest (Mogo) p 7; Submission 125, South East Region Conservation Alliance, p 4; Submission 184, Clarence Valley Conservation Coalition, p 2 and Submission 189, Environmental Defenders Office, p 31.

<sup>143</sup> Submission 224, AWU and CFMEU, p 26 and p 45.

## Securing timber supply into the future

**2.70** Having discussed the key pressures on the timber and forest products industry and the significant impacts of the current timber shortage, some stakeholders consistently acknowledged throughout the inquiry that urgent action is required to ensure timber supply into the future. Inquiry participants explored a range of ways to generate and secure supply and support the timber and forest products industry. The following section examines these views more closely.

### More investment in plantations

**2.71** During the inquiry, most stakeholders agreed that there should be an increase in the investment and expansion of both softwood and hardwood plantations.

**2.72** While Hyne Timber advised that hardwood plantation areas have generally decreased since 2008-09 and total softwood plantation areas have remained relatively stable,<sup>144</sup> other inquiry participants asserted that, in fact, the overall area of New South Wales plantation estate is declining.<sup>145</sup> Ultimately, as expressed by Pentarch Forestry, '[r]ight across the board we have seen insufficient plantations put in the ground'.<sup>146</sup>

**2.73** This lack of expansion of the plantation estate has concerned many stakeholders as they argued that current levels of softwood plantation estate will not meet growing domestic demand.<sup>147</sup> As mentioned in chapter 1, most plantations in New South Wales are predominantly softwood plantations which produce sawlogs for construction.

**2.74** According to the Softwoods Working Group, 'plantation is the only effective, long term option for resolving the supply problem'. They urged for greater investment in plantations or better facilitation of private plantations, explaining:

The state government should take steps to either adopt policies that will mitigate the barriers to private investment in plantations, and/or invest directly in expanding the plantation ... major new areas of plantation must be established in addition to the re-establishment of the burnt plantation areas.<sup>148</sup>

**2.75** While these stakeholders emphasised the expansion of softwood plantations, other participants asserted that the expansion of the plantation estate should extend to both hardwood and softwood sectors to meet all timber and forest products' supply needs.<sup>149</sup>

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<sup>144</sup> Submission 75, Hyne Timber, p 34.

<sup>145</sup> See for example: Submission 220, WWF Australia, p 10 and Submission 111, Australian Forest Products Association, p 8.

<sup>146</sup> Evidence, Mr Dadd, Pentarch Forestry, 5 April 2022, p 26.

<sup>147</sup> See for example: Submission 68, Softwoods Working Group, p 14; Submission 75, Hyne Timber, p 34; Submission 122, Housing Industry Association, p 4; Submission 223, Institute of Foresters and Australian Forest Growers, p 3 and Evidence, Mr Drysdale, 24 May 2022, p 24.

<sup>148</sup> Submission 68, Softwoods Working Group, p 10.

<sup>149</sup> Evidence, Mr Steven Dobbys, Vice President, Timber NSW, 28 September 2021, p 3; Evidence, Mr Dadd, Pentarch Forestry, 5 April 2022, p 26 and Evidence, Mr Chris Gambian, Chief Executive, Nature Conservation Council of NSW (NCC), 28 September 2021, p 11.

*Benefits of plantations*

- 2.76** A number of stakeholders supported the investment and expansion of the state's plantation estate due to its positive environmental impact while meeting supply needs. The committee heard that plantations are seen as an alternative solution to harvesting native forests as its benefits include better use of cleared land, protects natural wildlife, allows for carbon sequestration and if well managed, can be less vulnerable to fire than native forests.<sup>150</sup>
- 2.77** As mentioned previously, the NCC argued that demand for sustainable materials, including engineered plantation-based timber products that are cheaper and easier to use, has grown.<sup>151</sup>
- 2.78** Professor David Lindenmayer, Professor of Ecology, Fenner School of Environment and Society, Australian National University, argued that:

The advantage of plantations is that you can get a crop much more quickly from a plantation. The first thinning is at about 14 or 15 years; the second one, about 20; the final clear-fell about 24 to 25. You can get three crops in that time of different outcomes. Whereas in a native forest, if you are going to grow sawlogs, basically your forest needs to be about 80 years plus to produce a sawlog. The other advantage of plantations is that plantations, if well-managed, are more defensible in terms of high-severity fire, relative to native forests.<sup>152</sup>

- 2.79** Another benefit of expanding the plantation estate asserted by inquiry participants centres on the transition opportunities for those in regional forestry areas directly impacted by the loss or lack of jobs in the sector, including local contractors and forestry management.<sup>153</sup> According to the NCC, plantations would offer various employment opportunities:

[A] plantation-based industry in New South Wales with more processing capacity for hardwoods would increase regional forestry jobs ... Expanded plantations onto already cleared land across the state is a huge opportunity to see a growth of jobs in every part of the timber industry - from the initial planting stages, to harvesting operations, management, haulage and processing.<sup>154</sup>

*Challenges with establishing more plantations*

- 2.80** While most stakeholders supported plantations, some acknowledged the challenges surrounding its investment and expansion. For example, inquiry participants highlighted the long term planning required when using plantations to address supply issues.<sup>155</sup> As Ms Maree McCaskill,

<sup>150</sup> Submission 129, BirdLife Australia, p 7; Submission 198, NCC, p 3 and Submission 220, WWF Australia, pp 4 and 7.

<sup>151</sup> Submission 198, NCC, p 14.

<sup>152</sup> Evidence, Professor David Lindenmayer, Professor of Ecology, Fenner School of Environment and Society, Australian National University, 29 September 2021, p 28.

<sup>153</sup> See for example: Submission 101, Brooman Forest Conservation Group, p 22; Submission 125, South East Region Conservation Alliance, p 4; Submission 184, Clarence Valley Conservation Coalition, p 2; Submission 189, Environmental Defenders Office, p 31 and Submission 198, NCC, p 3.

<sup>154</sup> Submission 198, NCC, p 19.

<sup>155</sup> See for example: Submission 68, Softwoods Working Group, p 11 and Evidence, Ms Maree McCaskill, Chief Executive Officer, Timber NSW, 28 September 2021, p 3.

Chief Executive Officer, Timber NSW argued: '[Y]ou cannot just say we will just switch to plantations. It will take 25 years for softwood and 35 to 40 years for hardwood.'<sup>156</sup>

**2.81** The committee also heard evidence from the Softwoods Working Group that the cost of establishing plantations is a key barrier to further investment in the sector. They explained that there is high capital requirement at the beginning of the investment from the cost of land and establishment costs. In addition, there is lack of revenue for at least 12-13 years as the majority of revenue is expected to occur after clear-felling, generally 30 years after the initial investment.<sup>157</sup>

**2.82** Mr Stephen Dadd, Executive Director, Pentarch Forestry, shared a similar view, noting the price of land being a current issue. Mr Dadd added that there are also competitive pressures from traditional agricultural pursuits, such as farming, which are argued to have quicker returns on investment. Mr Dadd advised that plantations are also an agricultural pursuit but 'there is only so much agricultural land' and on top of that 'there is quite a bit of uncertainty about long rotation, long term investments in an agricultural crop that may have a 30 year, 40 year or 50-year time horizon. That requires a special type of investor'.<sup>158</sup>

**2.83** In order to address these challenges, numerous stakeholders called for the NSW Government to take stronger action.<sup>159</sup> The key recommendation made by these inquiry participants is to expand the plantation estate for both public and private investment, and not just replace trees that were affected by the 2019/20 bushfires. Stakeholders advocated for the NSW Government to take a lead role in the expansion by:

- purchasing more land for new plantation establishment which would require, for example, at least an additional 30,000 ha of new plantations in South West Slopes region in order to meet the demand of the local processing sector<sup>160</sup>
- incentivising private investment, such as allowing for the ability of new plantations to access the 'carbon' market, via the sale of Australian Carbon Credit Units to improve the initial rate of return, by providing a revenue stream for the first 10 years of the plantation operation<sup>161</sup>
- improving infrastructure for new plantations within an economic haul distance of established processing mills and infrastructure in order to reduce transport and haulage costs.<sup>162</sup>

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<sup>156</sup> Evidence, Ms McCaskill, 28 September 2021, p 3.

<sup>157</sup> Submission 68, Softwoods Working Group, p 11.

<sup>158</sup> Evidence, Mr Dadd, Pentarch Forestry, 5 April 2022, p 26.

<sup>159</sup> See for example: Submission 68, Softwoods Working Group, p 11; Submission 111, Australian Forest Products Association, p 9; Submission 223, Institute of Foresters of Australia and Australian Forest Growers, pp 24-25; Submission 125, South East Region Conservation Alliance, pp 3-4; Submission 184, Clarence Valley Conservation Coalition, p 2 and Evidence, Dr Stuart Blanch, Senior Manager, Towards Two Billion Trees, WWF Australia, 28 September 2021, pp 22-23.

<sup>160</sup> Submission 68, Softwoods Working Group, p 11.

<sup>161</sup> Submission 68, Softwoods Working Group, p 11.

<sup>162</sup> Submission 68, Softwoods Working Group, p 11. See also: Evidence, Mr Steven Dobbyns, Vice President, Timber NSW, 28 September 2021, p 3 and Evidence, Mr Dadd, Pentarch Forestry, 5 April 2022, p 26.

**2.84** Moreover, Mr Dadd argued that greater efforts to encourage investment are needed, such as minimising legislative barriers and making it easier for people participate, noting the lack of clear policy in this space:

We have not made it easy for those types of investors to participate in that space.

...

We certainly support all efforts to try and minimise the legislative barriers to plantations, to encourage plantation investment, to not be a party to overt resistance to plantations. There are some real policies that have gone against the plantations over many years as opposed to traditional agricultural activities.<sup>163</sup>

**2.85** Mr Dadd added that the historical resistance to plantations has only emphasised the 'ongoing, really necessary role for native forest regrowth'. He explained that any transition out native forestry would be a decades long exercise – up to 50 years for 'a decent saw log' – and so the role of regrowth forestry is vital:

I do not think we can flick a switch and fast forward 50 years. Even if we did solve all those issues that I have mentioned, and we did start to invest again, we still have to wait 50 years for a decent sawlog. There is a permanent ongoing role for regrowth forestry.<sup>164</sup>

### **Limiting timber exports and allowing for more local timber processing**

**2.86** As previously discussed, there were concerns amongst certain stakeholders that the timber and forest products industry relies heavily on the export market without considering local supply needs. As Timber NSW explained: 'Australia [often] exports logs, woodchips or pulp, only to import it back as manufactured timber products'. They raised concerns about this 'worrying trend' and called for a 'self-sufficient' industry.<sup>165</sup>

**2.87** In support of this view, Clarence Valley Conservation Coalition argued that New South Wales has not managed its forest resources to be self-sufficient such that low-value products such as wood chips are exported and high-value products like engineered timber are imported.<sup>166</sup>

**2.88** In order to address both short term and long term supply needs, stakeholders called to limit timber exports.<sup>167</sup> For example, Mr Jim Snelson, CEO, Borg, Manufacturing, expressed frustration over the missed opportunities to process fibre in Australia when timber is exported only to be bought back:

There are still thousands of tonnes of logs being exported out of this country. Some of them are pulp logs, some of them are saw logs ... But nothing frustrates me more than seeing logs leave this country, be processed into finished products and sold back into

<sup>163</sup> Evidence, Mr Dadd, Pentarch Forestry, 5 April 2022, p 26.

<sup>164</sup> Evidence, Mr Dadd, Pentarch Forestry, 5 April 2022, p 26.

<sup>165</sup> Submission 222, Timber NSW, p 147.

<sup>166</sup> Submission 184, Clarence Valley Conservation Coalition Inc, p 2.

<sup>167</sup> See for example: Submission 222, Timber NSW, p 147; Submission 223, Institute of Foresters of Australia and Australian Foresters, p 9; Evidence, Mr Snelson, Borg Manufacturing, 24 May 2022, p 25 and Evidence, Mr Drysdale, 24 May 2022, p 24.

this country when I see clearly there is an opportunity to process that fibre domestically by Australian workers in Australian companies to support the Australian industry.<sup>168</sup>

**2.89** Likewise, Mr Warwick Drysdale, Member and Sponsor, Frame & Truss Manufacturers Association of Australia, and Director, Programmed Timber Supplies, shared a similar view, asserting that some products could remain here instead of exported in order to meet domestic needs:

... [W]hen we look at some of the residues that may get exported, or chip and things like that, there are potential areas where some of that product could be processed into other products to meet our needs domestically. That would therefore take demand off some of the imports.<sup>169</sup>

**2.90** Moreover, inquiry participants argued that allowing for more timber to be processed domestically instead of exporting for processing and manufacturing would also have downstream benefits to the industry.<sup>170</sup> Some also suggested that keeping the processing of the raw product local could ensure the retention of local processing and employment, and that environmental standards are maintained. As Hyne Timber explained:

... processing of roundwood domestically also has other flow-on benefits for downstream industries by ensuring ongoing supply of inputs, as well as capturing opportunities for growth in Australian industries that may currently be captured by other countries.<sup>171</sup>

**2.91** Hyne Timber also considered limiting timber exports as a potentially more efficient method of ensuring supply than by establishing new plantations. They contended that this could be a more suitable short term solution given that the expansion and investment in plantations would be a longer term strategy.<sup>172</sup>

**2.92** Further stakeholders' views on moving the industry forward more broadly will also be considered in chapter 5.

## **NSW Government response to timber supply issues**

**2.93** While stakeholders considered how best to secure timber supply into the future, the NSW Government gave evidence during the inquiry that 'key actions have already been taken' to address the rising demand for timber and constraints on supply, beyond the policy framework in place to ensure timber supply.<sup>173</sup> During the hearing, Mr Nick Milham, Group Director, Forestry Policy, Research and Development, Department of Primary Industries explained these actions further.

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<sup>168</sup> Evidence, Mr Snelson, 24 May 2022, p 25.

<sup>169</sup> Evidence, Mr Drysdale, 24 May 2022, p 24.

<sup>170</sup> See for example: Submission 75, Hyne Timber, p 24; Submission 222, Timber NSW, p 147 and Submission 125, South East Region Conservation Alliance, p 3.

<sup>171</sup> Submission 75, Hyne Timber, p 12.

<sup>172</sup> Submission 75, Hyne Timber p 29.

<sup>173</sup> Evidence, Mr Nick Milham, Group Director, Forestry Policy, Research and Development, NSW Department of Primary Industries, 21 December 2021, p 6

- 2.94** For example, Mr Milham outlined the creation of the Sector Development Grants, which were provided as part of the Bushfire Industry Recovery Program. The grants went to forestry industry businesses in response to business proposals to help maximise the productivity of the timber available. Mr Milham further added that these grants assisted with regional employment but also maximised output from those businesses that would then flow through to other uses, such as the construction sector.<sup>174</sup>
- 2.95** Mr Milham also discussed funding for accelerated re-establishment of plantation timber, in particular, for nursery expansion and for rapid replanting.<sup>175</sup> Mr Dean Kearney, Senior Manager Planning, Hardwood Forests Division, FCNSW added that they were ahead of their replanting target in response to the fire-affected plantations.<sup>176</sup>
- 2.96** In addition, Mr Milham advised timber exports has been limited as a response to recent events in the export markets. He explained that the closure of the China export market provided the opportunity to retain pine sawlog that would have otherwise been exported, which has been directed instead to the domestic market.<sup>177</sup>
- 2.97** With regard to investing in plantations, the committee was advised that the immediate focus of FCNSW is to re-establish the land that they already manage rather than invest more in plantations. Mr Dean Anderson, Regional Manager, Snowy Region, Softwood Plantations Division, FCNSW, explained that the purchase of large parts of land is 'most probably off the cards' given the cost of land prices and long wait times on returns. He acknowledged the competition for land, primarily from farmers, and suggested encouraging such landowners to consider growing trees as part of their 'whole farm mix'.<sup>178</sup>
- 2.98** Notwithstanding these actions and considerations, Mr Kearney, made the particular point that 'the state's forest estate has never been able to supply all of the needs of New South Wales or Australia'.<sup>179</sup> To this, Mr Anderson confirmed that becoming self-sufficient in supplying our own timber needs is potentially beyond our capability given land availability. He explained: '...[W]e import about 30 per cent of our timber need. Roughly there is another 30 per cent fold in the land that we would need, at a minimum, to be able to meet that'.<sup>180</sup>

## Committee comment

- 2.99** This broad-ranging inquiry received evidence on many important aspects of the timber and forest products industry. Of these, a key focus amongst inquiry participants was the issue of timber supply.

<sup>174</sup> Evidence, Mr Milham, 21 December 2021, p 6.

<sup>175</sup> Evidence, Mr Milham, 21 December 2021, p 6.

<sup>176</sup> Evidence, Mr Kearney, 24 May 2022, p 9.

<sup>177</sup> Evidence, Mr Milham, 21 December 2021, p 6.

<sup>178</sup> Evidence, Mr Dean Anderson, Regional Manager, Snowy Region, Softwood Plantations Division, FCNSW, 1 December 2021, p 16.

<sup>179</sup> Evidence, Mr Kearney, 24 May 2022, p 9.

<sup>180</sup> Evidence, Mr Anderson, 24 May 2022, p 9.

- 2.100** During the inquiry, it became abundantly clear to the committee that consumption of timber and forest products has and continues to grow exponentially, such that existing supply is struggling to meet this demand. We acknowledge that domestic hardwood timber supply from native forests has declined and it cannot be increased without new hardwood plantations. The supply of softwood timber is expected to remain static, and yields from softwood plantations have plateaued and not kept pace with demand.
- 2.101** Thus, the committee finds that the demand for timber and forest products, particularly plantation softwood saw logs and fibre, in New South Wales is growing and cannot be met with existing supply.
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### **Finding 1**

The demand for timber and forest products, particularly plantation softwood saw logs and fibre, in New South Wales is growing and cannot be met with existing supply.

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- 2.102** To this end, the committee agrees with inquiry participants who maintain that New South Wales is heading towards a timber supply crisis, in regards to softwood plantation saw logs and fibre.
- 2.103** Providing context to this crisis, we recognise the numerous pressures the timber and forest products industry has had to operate under and continues to do so today.
- 2.104** The committee shares the concerns of those, in particular, who drew attention to the lack of foresight and forward planning by successive governments to address and protect timber supply. We note in particular there has been a lack of investment in additional hardwood and softwood plantations by the NSW Government in the past decade. Given the nature and lifespan of the resource at stake, the committee finds it discouraging that better long term planning and investment strategies had not been undertaken, and considers this to be among the key contributing factors to the current timber crisis.
- 2.105** To exacerbate an already challenging situation, the committee recognises the significant impact of various external influences, such as the destructive bushfires of 2019/2020. We acknowledge that the impact on short-term wood supply has been disastrous for some regions, noting projected reductions in log quantities of up to 30 per cent in some areas. Similarly, a significant decline in softwood supply from plantations is expected over an extended period, placing further pressure on the industry.
- 2.106** For these reasons, the committee finds that, in the last decade, there has been no increase in additional hardwood and softwood plantations, and as a result the lack of expansion of timber plantations by the NSW Government has significantly contributed to the current timber crisis, which has only been further exacerbated by recent events, including the 2019/20 bushfires.

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**Finding 2**

In the last decade, there has been no increase in additional hardwood and softwood timber plantations.

**Finding 3**

The lack of expansion of timber plantations by the NSW Government has significantly contributed to the current timber crisis which has only been further exacerbated by recent events, including the 2019/20 bushfires.

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**2.107** The committee acknowledges the concerns regarding the progressive reduction of native forests for harvesting following the conversion of native forests into national parks and reserves which has contributed to the long-standing pressures on timber supply, in particular native hardwood. We note that there was little effort by the NSW Government to compensate for any loss of native hardwood wood supply through expansion in hardwood plantations.

**2.108** On that basis, we find that there has been a loss in native hardwood timber supply over successive governments with forest area taken out of harvesting and put into protected areas with little effort to compensate for the loss of wood supply through an expansion of hardwood plantations.

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**Finding 4**

There has been a loss in native hardwood timber supply over successive governments with forest area taken out of harvesting and put into protected areas with little effort to compensate for the loss of wood supply through an expansion of hardwood plantations.

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**2.109** We were also particularly moved by the compelling evidence of people who were directly impacted by the fires as well as by the committee's visits to some of these fire-affected communities. The bushfires were a devastating blow to the industry and the people who are supported by it. The fires also had profound impacts on communities living in and around forested areas. The committee recognises that its impact continues to have long lasting effects on the regions. We are nonetheless encouraged by the resilience of these communities and the innovations and efforts of the industry to recover as best as possible.

**2.110** Beyond this, the committee recognises the widespread effect of the current timber shortage more broadly. The value of the timber industry to the people who are in it and the communities who are supported by it, not to mention downstream industries and auxiliary services, cannot be overstated. This was none more apparent to the committee than when it received evidence of the economic and social impacts from a lack of timber supply. So many jobs, livelihoods and communities are dependent on the industry which has suffered in recent years as a result of these ongoing pressures, culminating in the current timber crisis.

**2.111** Some businesses previously reliant on public native forests have successfully transitioned to process softwoods or native hardwoods sourced from private native forestry and this will likely increase as the NSW Government's PNF Code remake comes into effect.

**2.112** Making findings in regard to the impact of the 2019/20 fires on public native forests and the appropriate response to mitigate wood supply and environmental impacts as a result has been

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made difficult by the NSW Government's failure to respond to the NRC post fire logging report or to make the report publicly available. Further discussion on this report can be found in chapter 4.

- 2.113** The frequency and severity of extreme weather has and will continue to increase, meaning the health and condition of native forests and plantations are at greater risk, particularly to fire, further exacerbating wood supply issues without additional expansion of plantations.
- 2.114** The committee therefore finds that the reduction in harvestable areas of public native forests and failure to expand native hardwood plantations has resulted in the loss of wood supply which has had a corresponding impact on the jobs, livelihoods and communities dependent on the timber and forest products industry. This impact has been exacerbated by the 2019/20 fires.
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#### **Finding 5**

The reduction in harvestable areas of public native forests and failure to expand native hardwood plantations has resulted in the loss of wood supply which has had a corresponding impact on the jobs, livelihoods and communities dependent on the timber and forest products industry. This impact has been exacerbated by the 2019/20 fires.

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- 2.115** Looking to how we can avert crisis, it is evident to the committee that in the very first instance, there needs to be more trees in the ground. Indeed, among the calls for action to secure timber supply, one of the strongest was for the expansion of the State's plantation estate. While we acknowledge current barriers, including cost and time on return, we believe that now is the time for action. Consistently across the range of stakeholders, support was expressed for more plantations to secure the supply of timber. The committee is convinced by this consensus and thus calls on the NSW Government to prioritise the expansion of softwood and hardwood plantation estate. Acknowledging past failures in forward planning, the committee recommends that this expansion be captured in a long term funded strategy to be identified and implemented by the NSW Government as a priority.
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#### **Recommendation 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.

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- 2.116** The committee believes that this strategy should include the establishment of further state-owned plantations. We note with concern evidence from the NSW Government that its current focus is to re-establish land it already owns rather than invest in more plantations. While we acknowledge such efforts to recover from the bushfires, we agree with those who argue that replanting damaged forests is not enough. We urge the NSW Government to reconsider its position as a priority and establish further state-owned timber plantations.
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#### **Recommendation 2**

That the NSW Government establish further state-owned timber plantations.

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- 2.117 Beyond taking the lead in this investment, the committee also believes the NSW Government should incentivise private investment in the sector and actively encourage the establishment of private plantations. As such, the committee recommends that the NSW Government review its incentives to increase private investment in timber plantations.

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**Recommendation 3**

That the NSW Government review its incentives to increase private investment in timber plantations.

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- 2.118 Relevant to this and noting the current decline in native hardwood forestry, the committee acknowledges that there has already been a progressive shift away from native forestry with some transitioning to other parts of the sector. The committee calls on the NSW Government to provide transitional support to affected workers and investment in affected communities, noting that any such support must match the anticipated long term transition to plantations. In this regard, the committee notes the evidence of industry stakeholders who maintain that we cannot 'flick a switch and fast forward 50 years', and so any support for the industry through the transition must reflect this.

- 2.119 Therefore, the committee recommends 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. Furthermore, we recommend 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.

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**Recommendation 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.

**Recommendation 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.

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- 2.120 Other calls for action to secure timber supply similarly recognise the current pressures on the industry, such as the role of recent global events which have affected the imports and exports market. While we understand that New South Wales imports significantly more timber than it exports to meet its supply needs, the committee nevertheless shares the frustrations of those stakeholders who question why timber and forest products are being exported for processing only for the finished products to be returned and sold back to the country. We recognise the NSW Government has made moves to limit timber exports but the committee believes greater consideration needs to be given to the import and export model if local supply needs are to be met and more opportunities for local processing and manufacturing are to be provided. Indeed,

the committee notes the calls for timber exports to be limited to address short-term supply needs.

- 2.121** As such, the committee recommends that the NSW Government prioritise a review of its current timber import and export model, including consideration of limits on timber exports, to address short term and long term supply needs.
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**Recommendation 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.

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- 2.122** On balance, the committee believes a multi-faceted approach is necessary to address both short-term and long term timber supply issues.

## Chapter 3 Impact of timber and forestry operations

In considering the future and sustainability of the timber and forest products industry in New South Wales, stakeholders discussed at length the impact of timber and forestry operations across the State, whether it be the economic benefit to industry and community or the impact on the environment. Evidence was also received on the effect of forestry operations on fire risk and the management of weeds and invasive species. The chapter examines these various perspectives from a range of stakeholders, including that of indigenous and First Nations people. The chapter then concludes with a consideration of the call to end native forest harvesting.

### Economic benefits

**3.1** As noted in chapter 1, the timber and forest products industry contributes significantly to the New South Wales economy. A number of stakeholders discussed the economic benefit of the industry, highlighting the critical role it plays in supporting other industries as well as the regional communities that are dependent on its success.<sup>181</sup>

**3.2** According to Timber NSW, for example, the industry 'contributes millions each year to the state's economy' and is a 'major employer in rural and regional New South Wales, supporting many communities'.<sup>182</sup> As Pentarch Forestry also explained:

The real economic contribution extends way beyond forestry itself [as timber and forest products] play a vital part in underpinning major downstream industries like construction, logistics, value added manufacturing and potentially emerging opportunities in the energy and biomaterials economy.<sup>183</sup>

**3.3** Indeed, the Australian Forest Products Association asserted that for 'every direct job generated by forest industries, a total of 2.8 jobs were created through a combination of production-induced and consumption-induced effects in New South Wales'.<sup>184</sup> Similarly, Mr Jim Snelson, Chief Executive Officer of Borg Manufacturing emphasised that the industry:

[Is] much more than the blue-collar worker that people think of as our industry because it provides the full spectrum of careers, from finance right through to forestry. ... It makes a significant contribution to the national Gross Domestic Product and <sup>185</sup>

**3.4** Moreover, numerous stakeholders agreed that the timber and forest products industry plays a crucial role in supporting regional communities by providing direct and indirect employment

<sup>181</sup> See for example: Submission 111, Australian Forest Products Association, p 1; Submission 75, Hyne Timber, p 14; Submission 222, Timber NSW, p 2; Submission 233, Pentarch Forestry, p 2; Submission 224 Australian Workers' Union and CFMEU – Manufacturing Division (AWU and CFMEU), p 4.

<sup>182</sup> Submission 222, Timber NSW, p 2.

<sup>183</sup> Submission 233, Pentarch Forestry, p 2.

<sup>184</sup> Answers to questions on notice, Australian Forest Products Association, 17 November 2021, p 3.

<sup>185</sup> Evidence, Mr Jim Snelson, Chief Executive Officer, Borg Manufacturing, 24 May 2022, p 23.

opportunities.<sup>186</sup> In particular, the Australian Forest Products Association asserted that 'forestry underpins the economic success of many regional communities, providing significant employment opportunities, as well as helping to diversify and strengthen regional New South Wales'.<sup>187</sup>

- 3.5** Likewise, Mr Dean Kearney, Forestry Corporation of NSW (FCNSW), detailed to the committee how certain regional communities are entirely dependent on FCNSW's operations and the broader timber and forest products industry:

There [are] whole communities that are very heavily dependent on the activity we undertake—communities like Grafton, for instance, in the hardwoods, and Tumut, Tumbarumba, Oberon. There [are] communities for whom forestry is a key employer. So it really isn't even just us or the contractors we use or the suppliers of the machinery. It's actually the entire community that we're a key contributor to in those areas.<sup>188</sup>

- 3.6** Notwithstanding the economic benefits of the industry as a whole, some stakeholders drew a distinction between the economic viability of the softwood and hardwood sectors in support of their calls to end native forest harvesting. This issue is explored later in the chapter.

## Environmental impacts of native forest harvesting

- 3.7** While some stakeholders espoused the economic benefit of timber and forestry operations, others raised significant concerns about the impact of these operations on the environment. For example, the committee received evidence from inquiry participants reflecting on the detrimental relationship between harvesting operations and climate change, and the impact on forest biodiversity and native wildlife. As the Environmental Defenders Office (EDO) asserted:

...[F]orestry operations have detrimental impacts on native forests, including impacts on threatened plants and animals, water and soil quality, and carbon emissions. These impacts, when compounded with other pressures such as climate change and declining biodiversity, and the devastation caused by the 2019/20 bushfire season, put the health and sustainability of forests and the important ecosystems services that they provide at risk.<sup>189</sup>

- 3.8** Sharing this perspective, Mr Brett Duroux, Chairperson, Gugiyin Balun Aboriginal Corporation declared that, with harvesting, '[t]hey are taking out habitats and native bees, things we need to actually have our Australia go, and it is doing wrong'.<sup>190</sup>

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<sup>186</sup> See for example: Submission 68, Softwood Working Group, p 2; Submission 75, Hyne Timber, p 14, Submission 111, Australian Forest Products Association, p 1; Submission 216, Mr Todd Gelletly, p 25; Submission 222, Timber NSW, p 47; Submission 225, Hurford Group, p 17 and 20 and Submission 233, Pentarch Forestry, p 2.

<sup>187</sup> Submission 111, Australian Forest Products Association, p 1.

<sup>188</sup> Evidence, Mr Dean Kearney, Senior Manager Planning, Forestry Corporation of NSW (FCNSW), 24 May 2022, p 14.

<sup>189</sup> Submission 189, Environmental Defenders Office (EDO), p 5.

<sup>190</sup> Evidence, Mr Brett Duroux, Chairperson, Gugiyin Balun Aboriginal Corporation, 29 April 2022, p 26.

**3.9** In contrast, other stakeholders argued that forestry operations, when managed sustainably, in fact benefit the environment. The Institute of Foresters of Australia and Australian Forest Growers, for example, argued that 'ecosystems do recover' from timber harvesting, reforestation and prescribed fire management.<sup>191</sup> Additionally, Mr Steve Dobbyns, Vice President, Timber NSW, insisted that:

A sustainable managed native forest where you have a mosaic of age classes and structures benefits the greatest majority of species than a single-age class old-growth forest or wilderness. ... The science suggests that sustainable, managed native forest is best for the environment, the best for carbon storage and the best solution for climate change.<sup>192</sup>

**3.10** The following section explores the range of these perspectives as they relate to key environmental themes discussed throughout the inquiry. It is noted that the committee was made aware of other issues relating to the environmental impacts of forestry operations, including apiary, oyster farming and water quality, however, very limited evidence was received in this regard.<sup>193</sup>

### **Contribution to climate change**

**3.11** For many stakeholders, a key aspect of the environmental impact of the timber and forest products industry is its exacerbation of the effects of climate change. Indeed, many individuals and organisations argued that harvesting operations in native forests have only significantly worsened the impacts of climate change instead of mitigating them.<sup>194</sup> Other inquiry participants, however, expressed the view that sustainably managed forestry operations are part of the solution to climate change rather than an aggravating factor.<sup>195</sup>

**3.12** The North East Forest Alliance pointed to various studies in their submission expressing the view that native forest harvesting compounds the effects of climate change. The Alliance asserted that harvesting forests 'releases carbon, dries and heats the microclimate, changes fuel arrays and increases the loss of water through transpiration to make forests more vulnerable to burning'.<sup>196</sup>

<sup>191</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 10.

<sup>192</sup> Evidence, Mr Steve Dobbyns, Vice President, Timber NSW, 28 September 2021, pp 9-10.

<sup>193</sup> See for example: Submission 5, North East Forest Alliance Inc, p 5; Submission 116, Signature Oyster and Oyster Life, p 1 and Submission 185, North Coast Environment Council, p 12.

<sup>194</sup> See for example: Submission 63, Ms Harriet Swift, p 3; Submission 103, Ms Naomi Shine, p 3; Submission 108, Dr Michelle Hamrosi, p 3; Submission 124, Byrill Creek Landcare, p 2; Submission 125, South East Region Conservation Alliance Inc., p 2; Submission 127; Climate Action Monaro, p 1; Submission 156, Dr Judith Bourne, p 1; Submission 157, Clyde River Blueberry Farm, p 2; Submission 167, Mr Mick Lyons, p 1; Submission 184; Clarence Valley Conservation Coalition Inc., pp 1-2; Submission 188, Hunter Environment Lobby Inc., p 3; Submission 189, EDO, p 5 and 11 and Submission 197, Parramatta Climate Action Network, p 1.

<sup>195</sup> See for example: Submission 224, AWU and CFMEU, pp. 38-40; Submission 111, Australian Forest Products Association, pp 14-15 and Evidence, Mr Kearney, FCNSW, 24 May 2022, p 9.

<sup>196</sup> Submission 5, North East Forest Alliance Inc., pp 9-13.

**3.13** In support of this position, the Nature Conservation Council of NSW (NCC) argued that:

- forests provide a crucial carbon sink. Harvesting forests releases carbon that has been stored over the lifetime of the tree, contributing to climate change.
- native forests support landscape resilience to climate extremes, as natural forests are more resilient to climate change and disturbances than plantations because of their genetic, taxonomic and functional biodiversity.
- burning forest biomass for the purposes of bioenergy adds to greenhouse emissions and depletes the capacity of forests to continue drawing down carbon out of the atmosphere.<sup>197</sup>

**3.14** Other academics shared a similar position,<sup>198</sup> with Professor Brendan Mackey, Director, Griffith Climate Action Beacon, Griffith University, elaborating in particular on how harvesting of young native forests reduces carbon stock and in turn reduces a forest's ability to mitigate the effects of climate change:

Logging generates CO<sub>2</sub> emissions and it reduces the accumulated stock of carbon in a forest ecosystem. Most of the carbon in a forest ecosystem that is in the living biomass is in the woody stems, branches and roots of big, old trees. ... You are reducing by 30 per cent to 50 per cent the standing stock of carbon because you are keeping—as we have heard, structurally you are keeping the forest in a young regrowth phase. Most of the living biomass carbon is stored in big, old trees, and you are not allowing them to grow. The mitigation value of the native forest is reduced by 30 per cent to 50 per cent from logging.<sup>199</sup>

**3.15** In response, the Australian Workers' Union and the CFMEU – Manufacturing Division pointed to reports by the Intergovernmental Panel on Climate Change (IPCC) to support the view that timber harvesting, when operating under sustainable forest management, plays a positive role in mitigating climate change and reducing emissions of greenhouse gases.<sup>200</sup>

**3.16** Similarly, the Australian Forest Products Association explained how the industry, through its timber and paper products, stores carbon and in turn minimises carbon losses from future bushfires, producing renewable, low emissions materials.<sup>201</sup>

**3.17** Indeed, FCNSW detailed their position that timber harvesting and its broader forest management framework is part of the solution to climate change rather than a contributing factor:

Our forest management system and timber harvesting, when done sustainably, can be part of the solution to climate change. So not only do we sequester the carbon in the

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<sup>197</sup> Submission 198, Nature Conservation Council of NSW (NCC), pp 21-22.

<sup>198</sup> Evidence, Professor Gibbons, Associate Director of Higher Degree Research, Fenner School of Environment and Society, Australian National University, 29 September 2021, p 26.

<sup>199</sup> Evidence, Professor Brendan Mackey, Director, Griffith Climate Action Beacon, Griffith University, 29 September 2021, p 31.

<sup>200</sup> Submission 224, AWU and CFMEU, pp 38-40.

<sup>201</sup> Submission 111, Australian Forest Products Association, pp 14-15.

forests that we grow but we also store it in the products that we produce. We can also substitute wood products for more carbon-intensive and polluting alternatives.<sup>202</sup>

- 3.18** Professor Mackey contested this point, arguing that 'only a small per cent – less than 10 per cent, or 10 per cent if we are being generous – of the carbon that is in a tree in a forest ends up in any long-lived product'.<sup>203</sup>

### **Native forest structure and species composition**

- 3.19** Stakeholders also raised the idea that forestry operations, in native forests especially, are negatively impacting the biodiversity of forests by creating a monoculture of certain tree species, for example, the dominant blackbutt species in the North Coast region.<sup>204</sup>

- 3.20** Indeed, Mr Phil Redpath, Clarence Valley Conservation Coalition Inc., argued that in the North Coast region current native forestry operations are creating 'plantations by stealth', stating that 'there is no evidence being left to actually tell whether the forestry operations that are being undertaken are maintaining the biodiversity of a site'. Mr Redpath explained:

For instance, some of the sites that we looked at originally might have had 15 to 20 species of overstorey trees in plots. Now they have got one. So, forestry has been creating what I would call or define as plantations by stealth. They are actually creating monocultures where blackbutt might be the only tree growing.<sup>205</sup>

- 3.21** Likewise, the EDO argued that forestry operations contribute to a decline in biodiversity due to loss of habitat and changes in forest physiognomy. In support of this view, they pointed to research indicating that the impact from both harvesting and bushfires is its effect on the overall structure or physical appearance of a forest, leading to a decline in populations of species.<sup>206</sup>

- 3.22** Other stakeholders, however, disputed the view that native forestry operations contribute to a decline in biodiversity by creating a monoculture of certain species or 'plantations by stealth', particularly in native hardwood forests.<sup>207</sup> For example, Mr John McPherson, Manager, Tableland Timbers, noted that whilst this type of harvesting may have occurred 50 years ago, under current rules and regulations it does not occur, insisting that a mixture of species is maintained:

They used to go and kill certain species out and let the blackbutt grow, but that does not happen on the harvesting operations now. When it gets marked, they have got to leave a mixture of species that are there. What does happen is the actual harvesting

<sup>202</sup> Evidence, Mr Kearney, 24 May 2022, p 9.

<sup>203</sup> Evidence, Professor Brendan Mackey, Director, Griffith Climate Action Beacon, Griffith University, 29 September 2021, p 31.

<sup>204</sup> See for example: Submission 182, Bellingen Nature Company and Bellingen Nature Tours, p 3; Submission 189, EDO, p 6; Evidence, Mr Phil Redpath, Committee Member, Clarence Valley Conservation Coalition Inc., 29 April 2022, p 16 and Answers to questions on notice, NCC, 5 November 2021, pp 2-3.

<sup>205</sup> Evidence, Mr Redpath, 29 April 2022, p 16.

<sup>206</sup> Submission 189, EDO, p 6.

<sup>207</sup> Evidence, Mr Keith Davidson, General Manager of Domestic Operations, Pentarch Forestry, p 9 and Evidence, Mr John McPherson, Manager, Tableland Timbers, 29 April 2022, p 9.

probably promotes the blackbutt a little bit better, with the machine damage and the regrowth, but—yes, it is not true. The forestry does not log to only grow one species back. It just comes back naturally.<sup>208</sup>

### **Native wildlife**

- 3.23** During the inquiry, FCNSW detailed how native forestry operations are designed to meet ecologically sustainable forest management (EFSM) objectives through a range of measures that are applied at the time of timber harvesting. Mr Dean Kearney, Senior Manager Planning, FCNSW, explained to the committee that every consideration is given to native wildlife to ensure its coexistence with regulated timber harvesting:

A range of surveys are undertaken to identify and set aside habitat and food resources for wildlife, including feed and habitat trees, hollow-bearing trees for various bird species, koalas, gliders and a range of other species. In fact, every species and population listed in the *Biodiversity Conservation Act 2016* has been considered in the design of those measures—the Coastal IFOA. The Coastal IFOA sets out to ensure that the forest-dwelling species that utilise our forests can coexist with regulated timber harvesting.<sup>209</sup>

- 3.24** A number of stakeholders, however, questioned this coexistence and argued that native forestry operations in fact have an adverse impact on native wildlife and their habitats, especially swift parrots, hollow-dependent species and koalas. This section examines these in turn.
- 3.25** In addition, the Natural Resource Commission's (NRC) *Coastal IFOA Operations post 2019/20 wildfires* final report makes specific comment about the combined impact of harvesting and the 2019/20 bushfires stating that in the most badly burnt areas 'there is a risk of serious and irreversible harm to environmental values from the cumulative impacts of fire and harvesting'.<sup>210</sup>

### ***Swift Parrots***

- 3.26** Numerous participants to the inquiry argued that the survival of the critically endangered swift parrot is greatly threatened by native forestry operations on the New South Wales South Coast. Birdlife Australia, an independent bird conservation charity, declared that 'unless decisive action is taken to prevent the further destruction of their habitat swift parrots could be extinct within the next 20 years'.<sup>211</sup>
- 3.27** As noted in chapter 1, Coastal Integrated Forestry Operations Approvals (Coastal IFOA) and Site-Specific Operating Conditions (SSOC) are forest management rules set by the NSW Environment Protection Authority for how FCNSW undertake their native forestry operations in public forests in the coastal areas of New South Wales. Birdlife Australia acknowledged that whilst certain provisions of the Coastal IFOA and SSOC are directed to preserve swift parrot

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<sup>208</sup> Evidence, Mr McPherson, Tableland Timbers, 29 April 2022, p 9.

<sup>209</sup> Evidence, Mr Kearney, 24 May 2022, p 8.

<sup>210</sup> Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, Natural Resources Commission, *Final Report: Coastal IFOA operations post 2019/20 wildfires*, June 2021, p 2.

<sup>211</sup> Submission 129, Birdlife Australia, p 1.

habitat, following the 2019/20 bushfires these provisions are 'insufficient to prevent pushing this iconic species even closer to extinction'.<sup>212</sup>

- 3.28** Additionally, Wildlife Information, Rescue and Education Service Inc. (WIRES), explained the critical importance of Spotted Gum forests in New South Wales for swift parrot feeding in winter, noting how a majority of these foraging sites occur outside of the conservation reserves and are open for harvesting under the Coastal IFOA.<sup>213</sup>

*Hollow-dependent species*

- 3.29** Some inquiry participants detailed how native forestry operations on hollow-bearing trees, especially during post-fire salvage harvesting, increase the threats of these species to extinction.<sup>214</sup>
- 3.30** A hollow-bearing tree is generally an old tree which is live or dead and contains one or more visible hollows (cavities within the trunk or branches) suitable for the occupation of hollow-dependent fauna for nesting, roosting and/or denning sites. These types of trees are essential for the survival of hollow-dependent species such as owls, cockatoos such as the Glossy Black Cockatoo and possums such as the Squirrel Glider, Yellow-bellied Glider and Greater Glider.<sup>215</sup> The hollows in these trees take at least 100 years to develop.<sup>216</sup>
- 3.31** According to Mr Dailan Pugh, President, North East Forest Alliance, harvesting (along with climate change) compounds the threat to hollow dependent species 'by causing an attrition of old hollow-bearing trees that so many of our species rely upon, including the mature trees necessary as future replacements'.<sup>217</sup>
- 3.32** Dr Brad Smith, Campaigns Director, NCC expressed a similar point, detailing the particular threat to gliders:

The loggers want the biggest trees, the oldest trees that are most likely to have hollows and so does the wildlife. There are prescriptions that require [FCNSW] to maintain a certain number of hollows. That can be as low as two hollow-bearing trees per hectare. We have this competition between loggers and gliders. If you look at the threatened species listing in the Federal Government's documents you will see that logging is listed as the number one threat to gliders.<sup>218</sup>

<sup>212</sup> Submission 129, Birdlife Australia, p 8.

<sup>213</sup> Submission 180, WIRES, p 2.

<sup>214</sup> See for example: Submission 120, Friends of the Forest (Mogo), pp 3-4; Submission 185, North Coast Environment Council, p 11; Submission 189, EDO, p 6; Submission 220, WWF Australia, p 8 and Submission 228, Professor David Lindenmayer, p 3.

<sup>215</sup> NSW Office of Environment and Heritage, *Loss of Hollow-bearing Trees – profile*, <https://www.environment.nsw.gov.au/threatenedspeciesapp/profile.aspx?id=20079>.

<sup>216</sup> Submission 5, North East Forest Alliance, p 69.

<sup>217</sup> Evidence, Mr Dailan Pugh, President, North East Forest Alliance, 29 April 2022, p. 17. See also: Submission 5, North East Forest Alliance Inc., pp 69 – 74.

<sup>218</sup> Evidence, Dr Brad Smith, Campaigns Director, NCC, 28 September 2021, p 14. See also: Submission 198, NCC, pp 10-11.

- 3.33** Concerns over the retention of hollow-bearing trees as prescribed under the current Coastal IFOA were also shared by others such as Professor Phillip Gibbons, Associate Director of Higher Degree Research, Fenner School of Environment and Society, Australian National University, who explained:

Current conditions only see five per cent to eight per cent of the net harvested area in which hollow-bearing trees are retained. They are retained outside that area, but there is no replacement once they are lost. Our work has shown that we are seeing a decline in this critical habitat structure across much of New South Wales' forests. That is an indictment on silviculture in that it is not managing those forests in a way that is consistent with the requirements of a whole range of fauna in those forests. In that sense I think it is a failure.<sup>219</sup>

- 3.34** The NRC's *Coastal IFOA Operations post 2019/20 wildfires* final report makes specific comment regarding the impact of the 2019/20 bushfires on the hollow resource in public native forests and the adequacy of current harvesting prescriptions:

Available literature and work currently in progress under the Coastal IFOA monitoring program suggest that the existing prescriptions may not be adequate to maintain the hollow resource in the long-term following the 2019/20 wildfires. The Commission has proposed temporary additional measures relating to hollow-bearing trees and recruitment trees for medium and high-risk zones. However, the Commission considers the following measures could also enhance the standard Coastal IFOA prescriptions:

- retain a minimum of eight hollow-bearing trees per hectare where they exist (as per the requirement in the standard Coastal IFOA prescriptions)
- if hollow-bearing trees are not available, then retain suitable substitutes, in priority order being, potential future hollow-bearing.<sup>220</sup>

### *Koalas*

- 3.35** The impact of native forestry operations on koala habitat and population was of key concern for most stakeholders throughout this inquiry. However, while some contended that native forest harvesting hastens their extinction, others asserted that, if given due consideration, koala habitats are not negatively impacted by harvesting.

- 3.36** To demonstrate that native forest harvesting contributes to koala population decline, inquiry participants consistently referred to the NSW Environment Protection Agency's *2020 Review of the CIFOA standards for mitigating logging impacts in burnt NSW Forests*, which found that koalas are at risk of population decline if timber harvesting under current Coastal IFOA continues:

Fauna populations surviving in fire refuges in State forests are at risk of elimination by timber harvesting under the normal [Coastal IFOA] which could prevent recovery, and cause catastrophic population decline in species such as the Koala, Greater Glider and Yellow-bellied Glider.<sup>221</sup>

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<sup>219</sup> Evidence, Professor Gibbons, Australian National University, 29 September 2021, p 28.

<sup>220</sup> Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, Natural Resources Commission, *Final Report: Coastal IFOA operations post 2019/20 wildfires*, June 2021, p 126.

<sup>221</sup> Tabled document, Ms Lisa Stone, South East Region Conservation Alliance, *Extract from 2020 Review of CIFOA standards for mitigating logging impacts in burnt NSW Forests*, 5 April 2022, p 26. See also:

- 3.37** Similarly, WWF Australia cited research which found that harvesting reduces the structural and floristic diversity and limits the availability of preferred food trees, reducing the quality of koala habitat and predisposing koalas to disease.<sup>222</sup>
- 3.38** Separately, the NSW Department of Primary Industries (DPI) detailed their own research into the impact of native forest harvesting on koalas which found that selective harvesting operations, as practiced within the rule set defined by the Coastal IFOA, is not having a detrimental effect on koala habitat and populations in the north-east forests of New South Wales.<sup>223</sup>
- 3.39** For example, Dr Brad Law, Principal Research Scientist, DPI, highlighted that the mosaic of exclusion zones prescribed in the Coastal IFOA as well as the retention of trees within a selective harvest area are 'critical for mitigating the potential impacts of forestry operations' on koala habitat and population.<sup>224</sup>
- 3.40** Mr Dailan Pugh, President, North East Forest Alliance contested this research and its validity, providing his own analysis of the data used in the department's research:
- The impression gained from this review is of unstable koala colonies in logged forests, declining as mature feed trees are progressively removed, at risk of collapse from the combination of logging, drought and fire.<sup>225</sup>
- 3.41** However, Dr Law responded to criticisms regarding the methodology of the research and its conclusions, explaining the steps undertaken to ensure its accuracy:
- We made sure that we had control—unharvested sites—so that way we could account for any environmental differences from year to year in the comparisons that we made. ... We also undertook sophisticated modelling to estimate koala density. ... Prior to doing the experiment, we validated that method across a range of different sites in New South Wales to show that we do get plausible koala estimates from that approach. During the experiment we used koala detection dogs to collect fresh scats so that we could do genetic analysis on the individuals at one of our study sites to look at sex ratio and also estimate the number of individuals using a different method, and that produced a comparable estimate to our acoustic method. Also, on top of that acoustic approach, we've been doing other research—for example, GPS tracking of koalas in forestry landscapes.<sup>226</sup>
- 3.42** In response to concerns about the ongoing impact of harvesting operations on koala populations and in seeking alternative land uses for existing harvested forests, the establishment

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Submission 103, Ms Naomi Shine, p 2; Submission 118, Team Koala Inc., p 1, Submission 188, Hunter Environment Lobby Inc., p 2 and Submission 198, NCC, p 9.

<sup>222</sup> Submission 220, WWF Australia, p 8.

<sup>223</sup> Evidence, Dr Brad Law, Principal Research Scientist, NSW Department of Primary Industries (DPI), 24 May 2022, pp 31 and 39.

<sup>224</sup> Evidence, Dr Law, 24 May 2022, p 39.

<sup>225</sup> Tabled document, Mr Dailan Pugh, North East Forest Alliance, *DPI Forestry's claim that logging has no impacts on Koalas is invalid*, 29 April 2022, p 1. See also, Evidence, Mr Pugh, North East Forest Alliance, 29 April 2022, pp 20-21.

<sup>226</sup> Evidence, Dr Law, 24 May 2022, p 31.

of the Great Koala National Park has been proposed. This proposal is discussed in further detail in chapter 5.

## Fire risk

**3.43** Inquiry participants also debated the impact of forestry operations on the risk of fire. On one hand, stakeholders argued that harvesting operations increased the probability of high-severity fires like those experienced in the 2019/20 bushfires. In contrast, other stakeholders argued that well-managed forestry operations were crucial in mitigating future fire risk. On either side of the discussion, inquiry participants referred to science-based evidence to support their view.

**3.44** In asserting the view that harvesting increases the risk of high-severity fires, many inquiry participants referred to studies by forest ecologists, particularly, the research of Professor David Lindenmayer, Professor of Ecology, Fenner School of Environment and Society, Australian National University.<sup>227</sup>

**3.45** In evidence given to the committee, Professor Lindenmayer made the following points about his research on forestry operations and bushfire risk:

- following an analysis of the 2019/20 bushfires in New South Wales and Victoria, harvested forests always burn at higher severity than intact forests, and that is irrespective of fire weather,
- young, regenerating forests recovering after harvesting are at increased risk of elevated fire severity,
- thinning either has limited effect or actually increases the probability of high-severity fire, and
- post-fire salvage harvesting is the most damaging form of harvesting in terms of its impacts on soils, its impacts on biota and its impacts on aquatic ecosystems.<sup>228</sup>

**3.46** Professor Lindenmayer explained the significance of this research:

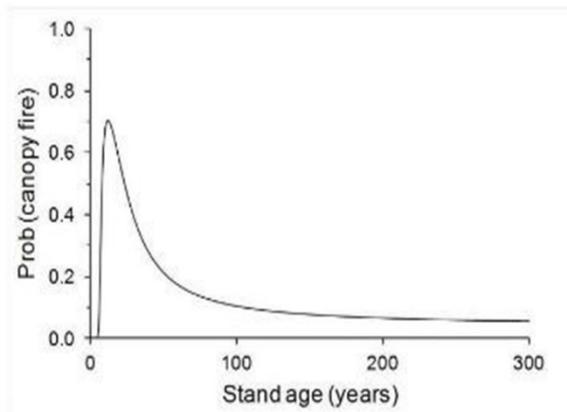
But the important part of this is that it is not what we call a linear relationship; it is actually a nonlinear relationship. It is hump shaped. When a forest is first logged and then regenerated, there is a very low probability that it is going to burn. And then there is a very steep increase in the probability of crown fire for the next 40 years. It reaches up to seven times greater probability than a very young forest. As the forest ages even further, that risk starts to decline again, so that the lowest-severity fires are actually in the oldest forests. We saw that in 2009 and we have seen it again in 2019-20.<sup>229</sup>

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<sup>227</sup> See for example, Submission 5, North East Forest Alliance Inc., pp 56-62; Submission 101, Brooman State Forest Conservation Group, p 6; Submission 185, North Coast Environmental Council, p 3; Submission 189, EDO, p 6; Submission 198, NCC, p 12 and Submission 217, Colong Foundation for Wilderness, p 2.

<sup>228</sup> Submission 228, Professor David Lindenmayer, pp 1-3 and Evidence, Professor David Lindenmayer, Professor of Ecology, Fenner School of Environment and Society, Australian National University, 29 September 2021, p 27.

<sup>229</sup> Evidence, Professor Lindenmayer, 29 September 2022, p 29.



Source: As cited in Submission 228, Professor David Lindenmayer: Taylor et al. 2014. *Conservation Letters*, 7, 355-70; Attiwill et al., 2014; Zald and Dunn 2017; Tiribelli et al. 2017; Taylor et al., 2020; Lindenmayer et al., 2021; Zlystra et al., 2021.

- 3.47** Contrary to this, others argued that well-managed harvesting and silvicultural treatment can in fact manage fire risks. For example, Dr Michelle Freeman, Vice President of the Institute of Foresters of Australia and Australian Forest Growers detailed how these practices mitigate fire risk:

By thinning the forest, you can actually grow bigger trees quicker. So that is one way in which silviculture can be used to actually enhance the resilience of our forest to bushfires when they do occur. Mechanical fuel reduction, including thinning, can be used to mitigate the risk of bushfires because it removes fuel.<sup>230</sup>

- 3.48** Indeed, Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher and member of South East Timber Association, argued that to ensure the sustainability of the timber and forest products industry 'we need to reinstate frequent mild fire regimes across the whole forest landscape', explaining that:

[mild fire regimes] is the only thing that can make forest management in general, and the timber industry, sustainable. ... Australia's ecosystems depend on frequent mild fire, not just for fire safety but to maintain their health and productivity.<sup>231</sup>

- 3.49** Timber NSW also asserted that the impact and management of the 2019/20 bushfires demonstrates how active and adaptive forestry management can reduce the intensity of bushfires that may occur in the future.<sup>232</sup> They argued that 'in strategic areas, mechanical biomass removal must be conducted in conjunction with fuel reduction burns to reduce understory and dense forest regrowth and the intensity of wildfires that may occur close to communities and assets'.<sup>233</sup>

<sup>230</sup> Evidence, Dr Michelle Freeman, Vice President, Institute of Foresters of Australia and Australian Forest Growers, 29 September 2021, p 38. See also: Submission 223, Institute of Institute of Foresters of Australia and Australian Forest Growers, p 5.

<sup>231</sup> Evidence, Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher and member, South East Timber Association, 5 April 2022, p 23 See also Submission 74, South East Timber Association, p 5.

<sup>232</sup> Submission 222, Timber NSW, pp 70- 86.

<sup>233</sup> Submission 222, Timber NSW, p 80.

- 3.50** The examination of fire management practices by FCNSW, particularly in response to the 2019/20 bushfires, are examined further in chapter 4.

## **Weeds and invasive species**

- 3.51** The issue of weeds and invasive species was highlighted throughout the inquiry by stakeholders who were concerned that forestry operations actively contribute to the spread of weeds and invasive species. Some inquiry participants commented on the management of weeds alongside forestry operations and the costs of weeds and invasive to productivity in the industry. The following section examines this evidence.

### **Impact of forestry operations**

- 3.52** A number of stakeholders gave evidence to the committee that native forest harvesting contributes to the introduction of weeds and invasive species to these areas. For example, Mr Mark Graham, Managing Director of Bellingen Nature Company and Bellingen Nature Tours, asserted that harvesting in native forests makes areas more prone to heavy weed infestation because of soil disturbance and the opening of the cavity, thereby calling for active weed management of these areas.<sup>234</sup>
- 3.53** Ms Ursula da Silva, Spokesperson of Camp Ourimbah, held a similar view, noting that 'if we were looking after our forests sustainably, we would have more environmental management in our forests instead of debilitating them by cutting them down and introducing invasive species, such as weeds and pests'.<sup>235</sup>

### **Management of weeds and costs to productivity**

- 3.54** The committee heard from inquiry participants in the South West Slopes who detailed specific concerns over the current management of weeds in softwood plantations and its impact on neighbouring landholders.
- 3.55** For example, Burbidge Farms claimed that many neighbours of softwood plantations consider the owners or managers to be 'poor neighbours' as they 'do nothing to control this noxious weed'. In addition, they asserted that if the blackberries within softwood plantations were controlled and the perimeter fire breaks were better maintained, with respect to the 2019/20 bushfires, 'it is unlikely that the Dunns Road fire would have escaped on the third day and burned out several hundred thousand hectares'.<sup>236</sup>
- 3.56** The cost of weeds and invasive species to productivity in the softwood plantation sector was also raised by inquiry participants. In their submission, Softwoods Working Group stated that weeds, specifically blackberries, 'present the forest grower with a competitor to the tree crop

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<sup>234</sup> Evidence, Mr Mark Graham, Managing Director of Bellingen Nature Company and Bellingen Nature Tours, 29 April 2022, p 10.

<sup>235</sup> Evidence, Ms Ursula da Silva, Spokesperson, Camp Ourimbah, 29 April 2022, p 23.

<sup>236</sup> Submission 195, Burbidge Farms, p 3.

that takes up valuable nutrients and moisture, resulting in significant measurable reductions in wood yields over the rotation'.<sup>237</sup>

- 3.57** During the hearing, Ms Diana Gibbs, Economist, Softwoods Working Group, elaborated on this point, referencing scientific research into the impact of blackberries on tree growth which found that from blackberries there is a \$2,500 per hectare loss, each year and about \$75,000 per hectare loss over the 30-year rotation.<sup>238</sup>
- 3.58** Mr Michael Kingwill, a landholder from the South West Slopes with property neighbouring pine plantations owned by Forestry Corporation, raised such concerns with committee. The following case study details his personal experience with weed management.

**Case study - Mr Michael Kingwill, local landholder, South West Slopes<sup>239</sup>**

Michael Kingwill has worked in the Tumut softwood and hardwood industries since 1985. He currently owns and operates a hardwood sawmill at his family farm in Adjungbilly, approximately 60 kilometres from Tumut.

When Michael first moved to his family farm, the nearest pine plantation was 20 kilometres from his property. Now his main property shares 38 kilometres of common boundary with Forestry Corporation and their various pine plantations.

Michael said that when Forestry Corporation and private forest growers first purchased this land they had very little blackberry on them, however, now there is an 'understory of berries' with areas 'choked out with blackberry bushes up to 2 metres high'.

Reflecting on this shared boundary, Michael said that 'our biggest problem ... is the weeds that grow and spread from Forestry Corporation lands onto our property, which we are required to eradicate but they do not even effectively manage'.

Michael expressed frustration at the ongoing cost and demand of having to manage the blackberry infestation, telling the committee that his family operation has had to cover the costs of blackberry control, spending in excess of \$50,000 a year. For weed eradication on his property, Michael said that what used to be a one to two week process per year is now a four to five month concerted effort, lamenting that 'we never complete the job'.

Before the establishment of more pine plantations, Michael insists that the issue of weed management must be properly addressed.

- 3.59** In response to the spread and management of weeds and invasive species, FCNSW acknowledged that weeds are a 'difficult and continuing challenge for our organisation'. While noting some of weed control programs underway in their softwood and hardwood forests, FCNSW argued that spread of weeds and invasive species is often due to natural causes, for example, camphor laurel or lantana that are readily spread by native animals.<sup>240</sup>

<sup>237</sup> Submission 68, Softwoods Working Group, p 7.

<sup>238</sup> Evidence, Ms Diana Gibbs, Economist, Softwoods Working Group, 8 February 2022, p 3.

<sup>239</sup> Evidence, Mr Michael Kingwill, Local landholder, 8 February 2022, pp 20-22 and Submission 230, Mr Michael Kingwill, pp 1-2. This case study is based on the content of this submission and evidence.

<sup>240</sup> Evidence, Mr Kearney, 1 December 2021, p 13.

- 3.60** Nevertheless, FCNSW recognised that there is a need for funding to support a cooperative approach to managing weed species, involving FCNSW and the wider community alike.<sup>241</sup>
- 3.61** The Natural Resources Commission (NRC) shared a similar view, acknowledging that weed and pest animal management warrants significant attention and resourcing, particularly given it is a 'shared responsibility' amongst all landholders:
- Too often when there are shared problems there is not enough action. Sometimes some landholders, whether they are public or private, carry more of the burden than others both in impacts and in bearing the costs. ... There have been increases of effort and attention and resourcing from public land managers, both State forest and national parks, in this area. It is an area which I still think warrants much, much more resourcing and attention.<sup>242</sup>
- 3.62** Reflecting on its previous reviews into the management of weeds and pest animals across the state, the NRC advised that in 2014 the economic impact assessment from weeds on the State Gross Domestic Product was \$1.8 billion.<sup>243</sup> The NRC recognised that it was timely for a review of this issue.<sup>244</sup>

## Indigenous perspective

- 3.63** Acknowledging the important spiritual connection between the land and its people, the committee received evidence from indigenous stakeholders detailing the impact harvesting operations have had on them as a people and on their traditions and cultural practices. As the Githabul Elders in their submission explained:
- It is important to understand and acknowledge that the health of the Githabul people in general is directly related to the health of the surrounding Country and vice versa. It's essential that we keep our trees they're very significant and sacred to our people. They're important for our ancient buudjerums (stories), for bush tucker and for our Lore. If these forests are lost then we cannot hand down our buudjerums from generation to generation.<sup>245</sup>
- 3.64** Echoing a similar sentiment, Mr Brett Duroux, Chairperson, Gugiyin Balun Aboriginal Corporation, described the spiritual connection his people have to the forest which he believes is being impacted by current forestry operations:
- The stories, the teachings that go behind it, the spiritual side of it—our Dreamtimes are made up from the bush. It is so important to us and other people. ... Our trees are our spirits. You watch them dance; you see it in the wind. You see two of them dancing

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<sup>241</sup> Evidence, Mr Dean Anderson, Regional Manager, Softwood Plantations Division, FCNSW, 24 May 2022, p 11. See also, Evidence Mr Anderson, 1 December 2021, p 13 and Evidence, Mr Kearney, 1 December 2021, p 13.

<sup>242</sup> Evidence, Mr Bryce Wilde, Executive Director, Natural Resources Commission (NRC), 24 May 2022, p 49.

<sup>243</sup> Evidence, Mr Wilde, NRC, 24 May 2022, p 49. See also: Additional information, Mr Bryce Wilde, Executive Director, NRC, 20 June 2022, p 1.

<sup>244</sup> Evidence, Mr Wilde, 24 May 2022, p 49.

<sup>245</sup> Submission 192, Githabul Elders, p 2.

together. ... There is so much healing, even for the cultured and non-cultured; it heals you. ... You should see the photos I have; it hurts. I actually have to show my Elders and watch them tear up and go, "Don't let this go."<sup>246</sup>

- 3.65** Some inquiry participants also reflected on the nature of the relationship between indigenous communities and land managers, such as Forestry Corp, to support access to the land.<sup>247</sup> Mr Brett Duroux, Gugiyn Balun Aboriginal Corporation, for example, expressed frustration at the lack of consultation with the agency stating 'we used to work together. Now Forestry [Corporation] has been a blocking mechanism for a long time now, for us'.<sup>248</sup>
- 3.66** Similarly, the Githabul Elders reflected on the 'rules and regulations based on misunderstanding from Forestry [Corporation] and National Parks' that have hampered their efforts to restore Country and manage the forests through their cultural practices:

There are Githabul rangers already playing a role in restoring Country. They have the resources but are limited by rules and regulations based on misunderstanding from Forestry [Corporation] and National Parks. We must start discussing how these rules and can get in the way of cultural burning, bush regeneration and other spiritual practices that are essential in the management of these forests.<sup>249</sup>

### Cultural burning

- 3.67** During the inquiry, cultural burning was raised as part of discussions about active forest and fire management. Cultural burning is a long standing practice used by indigenous communities over thousands of years to manage the health of forests. It is where regular cool burns occur to help develop a more open understory and denser canopy.<sup>250</sup>
- 3.68** Mr Brett Duroux, Gugiyn Balun Aboriginal Corporation, highlighted the importance of cultural burning to the health of the forest and his culture. However, he also expressed that today this practice is impacted by the extent of harvesting:

In the old days, when we burnt [the forest], it was because it needed it. It was a part of our culture. It actually regerminated; fire does that to a lot of our seeds around here. And we do need it. But when you are going to just go through and harvest ... they are just going to take everything.<sup>251</sup>

- 3.69** According to FCNSW, a detailed cultural burning program is currently in place comprising a five-step engagement process with indigenous communities to complement FCNSW's fire management approach:

1. Aboriginal Partnerships Team engages with local community groups.

<sup>246</sup> Evidence, Mr Duroux, Gugiyn Balun Aboriginal Corporation, 29 April 2022, pp 26-28.

<sup>247</sup> See for example: Evidence, Mr Duroux, 29 April 2022, p 26 and Submission 192, Githabul Elders, p 2.

<sup>248</sup> Evidence, Mr Duroux, 29 April 2022, p 26.

<sup>249</sup> Submission 192, Githabul Elders, p 3.

<sup>250</sup> FCNSW, *Working in partnership with Aboriginal communities*, <https://www.forestrycorporation.com.au/operations/aboriginal-partnerships>.

<sup>251</sup> Evidence, Mr Duroux, 29 April 2022, p 26.

2. Local community groups identify which members of their community will participate in cultural burning activities and require training (cultural burning training by the designated Aboriginal community members, Fire Ground and FCNSW).
3. Training is provided and local communities undertake cultural burn program planning in partnership with Hardwood Forest Division.
4. Ceremonial aspects of cultural burning are conducted.
5. Cultural burning program is implemented.<sup>252</sup>

**3.70** Commenting more generally on FCNSW's cultural burning program, Dr Michelle Freeman, Vice President, Institute of Foresters of Australia and Australian Forest Growers, observed that New South Wales is a 'forerunner in many ways'. Dr Freeman was of the view that the cultural burning programs by FCNSW are 'probably above and beyond where other States currently are'.<sup>253</sup>

**3.71** Notwithstanding the specific five-step cultural burning program described above, some stakeholders called for continued or enhanced collaboration and engagement with indigenous communities in relation to forest management practices, particularly cultural burning.<sup>254</sup> In particular, Mr Charlie Fisher, Pentarch Forestry, acknowledged there is a need for more involvement from indigenous communities:

I think it would be good for much more involvement from traditional owners, as long as there is an understanding from all parties that fire was managed across the landscape by Aboriginal people and that we also need to respect that but also recognise that perhaps we need to use some twentieth century or twenty-first century technology in terms of achieving the scale of burning at low intensity.<sup>255</sup>

**3.72** Likewise, the Institute of Foresters of Australia and Australia Forest Growers advocated for more extensive use of fuel reduction burning, including 'traditional cultural burning practices that can complement contemporary techniques, through the involvement of and collaboration with traditional owner groups'.<sup>256</sup>

## Impact on local roads

**3.73** The committee also heard concerns from stakeholders, including local councils, regarding the impact of forestry operations on local roads. Inquiry participants described the long distances

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<sup>252</sup> Correspondence, Mr Dean Kearney, Senior Manager Planning, FCNSW, 10 May 2022.

<sup>253</sup> Evidence, Dr Freeman, Institute of Foresters of Australia and Australian Forest Growers, 29 September 2021, p. 40.

<sup>254</sup> See for example: Submission 222, Timber NSW, pp 78, 143 and 165; Submission 223, Institute of Foresters of Australia and Australia Forest Growers, pp 16-18 and Submission 224, AWU and CFMEU, pp 37-38 and Evidence, Mr Charlie Fisher, Regional Manager, Pentarch Forestry, 5 April 2022, p 25.

<sup>255</sup> Evidence, Mr Fisher, 5 April 2022, p 25.

<sup>256</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, pp 14 and 17-18.

between forests and sawmills as well as the limitations on road conditions and weight limits of heavy motor vehicles.<sup>257</sup>

- 3.74** For example, during the hearing, Mr David Graham, Councillor, Cootamundra-Gundagai Regional Council argued that, with the regular use of heavy motor vehicles, local roads need to be maintained to ensure the safety of other road users:

[W]e are now using B-doubles. We need to build our roads to B-double standard. It will not be that long and we will probably be seeing triple-Bs floating around ... we have to take into account that ...we have to make sure our roads are safe for school buses, individuals and everyone.<sup>258</sup>

- 3.75** Mr Greg Blackie, Director – Engineering, Greater Hume Shire Council asserted that these impacts are exacerbated by the creation of new plantations where access to these areas will require either the creation of new roads or a reliance on existing roads for transport and haulage.<sup>259</sup> Mr Blackie further insisted that some plantation owners, usually smaller operators, would likely start using local roads without any discussion or planning with local council.<sup>260</sup>
- 3.76** Furthermore, these stakeholders highlighted that local roads were significantly impacted by the haulage of burnt logs following the 2019/20 bushfires.<sup>261</sup>
- 3.77** To address the impact of forestry operations on local roads, some suggestions raised in evidence include optimising truck routes and capacity (for example, fast-tracking new routes and bridge upgrades), improving rail infrastructure including at strategic intermodal terminals, and innovation support to develop a system to backload log trucks.<sup>262</sup> However, some local councils informed the committee that there are funding gaps to support road infrastructure to improve haulage routes.<sup>263</sup>
- 3.78** Other stakeholders highlighted the risk of collision with large vehicles hauling timber products on local roads.<sup>264</sup> For example, Brooman State Conservation Forests advised that 'accidents have already happened on our roads with residents colliding with or being run off the road by fast-moving fully laden logging trucks'.<sup>265</sup>

<sup>257</sup> See for example: Submission 75, Hyne Timber, p 5; Submission 111, Australian Forest Products Association, p 9; Submission 222, Timber NSW, p 70; Evidence, Mr Snelson, 24 May 2022, p 27.

<sup>258</sup> Evidence, Mr David Graham, Councillor, Cootamundra-Gundagai Regional Council, 8 February 2022, p 8.

<sup>259</sup> Evidence, Mr Greg Blackie, Director – Engineering, Greater Hume Shire Council, 8 February 2022, pp 8-10.

<sup>260</sup> Evidence, Mr Graham, 8 February 2022, pp 9-10.

<sup>261</sup> Evidence, Mr Blackie, 8 February 2022, p 8 and Evidence, Mr Graham, 8 February 2022, p 10.

<sup>262</sup> See for example: Submission 53, Snowy Monaro Council, pp 2-3 and Submission 75, Hyne Timber, p 5.

<sup>263</sup> See for example: Submission 53, Snowy Monaro Council, pp 2-3; Evidence, Mr Blackie, 8 February 2022, p 8; Evidence, Mr Graham, 8 February 2022, p 9.

<sup>264</sup> See for example: Submission 53, Snowy Monaro Regional Council, p 3 and Submission 101, Brooman State Forest Conservation, pp 11-12.

<sup>265</sup> Submission 101, Brooman State Forest Conservation, pp 11-12.

- 3.79 Sharing this concern, Snowy Monaro Council gave evidence to the committee that many residents in their community consider their CBD to be high risk due to the number of heavy vehicle truck movements, both general freight and timber haulage, through the main street. The Council advocated for more funding to improve local roads and redirect traffic, which they believed would alleviate these concerns.<sup>266</sup>
- 3.80 The following case study considers the impact of forestry operations on local road networks in Oberon.

#### Case study – Oberon and its local road network<sup>267</sup>

Oberon is a rural town on the western fringes of the Greater Blue Mountains, with the timber industry being its major employer.

There are two main timber processing mills in town, Highland Pine Products and Borg Manufacturing, with approximately 150-200 truck movements to the facilities in one direction per day.

For Mr Jim Snelson, CEO, Borg Manufacturing, the amount of timber that is transported in and out of the region is heavily impacted by the local road network as 'the road in and out of Oberon is a narrow road. It has a number of bridges on it but one bridge in particular has some weight constraints'.

On top of the weight limitations for local roads, Mr Snelson believes there are safety and wildlife concerns for Borg Manufacturing and other mills due to the number of trucks moving in and out of Oberon: 'So there's a safety issue there, there's a wildlife issue there and there's a weight limitation on that road'. Whilst there has been some work to address these concerns, including work around the feasibility of rail links in and out of Oberon, Mr Snelson reflected that this work is in 'the very early stages'.

In a similar way, Highland Pine Products, the other large processing mill in the region, felt that to 'take pressure off [the] crumbling road network' there needed to be more initiatives such as the rail link.

### Calls to end native forest harvesting

- 3.81 Noting the various impacts of timber and forestry operations across the state, particularly on the environment, numerous stakeholders called on the government to end native forest logging. Some of these perspectives are explored below.

#### 'Social license'

- 3.82 In calling for the end of native forest harvesting, inquiry participants raised that the practice does not hold 'social license' and is not in the public interest. For example, some stakeholders referred to a 2018 community attitude survey commissioned by Forest and Wood Products Australia which found that of the 13,000 respondents:
- 65 per cent of rural-based and 70 per cent of urban based respondents believe that native forest logging is unacceptable,

<sup>266</sup> Submission 53, Snowy Monaro Regional Council, p 3.

<sup>267</sup> Evidence, Mr Snelson, 24 May 2022, pp 26-27 and Tabled document, Highland Pine Products, *Powerpoint slide – NSW Parliamentary Committee – Portfolio Committee 4 visit*, 6 May 2022.

- 45 per cent felt the forest industry had negative impacts on attractiveness of the local landscape and only 22 per cent that it had positive impacts,
- 58 per cent felt the industry had negative impacts on local road quality.<sup>268</sup>

**3.83** Further, the Nature Conservation Council of NSW (NCC) asserted that these figures, following the 2019/20 bushfires, would be 'significantly greater given the outpouring of grief for our forests and wildlife impacted by these disasters, and growing conservation efforts to protect them'.<sup>269</sup>

**3.84** Likewise, the North East Forest Alliance detailed various community attitude surveys to support the view that the 'community prioritise[s] wildlife, water and carbon storage values of forests above timber production' and that native forest harvesting has 'very low levels of social license'.<sup>270</sup>

### **The economic benefit of ending native forest harvesting**

**3.85** While a number of stakeholders maintained that the timber and forest products industry makes a significant economic contribution, some drew attention to the need to distinguish between the economic viability of the hardwood and softwood sectors when considering the future of the industry. For these stakeholders, the economic decline in native hardwood means that a progression to ending native forest harvesting of hardwood forests would not impact on the sustainability of the industry moving forward. In fact, these stakeholders argued that there is economic benefit to ending native forest harvesting practices and shifting focus instead to the softwood sector.<sup>271</sup>

**3.86** A key point of research that was referred to support this view was by Frontier Economics and Professor Andrew Macintosh, Australian National University which made the following findings in relation to the Southern and Eden Regional Forest Agreement (RFA) areas. This research highlighted that:

- in 2019/20, the hardwood division of FCNSW made \$400,000 compared to 59 million in the softwood division
- direct employment in the Southern and Eden RFA associated with harvest and haulage contractors and the wood processors has declined significantly over the period from 2006 to 2016, with declines of 27 per cent and 39 per cent, respectively
- the incremental benefits of ceasing native forest harvesting are higher than the incremental costs by \$61.96 million, suggesting there is an economic benefit from

<sup>268</sup> See for example: Submission 5, North East Forest Alliance, pp. 116-117; Submission 125, South East Region Conservation Alliance Inc., p 2 and Submission 198, NCC, p 6.

<sup>269</sup> Submission 198, NCC, p 6.

<sup>270</sup> Submission 5, North East Forest Alliance Inc., pp 117-118.

<sup>271</sup> See for example: Evidence, Ms Julie-Taylor Mills, Committee Member, South East Region Conservation Alliance, 5 April 2022, p 9; Evidence, Professor Lindenmayer, Professor of Ecology, Fenner School of Environment and Society, Australian National University, 29 September 2021, p 27 and 31; Evidence, Ms da Silva, 29 April 2022, p 22; Submission 217, Colong Foundation for Wilderness, p 10.

stopping harvesting the native forest in the Southern and Eden RFA areas and obtaining the higher value environmental and recreational benefits from the forest.<sup>272</sup>

- 3.87** Furthermore, many stakeholders questioned the economic benefit of continuing native forest harvesting as 'FCNSW runs a loss'.<sup>273</sup> For example, the North East Forest Alliance argued that FCNSW has historically operated at a loss on native forests and that there is a deliberate confusing of profits in plantations and native forests in New South Wales. They stated that plantations are used to subsidise native forest logging where profits from hardwood plantations are included with profits from native forests which masks the actual losses from native forest harvesting.<sup>274</sup>
- 3.88** In support of this argument, the Clarence Environment Centre also contended that these financial losses are subsidised by the New South Wales taxpayer given that FCNSW is a state-owned corporation. The Centre further emphasised that the focus of FCNSW is 'the fiscal bottom line' where to achieve a profit has meant cutting expenses in forest maintenance.<sup>275</sup>
- 3.89** Likewise, the EDO also reported that economic data over two decades show that native forest harvesting requires substantial public funding to operate and that native forest harvesting by the FCNSW generated losses of \$79 million over the last seven years (as of 2016). They further considered that native forest harvesting could end in New South Wales with minimal disruption and potentially substantial savings for the New South Wales taxpayers.<sup>276</sup>
- 3.90** Some stakeholders elaborated on the link between the economic and environmental benefits of discontinuing native forest harvesting.<sup>277</sup> For example, the Nature Conservation Council of NSW considered these benefits in their submission:

Healthy protected native forests are not only an economic opportunity for New South Wales but provide vital ecosystem services. Allowing forests to grow old increases their ability to store carbon, filter water, support threatened species, reduce bushfire severity, and adapt to climate change. There is enormous opportunity to realise economic and

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<sup>272</sup> Tabled document, Ms Julie Taylor Mills, South East Region Conservation Alliance, *Summary presentation on report, 'Southern and Eden RFA: Economics of native forest harvesting'*, Australian National University, 5 April 2022, pp 4-6. See also: Correspondence from Ms Deirdre Rose, Frontier Economics to the committee, attaching report by Frontier Economics and Professor Andrew Macintosh, ANU entitled 'Comparing the value of alternative uses of native forests in Southern NSW', dated 30 November 2021.

<sup>273</sup> See for example: Submission 184, Clarence Valley Conservation Coalition Inc., p 2; Submission 214, South East Forest Rescue, p 5, Evidence, Dr Brad Smith, Campaigns Director, NCC, 28 September 2021, pp 18-19.

<sup>274</sup> Submission 5, North East Forest Alliance Inc., p 111.

<sup>275</sup> Submission 45, Clarence Environment Centre, p 3.

<sup>276</sup> Ms Jennifer Sanger et. al., *The opportunity for Australia's native forests*, February 2020, The Australia Institute in Submission 189, EDO, pp 27-28.

<sup>277</sup> See for example: Submission 3, Great Southern Forest Steering Group, p 5; Submission 76; NSW National Parks Association Far South Coast Branch, pp 4-5; Submission 130, NSW National Parks Association (NPA), pp 1-2 and Evidence, Ms da Silva, 29 April 2022, p 22; Submission 217, Colong Foundation for Wilderness, p 10-11.

social benefits by ending native forest logging and making our State forests accessible for the whole community to enjoy.<sup>278</sup>

- 3.91** Similarly, the National Parks Association of NSW detailed the reasons for immediately ceasing harvesting in native forests, calling on the government to transition to plantation sources of timber. They noted, for example, that there is 'proven capacity of the existing plantation forests to deliver high value timber to the forestry products industry (especially construction timber), and there are 'ample opportunities to expand the area currently under plantations without adversely impact on native vegetation'.<sup>279</sup>
- 3.92** The opportunities for plantations to meet timber supply needs are discussed in more detail in chapter 2.

### Other jurisdictions

- 3.93** In supporting the call to end native forestry in New South Wales, inquiry participants pointed to the decision of governments in Western Australia and Victoria to phase out native forest harvesting.
- 3.94** For example, Ms Ursula da Silva, Spokeperson of Camp Ourimbah, urged New South Wales to make a similar decision as in Western Australia and Victoria, noting that a transition to plantation timber is vital for job security and the survival of species currently impacted by native forest harvesting.<sup>280</sup>
- 3.95** The NCC held a similar view, discussing with the committee the importance of good transition packages as those seen in Western Australia and Victoria:

Both Victoria and Western Australia have set such a course in recent times. With good transition packages that ensure that no-one is left behind, they have started the much-needed process of protecting what is left of the Australian bush and the species that depend on it.<sup>281</sup>

- 3.96** Likewise, WWF Australia acknowledged the importance of a planned, consulted and funded approach to transitioning the industry while calling for a phase out of native forest harvesting. They stated that:

We should not just drop an announcement on people who often are just doing their job. They are out in the bush a lot and they do not get time to read all the newspapers and go to meetings. It is not fair to have a really disruptive and, to them, sudden ending of the industry. That is not fair.<sup>282</sup>

<sup>278</sup> Submission 198, NCC, p 26.

<sup>279</sup> Submission 130, NPA, pp 1-2.

<sup>280</sup> Evidence, Ms da Silva, 29 April 2022, p 22.

<sup>281</sup> Evidence, Mr Chris Gambian, Chief Executive, NCC, 28 September 2021, p 11.

<sup>282</sup> Evidence, Dr Stuart Blanch, Senior Manager, 'Towards Two Billion Trees', WWF Australia, 28 September 2021, pp 20 and 27.

- 3.97** However, in contrast, the committee received evidence from industry stakeholders who cautioned that following the path of other jurisdictions in ending native forest harvesting would be highly detrimental.
- 3.98** Pentarch Forestry, for example, argued that such a decision would have wide reaching and adverse impacts on those directly and indirectly involved in the industry, including but not limited to the following:
- enormous loss of regional employment
  - worsening of the supply crisis already facing our major construction, packaging and manufacturing industries which rely on hardwood supply
  - loss of an irreplaceable vacuum of skills and assets to fight fire and protect communities, noting that the timber industry contractors and over 600 FCNSW staff were employed constantly on the front line of the 2019/20 fires clearing breaks and using their extensive training and forest knowledge to fight fire
  - loss of unique expertise in forest management including the reawakening of indigenous forestry practices.<sup>283</sup>
- 3.99** Likewise, Ms Maree McCaskill, Chief Executive, Timber NSW, explained how the industry in Western Australia and Victoria are 'reeling', noting the impact of these decisions will mean greater reliance on importing hardwood from other countries:

The blowback from that people do not quite understand is that will mean there will be greater reliance on importing hardwood timber from other countries. And the logical places will be places like Malaysia and Indonesia and what have you, that often do not have the environmental credentials or certification processes anywhere near that match what would have been going on in Western Australia and in Victoria.<sup>284</sup>

## Committee comment

- 3.100** How forestry operations impact on the economic, environmental and social values of various regions across New South Wales was a key focus for stakeholders during the inquiry. The committee accepts that in this regard there are many competing views to consider against a backdrop of complex interactions between a reliance on the industry for livelihood, forest ecology, indigenous values and harvesting practices.
- 3.101** It is clear to the committee that the timber and forest products industry holds significant value and plays an important role in the State's economy, particularly to those downstream industries reliant on its success and longevity. Indeed, following on from considerations in chapter 2, the committee acknowledges that the industry is integral to the lives and livelihoods of many regional communities across New South Wales, supporting and diversifying those communities heavily dependent on its operations. The committee expresses its support for these communities who have long operated under challenging circumstances.

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<sup>283</sup> Submission 233, Pentarch Forestry, p 5.

<sup>284</sup> Evidence, Ms Maree McCaskill, Chief Executive Officer, Timber NSW, 28 September 2021, p 9.

- 3.102** At the same time, the committee recognises the breadth of evidence from many inquiry participants detailing the impact of forestry operations, particularly within native forests, on the environment. The committee notes the views held by these stakeholders that native forest harvesting aggravates the effects of climate change, contributes to biodiversity decline, and has an adverse impact on the survival of various wildlife, like the koala, swift parrot and other hollow-dependent species.
- 3.103** To this, we also acknowledge the views challenging the severity of environmental impact caused by forestry practices and operations. We note the perspectives of those within the industry who insist that native forest harvesting, when undertaken sustainably, can coexist with native wildlife and their habitats, and in fact forms part of the climate change solution. We are mindful of the competing science presented to the committee in this regard.
- 3.104** In the same way, the committee acknowledges the diverse and competing perspectives on the risk of fire across the forestry estate and best practice in fire management. While the committee found compelling the evidence of Professor David Lindenmayer on the risk of high severity fires in forests, we also recognise the value of active and adaptive forestry management practices in mitigating fire risk. Ultimately, the committee understands that the risk of fire and how best to manage it will continue to challenge forest users into the future.
- 3.105** Whether it be the impact of forestry operations on biodiversity, wildlife or fire risk, the committee is well aware of the conflicting science in this space. While we acknowledge these competing views, the committee will not be drawn into determining the validity or merit of the science and therefore makes no recommendations or findings to that effect.
- 3.106** In relation to the impact of forestry operations on weeds and invasive species, the committee accepts that forestry operations can be a catalyst for heavy infestation of weeds and other invasive species. We also share the concern that a substantial cost is borne by all parties impacted by this infestation, whether it be in productivity or in financial loss from control and maintenance. The committee notes in particular the evidence about costs to private landholders with property adjoining weed-infested State forests. The committee firmly believes that weed management is the shared responsibility of all landholders. Yet it is apparent that there is so much more to be done in this space. To this end, the committee recommends 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.
- 3.107** The committee also notes that the Natural Resources Commission (NRC) last considered the effectiveness of weed management arrangements, including an economic impact assessment, in 2014. We believe it is timely that there be another review by the NRC, and therefore recommends that the NSW Government commission the NRC to conduct an evaluation of the effectiveness and efficiency of weed management arrangements in New South Wales.

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**Recommendation 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.

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**Recommendation 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.

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**3.108** The committee values the insights provided by indigenous stakeholders to this inquiry and acknowledge their cultural and spiritual connection to land which has been deeply impacted by forestry operations. From the evidence received, we recognise there is frustration amongst these inquiry participants over the lack of engagement by government agencies with indigenous communities regarding forest management.

**3.109** Whilst there are cultural burning programs in place in New South Wales, we share the views of stakeholders that more needs to be done in recognition of this important practice and its role in forest management. On that basis, the committee recommends that the NSW Government identify and facilitate opportunities for further engagement with indigenous communities on forest management practices, particularly cultural burning.

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**Recommendation 9**

That the NSW Government identify and facilitate opportunities for further engagement with indigenous communities on forest management practices, particularly cultural burning.

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**3.110** A key aspect of the timber and forest products supply chain is the transport and haul of timber and forest products. Noting the need to use local road networks for this, the committee acknowledges the operation of heavy motor vehicles which are travelling longer distances and using local roads, at times without the knowledge of local council, and raising safety concerns for the community. As a result, the committee was told that frequent and ongoing maintenance, upgrades and potentially new roads are required.

**3.111** We share the concerns of local councils that some roads are not adequate to support heavy motor vehicles and that there is inadequate funding to upgrade some roads. Therefore, we recommend that the NSW Government provide ways to support local government, including but not limited to funding, to ensure local roads and networks are regularly maintained. In addition, the committee was interested to hear about alternative transport solutions to ensure the preservation of local road networks and alleviate constraints to the supply of timber, for example, the Oberon Rail Link. We believe there is a strong case for the NSW Government to investigate the feasibility of such a project and recommend action in this regard.

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**Finding 6**

The transport and haulage of timber and forest products causes significant impact on local road networks.

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**Recommendation 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.

**Recommendation 11**

That the NSW Government investigate the feasibility of the Oberon Rail Link.

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- 3.112** Intrinsically linked to all of these discussions regarding the impact of timber harvesting and forestry operations are the stakeholder calls to end native forest harvesting. Whilst the committee acknowledges the perspectives of those who believe ending native forest harvesting will address the various concerns held about forestry practices and operations, the committee remains unconvinced that ceasing these harvesting operations will be beneficial to *all* forest users.
- 3.113** All things considered, the committee believes that a balance can be struck – that sustainable forestry harvesting operations can coexist with environmental values.



## Chapter 4 Management of the timber and forestry products industry

A key aspect of this inquiry was the consideration given to the management of the timber and forest products industry to support its long term sustainability and future. With a particular focus on the role of Forestry Corporation of NSW (FCNSW), this chapter examines the application of the regulatory and policy framework in place to govern the industry under the principles of ecological sustainable forest management (ESFM), as outlined in chapter 1. This includes the management of both state-owned forestry estate and private native forests.

### The management of forestry estate by Forestry Corporation of NSW

4.1 This section considers the management of State forests by Forestry Corporation of NSW (FCNSW), and in particular, the key concerns raised by stakeholders during the inquiry with regard to its operations.

#### The role of FCNSW

4.2 As outlined in chapter 1, FCNSW is a state-owned corporation with the purpose of managing state-owned forestry estate. Its objectives are set out in the *Forestry Act 2012*, which states that the corporation must, in equal weight:

- operate as efficiently as any comparable business
- maximise the net worth of the state's investment
- have regard to the interests of the community
- apply the principles of ecologically sustainable development
- contribute towards regional development and
- be an efficient environmental supplier of sustainable timber.<sup>285</sup>

4.3 Mr Dean Kearney, Senior Manager Planning, FCNSW informed the committee that FCNSW is 'not a policy agency but are operationally focused' with two operating divisions – the Hardwood Forests Division and the Softwood Plantations Division.<sup>286</sup>

4.4 Mr Kearney advised that FCNSW functions to undertake forestry operations that ensure a continuous supply of renewable wood products is provided by State forests in perpetuity. In order to do this, it maintains wood supply modelling – or sustainable yield modelling, as discussed in chapter 2 – across 100 years in native forests and over multiple rotations in softwood plantations to determine the sustainable limit for harvesting in the current year.<sup>287</sup>

<sup>285</sup> Evidence, Mr Dean Kearney, Senior Manager Planning, Forestry Corporation of NSW (FCNSW), 1 December 2021, p 12. See also: *Forestry Act 2012*, s 10.

<sup>286</sup> Evidence, Mr Kearney, 1 December 2021, p 12.

<sup>287</sup> Evidence, Mr Dean Kearney, Senior Manager Planning, FCNSW, 24 May 2022, pp 8-9.

- 4.5 As the largest producer of wood products and largest production manager in the state of both softwood and hardwood timber,<sup>288</sup> FCNSW supplies more than 4.5 million cubic metres of log products annually to the domestic and international timber manufacturing sector.<sup>289</sup>
- 4.6 In addition to ensuring supply, FCNSW advised that a key component of its operations is conservation. As discussed in chapter 3, half of FCNSW's forestry estate is dedicated to conservation where areas are mapped and permanently protected, providing a continuity of undisturbed forest for habitat in and around the areas where timber is harvested.<sup>290</sup>

### **Stakeholder concerns**

- 4.7 During the inquiry, a number of concerns were raised about FCNSW's management of its forest estate, with some arguing there is a distinct lack of community trust in the practices and transparency of FCNSW and others maintaining that its forestry operations in native forests are in fact not ecologically sustainable, despite its legislative obligations.<sup>291</sup>
- 4.8 These concerns centre around FCNSW's post 2019/20 bushfire salvage harvesting operations, its breaches and non-compliance of environmental regulation, and fire management, which are considered in turn.

### ***Post-fire salvage harvesting***

- 4.9 As outlined in chapter 2, forestry operations proceeded after the 2019/20 bushfires under special conditions issued by the NSW Environment Protection Authority (EPA) in selected areas of fire-affected native State forests to assist in bushfire recovery efforts for fire-affected regional communities. At the time, not all the conditions of the Coastal Integrated Forestry Operations Approvals (Coastal IFOA) could be met therefore site-specific operating conditions (SSOC) were issued, to be applied to these harvesting operations.<sup>292</sup>
- 4.10 The NSW Government explained that the conditions were issued on a case-by-case basis, only where it was determined that the environmental risk associated with harvesting operations could be reasonably mitigated. These additional conditions aimed to mitigate the specific environmental risks caused by the bushfires at each site, and were tailored for the specific impacts on plants, animals and their habitats, soils and waterways. The NSW Government further explained that the additional conditions 'maximised the protection of unburnt or lightly burnt forest and limited harvesting intensity to assist with wildlife and biodiversity recovery efforts'.<sup>293</sup>
- 4.11 The committee received evidence that the recommencement of harvesting at that time allowed the timber industry to stay in business, avert job losses and offer 'much-needed' timber supply

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<sup>288</sup> Evidence, Mr Kearney, 1 December 2021, p 12.

<sup>289</sup> FCNSW, *Timber Sales*, <https://www.forestrycorporation.com.au/about/sales-and-supply>.

<sup>290</sup> Evidence, Mr Kearney, 24 May 2022, pp 8-9.

<sup>291</sup> See for example: Submission 2, Mr Timothy Cadman, pp 2-3; Submission 198, Nature Conservation Council of NSW (NCC), p 16; Submission 214, South East Forest Rescue, p 4 and Submission 226, Forest Ecology Alliance, p 2.

<sup>292</sup> Submission 19, NSW Government, p 20.

<sup>293</sup> Submission 19, NSW Government, p 20.

to the local industry while ensuring environmental safeguards to further minimise risk to fire-affected forests.<sup>294</sup>

**4.12** The NSW Government informed that since then, FCNSW has returned to harvesting in fire-affected forests under the standard conditions of the IFOA on the South Coast and Eden but continues to apply additional environmental safeguards to these operations.<sup>295</sup>

**4.13** In addition to the broader concerns raised in chapter 3 about the impact of native forestry operations on the environment, many stakeholders highlighted specific concerns about the harvesting of native forests after the bushfires, pointing to the further degradation of the environment, impact on wildlife and the potential of increasing the severity of future bushfires.<sup>296</sup>

**4.14** For example, the National Parks Association Far South Coast Branch criticised FCNSW's operations following the fires believing that they had taken a 'business as usual approach' to harvesting operations instead of invoking 'force majeure':

[G]iven the magnitude of the fires and their impact in both commercial and environmental terms, the logical course should have been for [FCNSW] to invoke 'force majeure' to alleviate contractual pressures and provide planning and breathing space. Instead, a 'business as usual' message has been sent out to the community and logging resumed.<sup>297</sup>

**4.15** On 'force majeure', the committee was advised that most wood supply agreements (WSA) include a 'force majeure' clause in their contracts to protect both the business and FCNSW from unforeseen interruptions to the supply and taking of timber, such as natural and unavoidable catastrophes.<sup>298</sup> According to the NSW Government, FCNSW declared a force majeure on its timber supply and harvest and haulage contracts following the 2019/20 bushfires in fire affected areas. However, the NSW Government also advised that 'these force majeure declarations do not relieve FCNSW's obligations to endeavour to meet these contracts when the force majeure event(s) cease to exist and there is consequently no legal impediment to doing so'.<sup>299</sup>

**4.16** The Environmental Defenders Office, in particular, raised significant concerns that post-fire salvage harvesting opposed ESFM principles as forests needed time to recover. They asserted that protecting unburnt forests while burnt forests recover is 'important to longer term forestry recovery, explaining that:

<sup>294</sup> Media release, FCNSW, 'Forest Harvesting to recommence on South Coast and Eden', 15 March 2021 in Submission 222, Timber NSW, p 214.

<sup>295</sup> Submission 19, NSW Government, p 20.

<sup>296</sup> See for example: Submission 76, National Parks Association, p 4; Submission 101, Brooman State Forest Conservation Group, p 4; Submission 120, Friends of Forest (Mogo), p 7; Submission 125, South East Region Conservation Alliance, p 4 and Submission 198, NCC, p 9.

<sup>297</sup> Submission 76, NSW National Parks Association Far South Coast Branch, p 3.

<sup>298</sup> NSW Department of Primary Industries, *Review of Coastal Hardwood Supply Agreements*, March 2017, p 30. For examples of specific force majeure clauses in WSA, see: FCNSW, *Timber Sales*, <https://www.forestrycorporation.com.au/about/sales-and-supply> in Submission 19, NSW Government, p 11.

<sup>299</sup> Submission 19, NSW Government, p 12.

... the remaining areas are essential for providing habitat and refuges for wildlife; providing future climate change refugia; delivering important ecosystem services, assisting impacted ecosystems and landscapes to recover.<sup>300</sup>

- 4.17** Some stakeholders drew attention to the reviews that followed the 2019/20 bushfires in support of their concerns about post-fire salvage harvesting, including independent reviews by the NSW Environment Protection Authority (EPA) and the Natural Resources Commission (NRC).<sup>301</sup>
- 4.18** Following the 2019/20 bushfires, the EPA commissioned a review to 'further understand the current conditions and any adaptations needed to the regulations' following advice from FCNSW that, where site specific conditions did not apply, it had intended to return to harvesting under the standard conditions of the Coastal IFOA. The review found that, in the context of the 2019/20 bushfires, 'the normal [Coastal IFOA] ... will not deliver ecologically sustainable management' as required under legislative objectives and obligations.<sup>302</sup>
- 4.19** Reflecting on this report, the North East Forest Alliance Inc. contended that the deliberations between the EPA and FCNSW on the new Coastal IFOA emphasised removing or minimising environmental protections to ensure no reduction in timber yields.<sup>303</sup> Other inquiry participants gave evidence that 'FCNSW attempted to resume harvesting against the advice of the EPA'<sup>304</sup> or that 'FCNSW walked away from negotiations'.<sup>305</sup>
- 4.20** Separately, as discussed in chapter 2, the NSW Government commissioned an independent review by the NRC to assist in determining the longer-term approach to managing the impacts of the bushfires on the State forest estate. The NRC was to 'provide independent, evidence-based advice on pathways back to FCNSW operating under standard Coastal IFOA prescriptions, and recommend ways to give effect to that advice'.<sup>306</sup>
- 4.21** During the inquiry, a summary of the Commission's assessment framework for forestry operations across fire-affected regions in New South Wales was provided to the committee. In it, the risk assessment framework assigned areas of the Coastal IFOA one of four risk ratings (low, medium, high, and extreme) based on the extent to which standard Coastal IFOA prescriptions could mitigate impacts from the 2019/20 bushfires. These ratings would then determine what action could be undertaken in that area.<sup>307</sup>

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<sup>300</sup> Submission 189, Environmental Defenders Office (EDO), p 8.

<sup>301</sup> See for example: Submission 189, EDO, pp 8-9; Submission 214, South East Forest Rescue, p 5; Evidence, Ms Joslyn Van Der Moolen, Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc., and Community Liaison Officer, Friends of the Forest, Mogo, 5 April 2022, p 16.

<sup>302</sup> Dr Andrew Smith, *Review of CFIOA Mitigation Conditions for Timber Harvesting in Burnt Landscapes - A Report to the NSW Environment Protection Authority*, September 2020, p iii.

<sup>303</sup> Submission 5, North East Forest Alliance Inc., pp 47-48.

<sup>304</sup> Submission 180, WIRES, p 3.

<sup>305</sup> Submission 198, NCC, p 8.

<sup>306</sup> Tabled document, Natural Resources Commission (NRC), *Executive Summary from Final report on Advice on Coastal IFOA operations post 2019-2020 wildfires*, June 2021, p 1.

<sup>307</sup> Tabled document, *Executive Summary from Final report on Advice on Coastal IFOA operations post 2019-2020 wildfires*, pp 4-5 and 10.

- 4.22** Noting that, at the time of writing, the report has not been made publicly available, numerous inquiry participants called for the review to be published by the NSW Government to allow for a greater understanding of the impact of the return to logging under pre-bushfire Coastal IFOA regulations and the implications for FCNSW wood supply.<sup>308</sup>
- 4.23** Moreover, the EDO has called for forestry operations in New South Wales native forests to be 'suspended following the 2019/20 bushfires in both fire-affected native forests and unburnt areas serving as species-recovery refugia pending the outcome of the NRC post-bushfire advice'.<sup>309</sup>

### **Breaches by FCNSW**

- 4.24** Another key concern from many stakeholders during the inquiry were the breaches by FCNSW found by the EPA and non-compliance under the IFOAs. The committee received evidence from numerous inquiry participants detailing these breaches, including specific operations in site areas and how these breaches went against ESFM principles. Some of the reported breaches include harvesting protected trees, damaging hollow-bearing trees, allowing debris to accumulate more than 1m high thereby damaging protected trees, and damaging retained trees during the harvesting of nearby trees.<sup>310</sup>
- 4.25** The Friends of the Forest (Mogo) raised concerns that despite these breaches being reported to the EPA, no further action has been taken against FCNSW and non-compliance harvesting continues. They attributed this to wording of the IFOA and CIFOA 'in such a way that there is usually enough wriggle room for the FCNSW and its contractors to avoid consequences of any transgressions we have detected'.<sup>311</sup>
- 4.26** When asked about the EPA's action against FCNSW for these reported breaches, the EPA informed the committee that there are currently 15 investigations into FCNSW applying to 12 different State forests and Western Land Leases for allegations ranging from soil erosion and/or water pollution to damage to habitat of threatened species and/or ecological communities or to an environmentally significant area. Of these 15, 9 are current investigations, three have had investigations completed and three have had prosecutions commence.<sup>312</sup>

<sup>308</sup> See for example: Submission 198, NCC, p 8; Submission 189, EDO, p 22; Submission 214, South East Forest Rescue, p 5 and Evidence, Ms Van der Moolen, Coastwatchers Association Inc., and Friends of the Forest, Mogo, 5 April 2022, p 16.

<sup>309</sup> Submission 189, EDO, p 32.

<sup>310</sup> See for example: Submission 101, Brooman State Forest Conservation, pp 7-8; Submission 120, Friends of the Forest (Mogo), pp 4-7; Submission 198, NCC, p 8; Submission 214, South East Forest Rescue, pp 13-26.

<sup>311</sup> Submission 120, Friends of the Forest (Mogo), p 3.

<sup>312</sup> Answers to questions on notice, EPA, 15 June 2022, p 1. See also: EPA, *Register of Crown forestry investigation*, 23 May 2022, <https://www.epa.nsw.gov.au/your-environment/native-forestry/native-forestry-nsw-overview/regulating-native-forestry/register-of-investigations>.

- 4.27 In a further update, at the time of writing, one of these investigations resulted in a penalty notice issued to FCNSW while two others resulted in convictions of FCNSW, with FCNSW ordered to pay fines and EPA costs.<sup>313</sup>

***Reliance on private citizens sending breaches of compliance to EPA***

- 4.28 In a related issue, many stakeholders asserted that most breaches by FCNSW are often identified by 'citizen compliance' activities and would not otherwise be found or investigated if not for these efforts. Such activities include monitoring logging coups, measuring stumps, counting trees, and sending detailed records to the EPA when FCNSW breaches their operating conditions.<sup>314</sup> As the Friends of the Forest (Mogo) described:

We started to monitor compliance of logging operations, a massive undertaking considering the complexities of the then IFOA and the large and distant areas involved. We quickly realised that Forestry Corp couldn't be relied upon to manage their contractors to operate within the IFOA. We began reporting breaches by the contractors to the EPA who would eventually go and investigate for themselves.<sup>315</sup>

- 4.29 Similarly, the Clarence Environment Centre reported that their independent surveys and reporting of widespread non-compliance with the IFOAs 'have resulted in numerous official warnings and penalty infringement notices from the EPA, but little else, and the breaches continue unabated.'<sup>316</sup>
- 4.30 The following case study captures the frustration expressed throughout the inquiry about breaches by FCNSW which some believe go unnoticed or unchallenged, and the role of local residents in drawing these breaches to the attention of the EPA.

**Case study – Swift Parrots and habitat loss<sup>317</sup>**

According to Birdlife Australia, harvesting in the New South Wales South Coast has resulted in the EPA fining FCNSW for failing to compile and include swift parrot records in its pre-harvesting survey post the 2019/20 bushfires. For Mr Sean Dooley, the National Public Affairs Manager at Birdlife Australia, however, the laws and regulations regarding breaches under the Coastal IFOA are 'very loose' and there is 'very little need for compliance because there is no scrutiny'.

Reflecting on the role of local communities in reporting these breaches, Mr Dooley believes 'if it were not for local people going out and actually ground truthing what is happening, actually looking and seeing what is happening in those coups, we would not be aware of these breaches'.

Mr Dooley suspects that 'a lot of these actions are going unnoticed anyway. We only know about the ones we know about because people are going above and beyond to alert the EPA. As far as I am

<sup>313</sup> EPA, *Register of Crown forestry investigation*, 9 August 2022, <https://www.epa.nsw.gov.au/your-environment/native-forestry/native-forestry-nsw-overview/regulating-native-forestry/register-of-investigations>.

<sup>314</sup> Submission 198, NCC, p 9.

<sup>315</sup> Submission 120, Friends of the Forest (Mogo), p 3.

<sup>316</sup> Submission 45, Clarence Environment Centre, p 3.

<sup>317</sup> Submission 129, Birdlife Australia, p 4 and Evidence, Mr Sean Dooley, National Public Affairs Manager, Birdlife Australia, 5 April 2022, pp 10-12. This case study is based on the content of this submission and evidence.

aware, the EPA does not have the resources to have monitoring teams heading out on a substantial basis'.

Even if there are fines and breaches, Mr Dooley expressed that in terms of wildlife and the swift parrot it is 'it is too little, too late. Those trees are gone'.

**4.31** Indeed, numerous inquiry participants argued that the regulation of forestry operations should not be up to community groups.<sup>318</sup>

**4.32** According to Ms Jacqueline Moore, Acting CEO, EPA, they are active in forestry compliance and explained that, while it welcomes the contributions of community members, the EPA undertakes its own program of compliance:

Whilst we welcome and use information provided from the community, we also undertake our own analysis, we have our own program of compliance, and we certainly have our own compliance programs and our own officers who carry out that work.<sup>319</sup>

### **Role in fire management**

**4.33** As outlined in chapter 1, FCNSW has a fire management role in native forests, with a trained firefighting capability and obligations in fire management.<sup>320</sup> During the hearing, Deputy Commissioner Peter McKechnie, NSW Rural Fire Service (RFS), explained to the committee that FCNSW has a responsibility to report to the jurisdictional fire service, namely Fire and Rescue NSW or RFS, when there is a fire on the land that they manage.<sup>321</sup>

**4.34** Throughout the inquiry, some stakeholders raised concerns about the declining role of FCNSW in proactive fire management despite its management responsibilities.<sup>322</sup> For example, Timber NSW asserted that FCNSW previously employed large groups of forestry field workers to undertake controlled burning, suppress wildfires and to maintain an extensive road and fire trail network, with highly experienced field supervisors to oversee them. Furthermore, Timber NSW maintained that changes in the structure of the organisation over the last few decades has seen a reduction of field workers, the closure of regional centres and decline of active fire management.<sup>323</sup>

<sup>318</sup> See for example: Submission 120, Friends of Forest (Mogo), p 5; Submission 198, NCC, p 9 and Evidence, Mr Nick Hopkins, Community Liaison Officer, Friends of the Forest, Mogo, Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc. 5 April 2022, p 19.

<sup>319</sup> Evidence, Ms Jacqueline Moore, Acting CEO, NSW Environment Protection Authority, 24 May 2022, p 48.

<sup>320</sup> Evidence, Mr Kearney, 24 May 2022, p 12.

<sup>321</sup> Evidence, Deputy Commissioner Peter McKechnie, NSW Rural Fire Service, 1 December 2021, p 17.

<sup>322</sup> Submission 222, Timber NSW, pp 76-77 and Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 36.

<sup>323</sup> Submission 226, Timber NSW, pp 76-77.

**4.35** Timber NSW contended that decline of FCNSW in active forest management in preparation for the fire season contributed to the scale of the 2019/20 bushfires, arguing that:

...the amount of prescribed burning is the lowest it has ever been, expenditure on the maintenance of roads and trails and controlled burning has also been systematically reduced. The length of trafficable fire trails in State forests is now far less than previous years.<sup>324</sup>

**4.36** Similarly, the Institute of Foresters of Australia and Australian Forest Growers asserted that there has been a shift in fire management from preventative fire mitigation to emergency wildfire response, and thus called for the NSW Government to:

- revert back to undertaking more broadscale prescribed burning for fuel reduction and environmental objectives in remote areas in lieu of the current ‘residual risk’ approach which concentrates a reduced amount of burning in strategic areas adjacent to private and community assets
- approach prescribed fuel reduction burning outside the traditional seasons, such as extending into either side of winter given an expectation that it may also become drier; and burning later into the evening when conditions allow during the traditional burning seasons
- shift to other non-burning methods of fuel management, especially the use of mechanical methods that mulch or remove the fuels, especially near private or community assets where burning risks are problematic.<sup>325</sup>

**4.37** Separately, Cr David Graham from the Cootamundra-Gundagai Regional Council, highlighted that historically FCNSW were better placed to manage and respond to fires than the RFS:

'our greatest asset having FCNSW as a neighbour was fire control. Less than 1 per cent of plantations up to the 2006 fire was lost in summer fires, which is an outstanding record and a credit to the ability of [FCNSW]. That all changed with RFS.'<sup>326</sup>

**4.38** Indeed, amongst the evidence gathering activities of this inquiry, the committee visited various regions across New South Wales, including Tumut. In Tumut, the committee met with representatives from FCNSW at Blowering Nursery, who tabled a document tracking the real-time spread of the 2019/20 bushfires and discussed their role in the active management of the fires.<sup>327</sup>

## Management of Private Native Forests

**4.39** During the inquiry, the management of private native forests (PNF) was also raised by stakeholders, with the committee receiving evidence about concerns regarding and updates to

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<sup>324</sup> Submission 226, Timber NSW, pp 76-77.

<sup>325</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, pp 15-16.

<sup>326</sup> Evidence, Mr David Graham, Councillor, Cootamundra-Gundagai Regional Council, 8 February 2022, p 8.

<sup>327</sup> Tabled document, FCNSW, *Presentation Portfolio Committee No. 4 visit to FCNSW Nursery*, 8 February 2022.

the PNF Codes of Practice which guide private native forestry operations. This section considers this evidence in detail.

### Overview of PNF

- 4.40** As outlined in chapter 1, forestry operations of private native forests are guided by the *Local Land Services Act 2013*, which stipulates that such operations must be conducted in accordance with:
- the principles of ecologically sustainable forest management (ESFM)
  - the protection of biodiversity and water quality
  - the objective to carry out the forestry operation in a sustainable manner
  - the assurance that differences between PNF and native forest operations in State forests are recognized, including in the application of protocols, codes, standards and other instruments.<sup>328</sup>
- 4.41** The harvesting of timber on private lands requires a PNF Plan approved from Local Land Services (LLS). A PNF Plan is a legally binding agreement between a landholder and LLS which requires the landholder to conduct PNF operations in accordance with the relevant PNF Code of Practice (PNF Codes).
- 4.42** The PNF Codes in turn are statutory documents that guide private native forestry operations in New South Wales. The PNF Codes set minimum operating standards for harvesting in PNF in line with ESFM.
- 4.43** There are four PNF Codes which apply to different regions across New South Wales: Northern New South Wales, Southern New South Wales, River Red Gum forests and Cypress and Western hardwood forests.<sup>329</sup>

### Concerns regarding the PNF Codes and approvals

- 4.44** Inquiry participants raised concerns regarding the PNF Codes which centred on its lack of environmental consideration and dual consent issues when applying for a PNF Plan.

#### *Lack of environmental consideration*

- 4.45** Some inquiry participants raised concerns about how environmental values are being managed in private native forests, and called to strengthen the codes to ensure they are considered as part of PNF operations.<sup>330</sup> The Nature Conservation Council of NSW argued that PNF codes should provide robust environmental protections:

<sup>328</sup> Submission 222, Timber NSW, p 176. See also: *Local Land Services Act 2013*, s 60ZR.

<sup>329</sup> Local Land Services, *Private Native Forestry Codes of Practice*, <https://www.lls.nsw.gov.au/help-and-advice/private-native-forestry/private-native-forestry-code-of-practice>.

<sup>330</sup> See for example: Submission 198, NCC, p 23 and Submission 198, EDO, pp 25-27.

The PNF codes must provide strong environmental protections, based on the best available science, including protecting all environmentally sensitive land from logging and mandatory independent ecological surveys before harvesting. Compliance frameworks must ensure robust monitoring and compliance.<sup>331</sup>

**4.46** In a related issue, the North East Forest Alliance Inc. contended that there is the lack of record-keeping on private lands.<sup>332</sup> The Alliance considered that although the PNF Codes have a range of record-based prescriptions for nationally listed threatened species, there are few existing records on private lands and no survey requirements. They believed this meant that threatened species and ecosystems are essentially provided with no protection in private forestry.<sup>333</sup>

**4.47** The North Coast Environment Council shared a similar view, claiming that the industry has long resisted calls for biodiversity checks and record keeping:

Unfortunately, there have been very few surveys for threatened species carried out on private land and so there are few records. ... Private land logging has always operated on the principle of it's better not to know, and the industry has actively and successfully resisted calls for biodiversity surveys to be undertaken prior to logging. So, most PNF [plans] have no threatened species records and thus require none of the species-specific prescriptions in the PNF Code to be applied.<sup>334</sup>

**4.48** Meanwhile, the Forest Ecology Alliance Inc. raised concerns that PNF standards are outdated, lacking current information on critically endangered species, and that PNF site inspections are only conducted by the EPA once a complaint has been lodge. They claimed that often inspections are conducted 'too late' and there is a reliance on self-regulation by landholders and contractors.<sup>335</sup>

### *Dual consent issues*

**4.49** Another issue identified during the inquiry pertained to the dual consent requirement for PNF approvals. Dual consent refers to the process of applying for planning consent across multiple governing bodies.

**4.50** As mentioned previously, under the *Local Land Services Act 2013*, landholders need to obtain an approved PNF Plan from LLS before undertaking forestry operations. In addition, Timber NSW advised that a development application is also required to be lodged under the local council's Local Environment Plan for forestry operations to proceed.<sup>336</sup>

**4.51** Timber NSW argued for a removal of dual consent from local council as it requires the 'unnecessary involvement of local councils', which each differ in its approach to considering development applications. Timber NSW insisted the approach was 'akin to a lottery':

For private landholders who are required to obtain development approval, the process is akin to a lottery. Removing the involvement of councils will remove this uncertainty

<sup>331</sup> Submission 198, NCC, p 23.

<sup>332</sup> Submission 5, North East Forest Alliance Inc., p 52.

<sup>333</sup> Submission 5, North East Forest Alliance Inc., p 52.

<sup>334</sup> Submission 185, North Coast Environment Council, p 8.

<sup>335</sup> Submission 226, Forest Ecology Alliance, p 3.

<sup>336</sup> Submission 222, Timber NSW, p 178.

without eliminating the LLS regulatory framework which provides environmental protection.<sup>337</sup>

- 4.52** However, the Environmental Defenders Office held a contrary view, asserting that the removal of dual consent provisions for PNF in local councils will lead to more habitat destruction and prevent local communities from having a say about land use in their local government areas.<sup>338</sup>
- 4.53** In addition, some local councils also raised concerns about how, with no prior notice through an approval process, damage can be caused to local road networks by new plantation operators for example if there is no opportunity for forward planning.<sup>339</sup> The impact of forestry operations on local roads is discussed further in chapter 3.

### Updates to the PNF Codes

- 4.54** It is noted that in May 2022, during the course of the inquiry, the NSW Government announced updates to the PNF codes. It declared that these new codes 'provide a consistent and sustainable approach to how farmers manage their farms and forests and are a clear and easier to use and meet the principles of ESFM'. The new codes are also expected to play an important role in 'addressing the critical timber shortage in New South Wales'.<sup>340</sup>
- 4.55** The committee was advised that key changes to the PNF codes include:
- new harvest and operating standards that provide greater clarity and are easier for landholders to apply including pest, weed and fire management.
  - updated planning and reporting with a clear role for LLS to engage with farmers and options for small scale harvesting.
  - environmental protections that are clearer for landholders while ensuring long term environmental and productive sustainability farm forests.<sup>341</sup>
- 4.56** In response to these updates, the Ms Jacqueline Moore, Acting CEO, EPA, gave evidence to the committee that one of the benefits of the new PNF codes is that both LLS and the EPA will receive a 30 day notification from landholders prior to the commencement of harvesting. Ms Moore further explained that the new codes will enable both organisations to understand where harvesting operations will occur and ensure that support is provided up-front to landholders to make sure they are in a position to understand the new rules but comply with them.<sup>342</sup>

<sup>337</sup> Submission 222, Timber NSW, p 178.

<sup>338</sup> Submission 198, EDO, p 23.

<sup>339</sup> Evidence, Mr Graham, 8 February 2022, p 9.

<sup>340</sup> Tabled document, Local Land Services (LLS), *Media release: A New Era of Farm Forestry*, 26 April 2022.

<sup>341</sup> Tabled document, *A New Era of Farm Forestry*, 26 April 2022.

<sup>342</sup> Evidence, Ms Moore, 24 May 2022, p 52.

## Committee comment

- 4.57** Throughout this inquiry, various stakeholders voiced their criticisms of the practices and operations of Forestry Corporation of NSW (FCNSW). The committee notes that some of these criticisms of breaches were founded and proven true by the EPA but others were found not to be.
- 4.58** The committee acknowledges the concerns regarding FCNSW's post-fire salvage harvesting operations following the 2019/20 bushfires. However, the committee also notes the evidence discussed in chapter 2 regarding FCNSW's efforts to recover and replant all fire affected plantations. We acknowledge that FCNSW must balance its supply obligations with its responsibilities to undertake ecologically sustainable forest management.
- 4.59** Separately, the committee notes the evidence on the unpublished Natural Resources Commission (NRC) report on post bushfire logging, also referred to at paragraph 2.110. To this end, the committee recommends that the NSW Government publicly release and respond to the findings of the NRC's *Coastal IFOA operations post 2019/20 wildfires* final report on post bushfire logging in public native forests before the end of 2022. In addition, the committee recommends 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.
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### **Recommendation 12**

That the NSW Government publicly release and respond to the findings of the Natural Resources Commission's *Coastal IFOA operations post 2019/20 wildfires* final report on post bushfire logging in public native forests before the end of 2022.

### **Recommendation 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.

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- 4.60** The committee also acknowledges the work of private citizens in holding FCNSW and relevant contractors to account. The committee is mindful, however, that compliance and monitoring should not be reliant on the efforts of private citizens. We accept the evidence of the NSW Environment Protection Authority (EPA) that it takes a proactive approach to compliance monitoring as the state regulator, however, the extent to which private citizens are identifying alleged breaches and non-compliance suggests there may be gaps in resourcing. We therefore recommend that the NSW Government ensure that the EPA has the necessary resources to undertake its forestry compliance obligations.
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### **Recommendation 14**

That the NSW Government ensure that the NSW Environment Protection Authority has the necessary resources to undertake its forestry compliance obligations.

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- 4.61** Noting the significant role that Private Native Forestry (PNF) plays in supporting the supply of timber across the state and in Australia, the committee acknowledges the evidence received during the inquiry identifying concerns over the effectiveness of the PNF Codes of Practice. We note, however, that since receiving that evidence, the NSW Government updated the codes in May 2022 and no further evidence in response to the new codes has been received.
- 4.62** Without the opportunity to examine the merits and effectiveness of the new PNF Codes of Practice, the committee seeks a review of the codes in 12 months to assess its operation and effectiveness. In addition, the committee calls on the NSW Government to regularly publish data on the volumes and extent of Private Native Forestry operations in each forest management area.

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**Recommendation 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.

**Recommendation 16**

That the NSW Government regularly publish data on the volumes and extent of Private Native Forestry operations in each forest management area.

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- 4.63** With regard to dual consent, the committee shares the concerns of stakeholders that dual consent requirements create barriers for private landholders to achieve PNF approval. In the interests of encouraging growth in PNF, the committee finds dual consent requirements to be an unnecessary element in the PNF approval process that significantly impacts the ability of landholders to diversify and improve revenue streams from their property.

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**Finding 7**

Dual consent requirements are an unnecessary element in the private native forestry approval process that significantly impacts the ability of landholders to diversify and improve revenue streams from their property.

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- 4.64** In addition, while the committee acknowledges the concerns raised in chapter 3 regarding the impact of forestry operations on the local road networks, the committee is of the view that it is possible to address these concerns as well as other community feedback whilst providing for a more streamlined approach to PNF planning approvals. As such, the committee believes that, on balance, dual consent requirements can be removed whilst ensuring that concerns over local road maintenance and broader community feedback are adequately addressed.
- 4.65** To this end, the committee recommends that the NSW Government investigate the removal of dual consent requirements from the approval process for PNF development applications in such way that still allows for local councils to plan and account for road maintenance.

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**Finding 8**

On balance, dual consent requirements can be removed whilst ensuring that concerns over local road maintenance and broader community feedback are adequately addressed.

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**Recommendation 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.

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## Chapter 5 Looking forward

This final chapter examines the future of the timber and forest products industry in New South Wales as identified by the various stakeholders to this inquiry. In looking forward, this chapter first considers the climate risks to timber supply. It then explores the different alternative uses for native forests advocated by those who seek to end native forest harvesting as well as the call to strengthen support of and leverage opportunities in the industry to secure supply into the future, to contribute to the carbon market, and facilitate industry innovation.

### Climate risks to timber supply

- 5.1** During the inquiry, stakeholders discussed the climate risks to timber supply moving forward. For example, Professor Brendan Mackey, Director of the Griffith Climate Action Beacon at Griffith University, commented on the role of fire weather, stating:

Fire weather is the most important factor determining fire severity, rate of fire spread, the area burned and the probability of containment. Dangerous fire weather will continue to increase under climate change, particularly in south-eastern Australia, and the effectiveness of fuel treatment is likely to be substantially reduced. Under these conditions, it is fuel dryness rather than load which is the critical factor. The location of fuel reduction therefore is more important at reducing asset loss than how much of the landscape is prescribe-burnt. It follows that managing the increased wildfire risks from projected climate change will be best served by targeted prescribed burning to reduce fuel hazard in the close vicinity of assets. The risks to wood supply therefore can be most cost-effectively managed by focusing fire management resources and actions at plantations.<sup>343</sup>

- 5.2** Similarly, Professor David Lindenmayer, Professor of Ecology at the Fenner School of Environment and Society at The Australian National University, argued:

Given the extent of flammability, limited effects of strategies like prescribed burning, there is an urgent need for the integration of new technologies such as drones and rapid suppression methods to help more quickly detect and then extinguish fires (e.g. Roldán-Gómez et al. 2021). The Australian National University is currently developing new approaches to improve rapid responses to wildfires.<sup>344</sup>

- 5.3** Likewise, WWF Australia asserted:

A decade later, and after the catastrophic 2019/20 bushfires, the Climate Council stated that '[D]uring the massive Black Summer fires, we may have crossed a tipping point for Australia's temperate broadleaf and mixed forests .... In any typical fire season, 2-3% of these forests burn, but during the Black Summer 21% burned.

The 2019/20 bushfires substantially reduced the quantity and quality of eucalypt hardwoods available for logging in NSW State forests, and hence resource available to meet contracted wood supply agreements. This illustrates the existential risk facing the NSW native forest logging industry in coming years, particularly when considered in the

<sup>343</sup> Submission 229, Professor Brendan Mackey, Director of the Griffith Climate Action Beacon at Griffith University, p 3.

<sup>344</sup> Submission 228, Professor David Lindenmayer, p 5.

context of other ongoing threats such as increasing atmospheric CO2 concentrations, logging which can increase forest flammability,<sup>345</sup> BMAD and weed infestation.<sup>345</sup>

## Proposed alternative uses for native forests

- 5.4 For many inquiry participants, the future of native forests should be marked with the cessation of timber harvesting and the use of these forests for alternative purposes. Some of these stakeholders submitted proposals to convert State forests to national parks<sup>346</sup> while others highlighted potential nature-based tourism opportunities.<sup>347</sup> The section considers these, with a particular focus on the proposed Great Koala National Park in the North Coast region.

### The Great Koala National Park

- 5.5 During the inquiry, many stakeholders discussed the Great Koala National Park (GKNP), a proposal by the National Parks Association of NSW (NPA) to protect the largest surviving koala populations in New South Wales. The proposal entails creating a single conservation reserve in the Bellingen and Coffs Harbour Coast region. According to the NPA, the GKNP seeks to build upon 'existing national parks and nature reserves by adding approximately 175,000 hectares of State forests to create a 315,000-hectare reserve'.<sup>348</sup>
- 5.6 Figure 7 on the following page provides a map of the proposed GKNP, including existing national park both inside and outside of the proposed GKNP.

### *Support for the proposed Great Koala National Park*

- 5.7 Significant support for the GKNP was expressed by stakeholders during the inquiry, with calls for the NSW Government to invest in the proposal.<sup>349</sup>

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<sup>345</sup> Submission 220, WWF Australia, p 7.

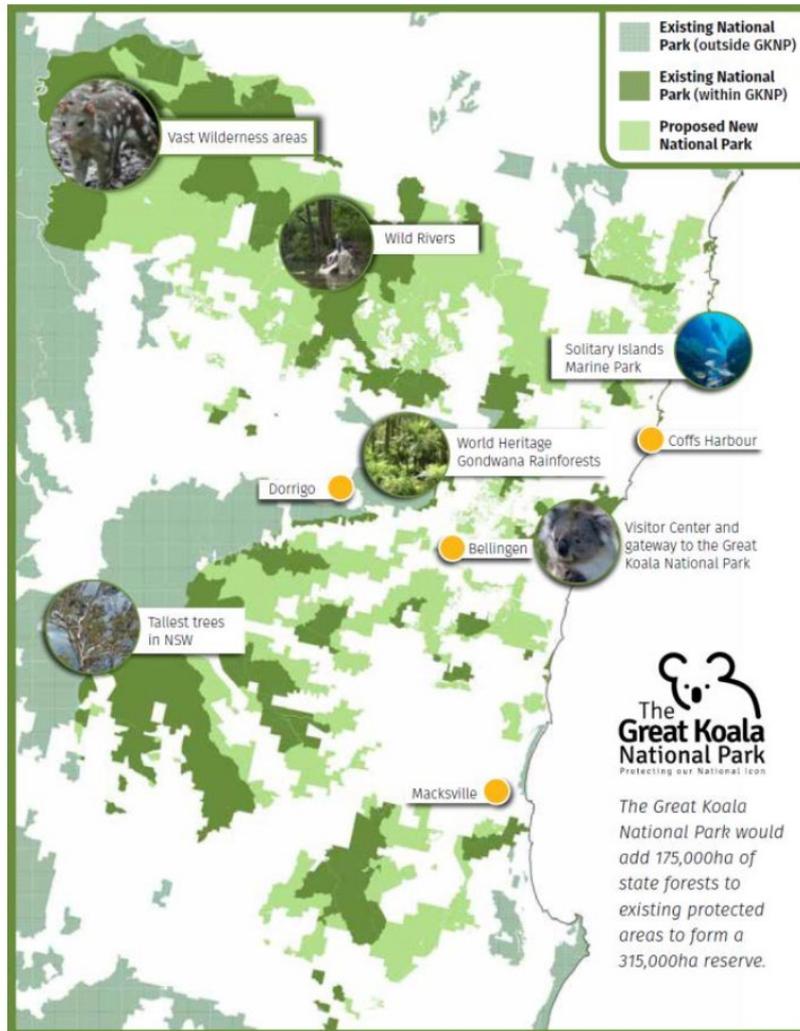
<sup>346</sup> See for example: Submission 2, Dr Timothy Caldman, p 2 and Submission 3, Great Southern Forest Steering Group, pp 1-7 and Submission 130, National Parks Association of NSW (NPA), pp 3-4.

<sup>347</sup> See for example: Submission 3, Great Southern Forest Steering Group, p 3; Submission 5, North East Forest Alliance, pp 118-121; Submission 63, Ms Harriet Swift, p 2; Submission 101, Brooman State Conservation Group, pp 18, 23-24; Submission 103, Ms Naomi Shine, p 3; Submission 188, Hunter Environment Lobby Inc., pp 1-2; Submission 197, Parramatta Climate Action Network, p 1; Submission 198, Nature Conservation Council of NSW (NCC), p 3 and 18 and Submission 217, Colong Foundation for Wilderness, p 15.

<sup>348</sup> Submission 130, NPA, p 4.

<sup>349</sup> See for example: Submission 5, North East Forest Alliance, pp 122-124; Submission 126, Coffs Harbour Greens, pp 2-3; Submission 185, North Coast Environment Council, p 9; Submission 198, NCC, p 3 and Submission 217, Colong Foundation for Wilderness, p 15; Submission 220, WWF Australia, pp 9-10.

**Figure 7 Proposed Great Koala National Park**



Source: Tabled document, National Parks Association of NSW, GKNP – Information Pack, 29 April 2022, p 2.

- 5.8** Indeed, many espoused the benefits of such an endeavour, with the NPA providing an economic impact analysis and environmental benefit assessment of the GKNP undertaken by the University of Newcastle.<sup>350</sup>
- 5.9** The committee received evidence that the study determined the GKNP will cost approximately \$145 million in capital investment over 15 years and about \$128 million in terms of operating expenditure. However, the study also found that the economic benefit to the five surrounding local government areas impacted by the GKNP would be significant, asserting that the park's establishment, management and visitor expenditure will result in an:
- increase in total output of \$1.8 billion over 15 years, with a projected increase of one million visitors per year spending more than \$400 million in the region,

<sup>350</sup> Tabled document, NPA, *Great Koala National Park Economic impact analysis and environmental benefit assessment*, Hunter Research Foundation Centre, University of Newcastle, February 2021, p. 2. See also: University of Newcastle, Hunter Research Foundation Centre, *Great Koala National Park Economic Impact Assessment and Environmental Benefit Analysis*, <https://www.hrf.com.au/gknp>.

- create by the end of 15 years, 9,810 new full-time equivalent jobs, with a loss of 675 full-time equivalent jobs in the state native forest harvesting sector, and
- have additional total value-added of \$531 million over 15 years, with \$330 million of this paid in wages and salaries to workers in the region.<sup>351</sup>

**5.10** In addition, the study found that the GKNP will have added biodiversity value of \$530 million for New South Wales and \$1.7 billion for all Australians.<sup>352</sup> For koalas specifically, the study insisted that the GKNP will 'be a significant step towards preserving Australia's koala population from the threats of clearing, fragmentation and degradation of habitat, disease, natural disasters, roads, dogs and over-browsing'.<sup>353</sup>

**5.11** Many local stakeholders advocated for the implementation of the GKNP, highlighting the various economic, environmental and social benefits the GKNP.<sup>354</sup> For example, Mr Mark Graham, Manager of Bellingen Nature Company and Bellingen Nature Tours, explained how the end of native forest harvesting and implementation of the GKNP will provide a 'lifeline' to the biodiversity in the forests:

... [T]he proposed great koala national park provides a viable future, not just for koalas but for other species that have declined significantly. Some of them are verging on extinction, such as the greater glider, which has recently been surveyed at 100 sites locally where it was historically known, and it has completely disappeared. The size of the proposal is what will provide a viable lifeline to our globally significant biodiversity. ... As we are seeing increasingly severe fires, droughts and extreme events, having a greater mass of forest provides the best opportunity for securing the future for our globally significant biodiversity.<sup>355</sup>

**5.12** Mr Graham also spoke to the committee about the potential benefits of the GKNP to his local business, stating that he hopes to trade off the GKNP with almost all tourists in the region wanting to see koalas in the wild.<sup>356</sup>

**5.13** Furthermore, the North East Forest Alliance highlighted the region's reliance on the tourism industry and argued that the GKNP was a clear opportunity to attract more tourists to the region and encourage them to stay longer.<sup>357</sup>

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<sup>351</sup> Tabled document, NPA, *Great Koala National Park Economic impact analysis and environmental benefit assessment*, Hunter Research Foundation Centre, University of Newcastle, February 2021, p 2. See also: Evidence, Professor Roberta Ryan, Local Government and Executive Director, Institute for Regional Futures, University of Newcastle, 24 May 2022, pp 2-3.

<sup>352</sup> Tabled document, NPA, *Great Koala National Park Economic impact analysis and environmental benefit assessment*, Hunter Research Foundation Centre, University of Newcastle, February 2021, p 2.

<sup>353</sup> Submission 130, NPA, Attachment 1, p 7.

<sup>354</sup> See for example, Submission 5, North East Forest Alliance, pp 122-124; Submission 164, Name suppressed, p 3; Submission 185, North Coast Environment Council, p 9 and Evidence, Mr Mark Graham, Manager, Bellingen Nature Company and Bellingen Nature Tours, 29 April 2022, p 13.

<sup>355</sup> Evidence, Mr Graham, 29 April 2022, p 13.

<sup>356</sup> Evidence, Mr Graham, 29 April 2022, p 12.

<sup>357</sup> Submission 5, North East Forest Alliance Inc., pp 118-123.

*Scope of the GKNP's economic impact analysis and environmental benefit assessment*

**5.14** In assessing the viability of the proposal, the committee heard from Professor Roberta Ryan, University of Newcastle. In responding to questions on the scope of the study, Professor Ryan acknowledged that there were certain aspects of the timber industry that were either outside the scope of its economic impact assessment or not taken into consideration.<sup>358</sup> For example, the study did not include:

- indirect job losses, rather it focused on direct job losses in native forestry.<sup>359</sup>
- impact on hardwood plantations or private native forestry.<sup>360</sup>
- impact on mills and workers in the region.<sup>361</sup>
- impact on the industry in other regions and associated costs.<sup>362</sup>

**5.15** Professor Ryan also added that considering issues of economic transition would require involving people, ensuring that it is treated as a long-term exercise and recognising the inevitability of some of these things.<sup>363</sup> In addition, Professor Ryan added that some figures were difficult to receive as the study did not secure direct cooperation from the government.<sup>364</sup>

*Stakeholder response to the GKNP*

**5.16** While many inquiry participants supported the proposed GKNP, others, including industry stakeholders, equally opposed its creation, asserting that the park would have a significantly detrimental impact on the industry by limiting timber supply, reducing the longevity of the hardwood industry, and devastating local communities and business that rely on the industry's success.<sup>365</sup>

**5.17** According to Timber NSW, the GKNP will be 'catastrophic for the New South Wales hardwood timber industry' as Wood Supply Agreements (WSA) would need to be cancelled. It referred to a 2019 Ernst and Young study which identified the annual economic impact of the cancellation of the WSAs. The study found that cancellation of the WSAs would result in:

- the loss of 415,000m<sup>3</sup> of harvested hardwood timber every year,
- a significant reduction (50 per cent) of New South Wales hardwood supply,
- the cessation of Forestry Corporation of NSW's (FCNSW) native hardwood harvesting operations on the North Coast of New South Wales,

<sup>358</sup> Evidence, Professor Ryan, 24 May 2022, pp 3-6.

<sup>359</sup> Evidence, Professor Ryan, 24 May 2022, p 5.

<sup>360</sup> Evidence, Professor Ryan, 24 May 2022, p. 3.

<sup>361</sup> Evidence, Professor Ryan, 24 May 2022, pp 3-4.

<sup>362</sup> Evidence, Professor Ryan, 24 May 2022, p 6.

<sup>363</sup> Evidence, Professor Ryan, 24 May 2022, p 4.

<sup>364</sup> Evidence, Professor Ryan, 24 May 2022, p 5.

<sup>365</sup> See for example, Submission 222, Timber NSW, pp. 86-87; Submission 111, Australian Forest Products Association, pp. 4-5; Submission 225, Hurford Groups, p. 20; Evidence, Mr Stephen Dadd, Executive Director, Pentarch Forestry, 29 April 2022, p. 2.

- the loss of \$757 million per annum in economic output,
- the loss of \$292 million in value adding to hardwood timber, and
- the loss of support for 1,871 jobs.<sup>366</sup>

**5.18** Based on this research, Timber NSW concluded that the loss of harvestable hardwood will affect supply chains across Australia, especially as the demand for forest products is expected to increase by 43 per cent by 2040.<sup>367</sup>

**5.19** Other industry stakeholders expressed similar concerns.<sup>368</sup> For example, Hurford Group, a family timber processing company operating in the Northern Rivers, strongly opposed the GKNP, stating that the proposal would significantly impact the North Coast region and the broader supply of domestic timber:

[The GKNP] would badly damage the economics of harvesting native timber on the New South Wales North Coast. In turn that would provide a trigger for the collapse of the broader industry that relies upon supply from that area. The ramifications caused by the associated loss of economic activity and income would be very grave for this north coast ecosystem of interconnected businesses and communities.<sup>369</sup>

**5.20** Beyond the impact on the industry, Mr Stephen Dadd, Executive Director, Pentarch Forestry, contended that the creation of the GKNP 'will offer no appreciable improvements to biodiversity, or in fact, koalas'. To support this view, Mr Dadd cited the study by the NSW Department of Primary Industries (DPI) into the impact of harvesting operations on koalas discussed in chapter 3 which found that selective harvesting operations do not have a detrimental impact on koala habitat and populations. Similarly, the Hurford Group pointed to the DPI study to express a similar view, contending that the GKNP is 'neither necessary for, nor effective to protect koala species in New South Wales'.<sup>370</sup>

**5.21** Meanwhile, the NSW Government shared its perspective on the GKNP in response to questions regarding staffing of the proposed park. The NSW Department of Planning & Environment explained that a full assessment of the ecological, park management, social and economic implications would be required, and noted that, at this stage, an assessment of the management costs and staffing requirements has not been undertaken.<sup>371</sup>

**5.22** Further, in response to questions regarding indirect job losses in the industry if the proposed GKNP were to be implemented, Mr Nick Milham, Group Director, Forestry Policy, Research and Development, DPI, provided insight into the number of jobs in the hardwood sector on the North Coast:

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<sup>366</sup> Submission 222, Timber NSW, pp 86-87.

<sup>367</sup> Submission 222, Timber NSW, p 87.

<sup>368</sup> See for example, Submission 111, Australian Forest Products Association, pp 4-5; Submission 225, Hurford Group, p 20; Evidence, Mr Stephen Dadd, Pentarch Forestry, 29 April 2022, p 2.

<sup>369</sup> Submission 225, Hurford Group, p 20.

<sup>370</sup> Evidence, Mr Stephen Dadd, Pentarch Forestry, 29 April 2022, p 2.

<sup>371</sup> Answers to questions on notice, NSW Department of Planning and Environment, 20 June 2022, p 1.

[T]he estimates provided to us of employment in the hardwood sector up on the North Coast is about 2,600 jobs in that region... That is in the value chain for forestry and first stage processing as well.<sup>372</sup>

- 5.23** Mr Milham added that the figure of 2,600 jobs did not include support services, noting that these types of jobs 'would be on top of that'.<sup>373</sup>
- 5.24** More broadly, the NSW Government outlined current work underway to protect koalas, referring to the NSW Koala Strategy which aims to double koala populations by 2050. The Department of Planning and Environment explained that 'under the Koala Strategy, the NSW Government will invest \$107.1 million over 5 years to fund the protection, restoration and improved management of 47,000 hectares of koala habitat'.<sup>374</sup>

### **Nature-based tourism opportunities**

- 5.25** Another alternative use for native forests raised by stakeholders during the inquiry is for nature-based tourism. The committee received evidence on the various opportunities for nature-based tourism as part of the calls to end native forest harvesting.<sup>375</sup>
- 5.26** For example, the North East Forest Alliance highlighted the economic benefits of nature-based tourism instead of native forest harvesting. They argued that converting a state forest to national park increases recreational use given that this recognition attracts more tourists. Furthermore, the Alliance argued that the economic value of national parks outweighs any short-term economic return from timber harvesting as visitors buy food, fuel and souvenirs, stay in local accommodation and take tours, 'all of which can add up to significant local expenditure and employment'.<sup>376</sup>
- 5.27** Similarly, Birdlife Australia promoted the economic benefits of bird-related tourism in the South Coast region. From their research, they explained that in one year up to \$1.2 million is brought into the region by birdwatching tourists who want to visit 'intact forests and the wildlife that use them'.<sup>377</sup> Furthermore, Mr Sean Dooley, National Public Affairs Manager, Birdlife Australia declared: '[A]ll birds that people know are here and want to come and see. But if they lose those intact mature forests, they will stop coming'.<sup>378</sup>

<sup>372</sup> Evidence, Mr Nick Milham, Group Director, Forestry Policy, Research and Development, NSW Department of Primary Industries (DPI), 24 May 2022, p. 35 and Submission 225, Hurford Group, p 20.

<sup>373</sup> Evidence, Mr Milham, 24 May 2022, p 35.

<sup>374</sup> Answers to questions on notice, NSW Department of Planning and Environment, 20 June 2022, pp 2-3.

<sup>375</sup> See for example: Submission 3, Great Southern Forest Steering Group, p 5; Submission 5, North East Forest Alliance, pp 118-121; Submission 63, Ms Harriet Swift, p 2; Submission 101, Brooman State Conservation Group, pp 18 and 23-24; Submission 103, Ms Naomi Shine, p 3; Submission 188, Hunter Environment Lobby Inc., pp 1-2; Submission 197, Parramatta Climate Action Network, p 1; Submission 198, NCC, p 3 and 18 and Submission 217, Colong Foundation for Wilderness, p 15.

<sup>376</sup> Submission 5, North East Forest Alliance Inc., pp 118-123.

<sup>377</sup> Evidence, Mr Sean Dooley, National Public Affairs Manager, BirdLife Australia, 5 April 2022, p 10. See also: Submission 129, Birdlife Australia, pp 7-8.

<sup>378</sup> Evidence, Mr Sean Dooley, BirdLife Australia, 5 April 2022, p 10.

- 5.28** The committee also heard from stakeholders promoting the benefits of expanding mountain biking trails in State forests, as discussed in the following case study.

#### Case study Mountain biking trails<sup>379</sup>

According to the Nature Conservation Council of NSW (NCC), mountain biking is one of the fastest growing sports in Australia, being well established in communities with significant forest estates. For the NCC, expansion of trails and infrastructure for mountain biking offers the NSW Government and local communities the opportunity to construct recreational tracks that respect local ecology and take advantage of State forests in a new way.

The NCC cited figures from Eurobodalla Council that new mountain biking trails have the potential to draw in tourists from further afield and bring money into regional towns – the proposed Mogo Adventure Trails Hub, a 155km trail network in Mogo State Forest in the Eurobodalla Shire, being an example of this. NCC believes that the Trails Hub network in Mogo has the 'potential to attract 45,000 visitors to Eurobodalla in its first year of operation, resulting in an estimated \$11.8 million injection to the local economy'.

Supporting the proposal for a mountain biking hub in Mogo, Friends of the Forest (Mogo) feel that such an investment is compromised if FCNSW maintain the right to harvest the forest at any time. Mr Nick Hopkins, Friends of the Forests (Mogo) said that: '[I]f you are a mountain biker, you would like to cycle through, presumably, as pristine a coastal forest as possible. You do not want to go through an area that has just been logged in the last few years, with debris everywhere and canopy gone.'

- 5.29** While a number of stakeholders believed that tourism-based opportunities could not be pursued alongside timber and forestry operations, numerous inquiry participants expressed that such opportunities are indeed compatible with supporting the timber industry. For instance, Mr Anthony McMahon, Acting Chief Executive Officer of Bega Valley Council supported tourism opportunities in native forests but also considered that such opportunities can happen alongside forestry operations. During the hearing, Mr McMahon argued that:

They [tourism and forest harvesting] are not mutually exclusive; they can cohabit and work together provided that the forestry industry does not impede on those natural areas and that there is that barrier between where the industry is happening and the people who are trying to experience the natural environment.<sup>380</sup>

- 5.30** Others, such as the Australian Forest Products Association, disputed the view that converting State forests to national parks will have greater benefits for tourism and in turn the economy. They argued that State forests in New South Wales play a 'unique role' as many of the recreational activities that attract tourists to the region, are not permitted in national parks.<sup>381</sup>

<sup>379</sup> Submission 198, NCC, pp 18-19 and Evidence, Mr Nick Hopkins, Community Liaison Officer, Friends of the Forest, Mogo, Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc., 5 April 2022, p 17. This case study is based on the content of this submission and evidence.

<sup>380</sup> Evidence, Mr Anthony McMahon, Acting Chief Executive Officer, Bega Valley Shire Council, 5 April 2022, p 5.

<sup>381</sup> Submission 111, Australian Forest Products Association, p 2.

- 5.31** FCNSW shared a similar position, noting that part of its role is to manage 'multiple use forests' which includes managing forests for conservation, protection of Aboriginal cultural heritage, provision of community access and recreation facilities, and facilitation of tourism opportunities.<sup>382</sup> Mr Dean Kearney, Senior Manager Planning, FCNSW, observed:

I am not sure there is much you can do in a national park that you cannot do in a state forest, but it would be actually the other way around. There is a whole range of activities that are allowable on a state forest that are not allowable in a national park.<sup>383</sup>

## Supporting timber as the 'ultimate renewable'

- 5.32** Beyond securing timber supply and longevity of the timber and forest products industry moving forward, numerous stakeholders discussed a future where timber is recognised as the 'ultimate renewable'. Indeed, industry participants drew attention to the role of timber and forest products in contributing to the carbon market and Australia's target of net zero emissions. This next section will explore the views of stakeholders on carbon sequestration, and biomass and wood-waste products, as well as support for the industry to actively take up opportunities in innovation.

### Carbon sequestration

- 5.33** Stakeholders across the board agreed that forests play an important role in sequestering carbon. However, the extent and way in which it plays that role was debated amongst inquiry participants. As the Institute of Foresters of Australia and Australian Forest Growers stated:

Forests clearly play an important role in mitigating the concentration of greenhouse gases in the atmosphere, by removing (sequestering) carbon dioxide through photosynthesis, particularly in actively growing regrowth forests, and storing carbon in 'forest carbon stocks'.<sup>384</sup>

- 5.34** For example, the Environmental Defenders Office agreed that forests sequester carbon, both within trees and in the soil. However, they argued that the removal of trees 'releases carbon into the atmosphere, both in the short term through the immediate removal of trees, and in the long term as soil organic carbon continues to decline as the roots and other material break down'.<sup>385</sup>

- 5.35** Brooman State Forests Conservation Group also countered the impact of carbon sequestration when trees are harvested, in particular the value of storing carbon in older trees compared to younger trees. The Group asserted that:

70 per cent of the carbon storage potential in a tree is realised in the last half of its life ... In logged State forests, most trees will never reach maturity. This means that the carbon value of regrowing logged forests is far less than a mature forest.<sup>386</sup>

<sup>382</sup> Evidence, Mr Dean Kearney, Senior Manager Planning, FCNSW, 1 December 2021, p 12.

<sup>383</sup> Evidence, Mr Dean Kearney, Senior Manager Planning, FCNSW, 24 May 2022, p 15.

<sup>384</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 35.

<sup>385</sup> Submission 189, Environmental Defenders Office (EDO), pp 5-6.

<sup>386</sup> Submission 101, Brooman State Forests Conservation Group, p 22.

- 5.36** In support of this view, the NCC maintained that older forests store more carbon and in particular, unlogged temperate forests, which stores 40 to 55 per cent more carbon than logged forests. The Council added that 'large old growth sequester carbon at three times the rate of smaller, younger trees'.<sup>387</sup>
- 5.37** Furthermore, stakeholders were alarmed about the impacts of releasing carbon following timber harvesting arguing that 'destroying' forests releases carbon that has been stored over the lifetime of the tree which contributes to climate change.<sup>388</sup> Indeed, the Clarence Valley Conservation Coalition declared that ceasing native forest harvesting would be more beneficial in meeting net zero emissions targets.<sup>389</sup> The impacts of native forestry operations on climate change are discussed in further detail in chapter 3.
- 5.38** Other stakeholders, however, highlighted that carbon is also stored in finished timber, paper and wood products after harvesting, which in turn contributes towards net zero.<sup>390</sup> As illustrated by the Australian Forest Products Association, they claimed that the carbon stored in wood products, 'both minimises carbon losses from future bushfires and produces renewable, low emissions materials'. The Association also disputed claims that a reduction in timber harvesting sequesters more carbon as it:
- [I]gnores the stored carbon from the timber and paper products produced, and the substitution that would occur with imported wood and paper products from countries that do not have the stringent environmental protections and sophisticated forest managements practices that are in place in Australia.<sup>391</sup>
- 5.39** Given the environmental benefits of carbon sequestration, stakeholders raised the opportunity for the industry to participate in the carbon market.<sup>392</sup> The Institute of Foresters of Australia and Australian Forest Growers emphasised that 'a market for carbon sequestration is attractive as it provides a revenue stream' for the industry.<sup>393</sup> Indeed, the same stakeholders considered that these opportunities in the carbon market would incentivise the uptake in establishing plantations, as outlined in chapter 2.
- 5.40** Notwithstanding, some stakeholders considered that there are current barriers to the opportunities for industry to participate in the carbon market such as the regulatory complexity, cost and inflexibility of the current carbon standards and schemes.<sup>394</sup> As argued by the Institute of Foresters of Australia and Australian Forest Growers, these barriers make participation

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<sup>387</sup> Submission 198, NCC, p 21.

<sup>388</sup> Submission 184, Clarence Valley Conservation Coalition Inc., p 2 and Submission 198, NCC, p 21.

<sup>389</sup> Submission 184, Clarence Valley Conservation Coalition Inc., p 2.

<sup>390</sup> See for example: Submission 68, Softwoods Working Group, p 6; Submission 111, Australian Forest Products Association, p 15 and Submission 224, Australian Workers Union and CFMEU Manufacturing Division (AWU and CFMEU), pp 381-382.

<sup>391</sup> Submission 111, Australian Forest Products Association, p 15.

<sup>392</sup> See for example: Submission 68, Softwoods Working Group, pp 6-7; Submission 111, Australian Forest Products Association, p 11; Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 23 and Submission 224, AWU and CFMEU, p 41.

<sup>393</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 23.

<sup>394</sup> Submission 68, Softwoods Working Group, p 7; Submission 223, Institute of Foresters of Australia and Australian Forest Growers, p 28 and Submission 233, Pentarch Forestry, p 3.

difficult and expensive and have called the NSW Government to streamline and simplify carbon policies.<sup>395</sup>

### **Biomass and wood-waste products**

**5.41** Stakeholders also discussed the various opportunities in using timber and forest products considered as waste, such as bioenergy and other innovative uses of wood waste. As Timber NSW recognised, there are 'opportunities to create value' in such waste products.<sup>396</sup> The following section examines stakeholder views on these opportunities, noting the concerns raised by some about environmental impacts in this context.

**5.42** For example, in discussing waste products, some stakeholders questioned the benefits of the use of timber and forest products for bioenergy.<sup>397</sup> The NCC declared that 'bioenergy is the worst of both worlds' asserting that the burning of timber for energy is more carbon intensive than burning coal.<sup>398</sup> Mr Chris Gambian, Chief Executive, Nature Conservation Council cautioned the use of bioenergy:

The idea that you can burn something within a matter of minutes or seconds that takes potentially a hundred years or more to regrow completely gets wrong the idea that somehow we have a clean energy source or a carbon neutral energy source. It is simply not the case ... you may burn the timber from a particular tree but you kill the tree in the process, and so the root system and all of the other stores of carbon are suddenly no longer there for us.<sup>399</sup>

**5.43** Similarly, Professor Brendan Mackey, Director, Griffith Climate Action Beacon, Griffith University, opposed the view that burning forest biomass for energy is 'carbon neutral' or 'climate friendly'. In his submission, Professor Mackey explained the effect of using biomass as biofuel, stressing that:

[T]he emissions from burning biomass are instantaneous, but their removals from atmosphere are not. Rather, there is a significant time lag with the critical factor being the "cumulative net emissions", i.e., the additional CO<sub>2</sub> emitted and accumulated in the atmosphere by burning biomass over time compared to its alternative fate of being left to remain incorporated into the forest ecosystem, including the component which is incorporated into the soil carbon pool.<sup>400</sup>

<sup>395</sup> Submission 223, Institute of Foresters of Australia and Australian Forest Growers, pp 29-30.

<sup>396</sup> Submission 222, Timber NSW, p 151 and 153.

<sup>397</sup> See for example: Submission 3, Great Southern Forest Steering Group, p 5; Submission 184, Clarence Valley Conservation Coalition, pp 1-2; Submission 185, North Coast Environment Council, p 12; Submission 198, NCC, p 21.

<sup>398</sup> Submission 198, NCC, p 21.

<sup>399</sup> Evidence, Mr Chris Gambian, Chief Executive, NCC, 28 September 2021, p 15.

<sup>400</sup> Submission 229, Professor Brendan Mackey, Director Griffith Climate Action Beacon, Griffith University, p 2.

**5.44** However, other participants highlighted the opportunities in expanding the uses of wood-waste products and biomass for bioenergy.<sup>401</sup> In their submission, the Australian Forest Products Association argued that given the high amount of energy that timber processors use, its costs in energy distribution and access to energy supply, could be leveraged from its timber processing activities (such as sawdust, timber offcuts and forestry waste). The Association further elaborated:

[O]ur timber industry produces a large amount of sustainable biomass from timber processing and paper manufacturing operations. However, only some of it is being utilised in local or regional bioenergy facilities, or as wood pellets that are exported overseas as a source of renewable energy.<sup>402</sup>

**5.45** In addition, Timber NSW highlighted the benefits of creating new markets for wood-waste products as it would lead to increased forest productivity, better timber utilisation and reduce fire risk.<sup>403</sup> Furthermore, Timber NSW asserted that the use of bioenergy can support the industry to make the shift from fossil fuel dependence to affordable, secure renewable energy investments that reduce greenhouse emissions and also help sustain manufacturing operations, providing much needed investment and regional jobs.<sup>404</sup>

**5.46** Furthermore, the committee heard of other innovative uses of wood waste products such as opportunities in biochar and manufacturing recycling programs. The following case studies capture these efforts as championed in different parts of the state.

#### **Case study - Wood waste and crop residue opportunities by the Western Murray Land Improvement Group (WMLIG)<sup>405</sup>**

The Western Murray Land Improvement Group (WMLIG) is a key collective of local community stakeholders including government agencies, indigenous groups and forest industry stakeholders, based in Barham, NSW. The town is located near the Koondrook-Perracoota State Forest, which is the second-largest red gum forest in Australia.

The WMLIG spoke about the significant economic contribution that the red gum timber industry makes to the region, employing approximately 100 people full-time, directly investing around \$30 million a year in the region and has a flow-on effect worth \$20 million annually to the local economy.

It was told that a key opportunity in the region is the use of wood waste providing a valuable add-on to the industry including the potential to contribute to direct and in-direct socio-economic and environmental benefits. According to the WMLIG, several hundred tonnes of wood waste come from the Red Gum Timber Industry and is currently used for agricultural compost which reduces the reliance of chemical fertilisers.

<sup>401</sup> See for example: Submission 222, Timber NSW, p 151; Submission 111, Australian Forest Products Association, p 14 and Submission 223, Institute of Foresters of Australia and Australian Forest Growers, pp 23-24.

<sup>402</sup> Submission 111, Australian Forest Products Association, p 14.

<sup>403</sup> Submission 222, Timber NSW, pp 151-152.

<sup>404</sup> Submission 222, Timber NSW, p 154.

<sup>405</sup> Submission 234, Western Murray Land Improvement Group (WMLIG), pp 5 and 14 and Submission 234a, WMLIG, p 3. This case study is based on the content of these submissions.

WMLIG proposes to explore the opportunities in using wood waste use as crop residue as feedstock for biochar production and by-products. Biochar, is a form of residual black carbon derived from the thermo-chemical decomposition of renewable biomass feedstock such as wood, crop residues, manures or leaves. Biochar could be used as soil conditioner for agriculture and as livestock feed which 'improves feed conversion efficiency, production and reduce methane emissions'.

There are both environment and economic benefits in this opportunity for biochar, as indicated by WMLIG. They estimate benefits of \$43-\$102 million per year including an increase of employment in the region. Furthermore, WMLIG spoke about the environmental benefits in this opportunity as the investment in biochar has the potential to reduce greenhouse gas emissions via carbon sequestration, emissions reduction (e.g. livestock feed additives) and emissions avoidance measures (in the case of finding alternatives to crop residue field burning).

#### **Case study - Borg Manufacturing<sup>406</sup>**

Mr Jim Snelson is the CEO of Borg Manufacturing, a manufacturing company with a fibre processing facility in Oberon that produces 40 per cent of Australia's particle board needs. For Mr Snelson, the forest products industry is 'sustainable and ... aligned to the principles of the circular economy. It's renewable and it's recyclable'.

To demonstrate, Mr Snelson detailed Borg's reDirect Recycling program, which reuses fibre and particle board offcuts to make new particle board.

He explained that the program takes fibre offcuts from frame and truss companies and other customers rather than the product going to landfill: '[W]e have a series of bins that we place out in the marketplace... we collect that product and we bring that back to Oberon. We reprocess that product, decontaminate it of any contaminants in there, break it down again, flake it and then make particle board out of it again'.

Reflecting on Borg's commitment to the circular economy, Mr Snelson added that Borg has 'Australia's largest rooftop installation of solar panels' and a 'complex water recycling program' that collects and recycles water from the site after using it for processing wood fibre.

## **Further opportunities to support the timber and forest products industry**

- 5.47** Many stakeholders expressed the view that the industry is at the forefront of addressing the many challenges it is facing through industry innovation, opportunities in forest certification and opportunities for multiple uses of the forest estate.

<sup>406</sup> Evidence, Mr Jim Snelson, Chief Executive Officer, Borg Manufacturing, 24 May 2022, pp 23-25. This case study is based on the content of this evidence.

**Industry innovation**

- 5.48** Industry participants discussed the pursuit of greater industry innovation and its contribution to the long-term longevity of the sector. For example, according to Forestry Australia, changes in tree species mix, availability, product mix, age and log size has driven industry innovation. Forestry Australia added that finding alternative uses for, and adding value to, non-favoured species, odd sizes and what would have previously been a waste product has become more commonplace as part of timber processing, manufacturing and sourcing for construction.<sup>407</sup>
- 5.49** Similarly, the committee heard that the industry across the supply chain is adopting and looking to other opportunities to address available supply.<sup>408</sup> For instance, Timber NSW reported that to overcome the limited supply of hardwood, 'softwood products have made considerable inroads into structural markets that have been the traditional domain of native hardwood ... through the production of engineered wood products and the treating of softwood timber to make it suitable for outdoor use'.<sup>409</sup>
- 5.50** Along the same lines, industry stakeholders also predicted that the new ways of construction will become more common, with many applying these efficient methodologies by mixing common building materials and engineered timber products such as Medium Density Fibreboard (MDF), Laminated Veneer Lumber (LVL) and Cross-laminated Timber (CLT).<sup>410</sup>
- 5.51** According to the Institute of Foresters Australia and Australian Forest Growers, engineered wood products utilise wood more effectively than solid timber products. The Institute further explained that 'laminated beams carry greater loads in longer spans than equivalent end-sections in sold timber and exhibit minimal lifecycle analysis [method of assessing environmental impacts] values when compared with aluminium, steel and masonry'. The Institute further considered that this would create future opportunities to meet supply and demand constraints.<sup>411</sup>
- 5.52** In support of this evidence, some stakeholders highlighted examples where engineered timber has been used in building structures such as multi-use residential and high-rise buildings that traditionally rely on non-timber materials.<sup>412</sup>
- 5.53** The Housing Industry Association also added that the building industry has been looking for new ways to streamline building processes and save time on site. These include increased use of modular, off-site and systems-base construction of walls, floor, frame and trusses which includes the use of timber materials.<sup>413</sup>

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<sup>407</sup> Answers to questions on notice, Forestry Australia, 2 November 2021, p 12.

<sup>408</sup> Submission 122, Housing Industry Association, p 5; Submission 222, Timber NSW, p 5; Submission 223, Institute of Foresters and Australian Forest Growers, pp 9-10 and Evidence, Dr Brad Smith, Campaigns Director, NCC, 28 September 2021, pp 17-18.

<sup>409</sup> Submission 222, Timber NSW, p 97.

<sup>410</sup> See for example: Submission 122, Housing Industry Association, p 5; Submission 222, Timber NSW, pp 144-146.

<sup>411</sup> Submission 223, Institute of Foresters and Australian Forest Growers, pp 9-10.

<sup>412</sup> See for example: Submission 122, Housing Industry Association, p 5; Submission 222, Timber NSW, pp 144-146; Submission 111 Australian Forest Products Association, p 13.

<sup>413</sup> Submission 122, Housing Industry Association, p 5

**5.54** Dr Brad Smith, Campaigns Director, NCC also reflected on the impact of technology on timber consumption, commenting on the construction of houses and the reduced hardwood required because of technology change, whereby the industry is becoming more productive and more efficient.<sup>414</sup>

### **Opportunities in forest certification**

**5.55** Forest certification was also raised as an opportunity for the industry to balance environmental concerns and contribute to a 'social license' for the industry to operate. Linked to this were discussions regarding the need for increased certification in private native forestry. The following section examines the role and effectiveness of forest certification and explores avenues available to increase certification in private native forestry.

**5.56** Forest certification is a voluntary process for forest managers and owners to demonstrate the implementation of sustainable forest management practices. Both native forests and plantations can be certified, and this includes an audit being undertaken by an independent third-party certification body to assess the forest management practices of a forest manager or owner against the standard for certification.<sup>415</sup>

**5.57** In Australia, there are two schemes that provide for legal and sustainable forest management:

- Responsible Wood Certification Scheme (RWCS): The scheme is administered by Responsible Wood and is endorsed under the internationally recognized Programme for the Endorsement of Forest Certification (PEFC) which is underpinned by Australian Standards for sustainable forest management.<sup>416</sup>
- Forest Stewardship Council certification (FSC): The scheme is administered by the Forest Steward Council which is in accordance with a set of standards developed to 'promote environmentally appropriate, socially beneficial and economically viable forest management'.<sup>417</sup>

**5.58** According to Responsible Wood, approximately 16 million hectares of Australia's public and private forestry estate is certified as being sustainably managed under the RWCS, including forests managed by FCNSW.<sup>418</sup>

**5.59** Separately, FSC certification in Australia can be applied to native forests and plantations, with plantations contributing to most of the FSC certified forest area.<sup>419</sup>

<sup>414</sup> Evidence, Dr Brad Smith, 28 September 2021, pp 17-18.

<sup>415</sup> Australian Government, Department of Agriculture, Fisheries and Forestry, *Forest Certification in Australia*, <https://www.agriculture.gov.au/agriculture-land/forestry/australias-forests/certification>.

<sup>416</sup> Responsible Wood have developed two Australian Standards for sustainable forest management: Sustainable Forest Management (AS 4708) and Chain of Custody (AS 4707), which provides the mechanisms for tracking and traceability of forest products in the market back to source to verify that they come from a sustainable, managed forest (Evidence, Mr Simon Dorries, Chief Executive Officer, Responsible Wood, 29 September 2021, p 11).

<sup>417</sup> Evidence, Mr Damian Paull, Chief Executive Officer, Forest Stewardship Council (Australia and New Zealand), p 10.

<sup>418</sup> Submission 4, Responsible Wood, p 1 and Submission 19, NSW Government, p 6.

<sup>419</sup> Evidence, Mr Paull, 29 September 2021, p 10.

- 5.60** Inquiry participants discussed the current status of certification schemes in the industry, and the shift towards applying more certification in timber and forest products.<sup>420</sup> For example, Bunnings detailed their 'Responsible Timber Sourcing Policy', requiring all of their products to be sourced sustainably and responsibly across the supply chain through certification (either with FSC or RWSC). Mr Adam Morton, Category Manager – Timber, Doors and Windows, Bunnings, stated that a certification policy is 'incredibly important to ensure a sustainable long-term source of material, particularly when we look at areas that are highly contentious around biodiversity or endangered species or other high conservation values'.<sup>421</sup>
- 5.61** Mr Stephen Dadd, National General Manager – Building Products, Boral, noted the importance of the certification standards in Australia given the reliance on imports to meet supply needs:
- We know and we understand the real risks we have in sourcing timber from those areas when you look at the devastating deforestation and illegal logging issues. I think our front line is rigorous certification standards.<sup>422</sup>
- 5.62** However, some stakeholders agreed that certification can be complex and challenging to achieve.<sup>423</sup> Mr Morton, Bunnings commented that this is particularly the case for smaller suppliers having to work through the certification process.<sup>424</sup> Also, Timber NSW advised that the 'take-up [of certification] by private landholders has been slower'.<sup>425</sup>
- 5.63** Additionally, some inquiry participants drew distinctions between the two schemes and their effectiveness in delivering better outcomes for the environment. In particular, Mr Damian Paull, Chief Executive Officer, FSC Australia and New Zealand, emphasised that certification, particularly the FSC scheme has 'broader support from the environmental movement ... because they see the FSC standard as delivering on some outcomes that they do not believe occurs with other certification schemes'.<sup>426</sup>
- 5.64** Professor Gibbons, Fenner School of Environment and Society, Australian National University highlighted that FCNSW do not operate under FSC certification and declared that: 'FSC is the gold standard for certification of the timber industry globally... It really does assist with a social license for timber harvesting in native forests in New South Wales'.<sup>427</sup>

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<sup>420</sup> See for example, Submission 4, Responsible Wood, pp 2-3; Evidence, Mr Adam Morton, Category Manager – Timber, Doors and Windows, Bunnings, 29 September 2021, p 7; Evidence, Mr Stephen Dadd, National General Manager – Building Products, Boral, 29 September 2021, p. 7; Evidence, Mr Paull, 29 September 2021, p. 10 and Evidence, Mr James Felton-Taylor, Director, Australian Sustainable Timbers, 29 September 2021, p. 11.

<sup>421</sup> Evidence, Mr Morton, 29 September 2021, p. 7.

<sup>422</sup> Evidence, Mr Dadd, Boral, 29 September 2021, p. 7.

<sup>423</sup> Evidence, Mr Morton, 29 September 2021, p. 7 and Evidence, Mr Dadd, Boral, 29 September 2021, p. 7.

<sup>424</sup> Evidence, Mr Morton, 29 September 2021, p. 7.

<sup>425</sup> Submission 222, Timber NSW, p. 61.

<sup>426</sup> Evidence, Mr Paull, 29 September 2021, p. 16 and 28.

<sup>427</sup> Evidence, Professor Philip Gibbons, Associate Director of Higher Degree Research, Fenner School of Environment and Society, Australian National University, 29 September 2021, p. 28.

- 5.65** Professor David Lindenmayer, Australian National University, added that the 'way that FSC is structured, through the environment chamber and the economics chamber and the social chamber, [it] aims to create more social license to operate'.<sup>428</sup>
- 5.66** However, Mr Dean Kearney, FCNSW considered that the RWCS is 'quite similar' in many respects to the FSC standard, advising that most of their customers require RWCS and are also internationally recognised under the PEFC. Mr Kearney added that 'we have our standard that we apply and I believe it is a robust standard'.<sup>429</sup>

***Private native forestry certification***

- 5.67** As noted above, stakeholders advised there has been a slower 'take-up' of forest certification by private landholders, in particular, in private native forestry. As such, some inquiry participants drew attention to both the need and opportunity for the government to increase PNF certification.<sup>430</sup>
- 5.68** Responsible Wood, for example, believed that the lack of certification for PNF owners will impede future opportunities such as market access. To support this view, they pointed to Bunnings' policy that excludes non-certified products from their supply chain, noting that this policy is 'already significantly impacting several New South Wales suppliers'.<sup>431</sup>
- 5.69** Reflecting on his own experience in PNF certification, the committee heard from Mr James Felton-Taylor, Director of Australian Sustainable Timbers, a timber processing company in the lower North Coast and Hunter region of New South Wales. As the first company to achieve FSC certification, Mr Felton-Taylor shared about the process to become FSC certified and its benefits to the business. The following case study explores this evidence.

**Case study - Australian Sustainable Timbers<sup>432</sup>**

Australian Sustainable Timbers is a forest management planning, harvesting and milling company that produces appearance grade products such as flooring and decking and green sawn timber. They also operate a group scheme where they manage private landholders in their process to FSC certification.

In 2007, they were the first company in Australia to achieve FSC certification in private native forest. Mr Felton-Taylor, Australian Sustainable Timbers were 'trailblazers' in the industry because there 'was nothing before or in front of us to give us guidance as to the process forward'. He explained that at that point in time, FSC did not have an Australian Standard so Australian Sustainable Timbers had to tailor the international standard to the Australian context.

Despite little guidance in the Australian context and the costs associated with the process, Mr Felton-Taylor has felt the FSC certification process has been beneficial for the company as it has allowed them

<sup>428</sup> Evidence, Professor David Lindenmayer, Professor of Ecology, Fenner School of Environment and Society, Australian National University, 29 September 2021, p 28.

<sup>429</sup> Evidence, Mr Kearney, 1 December 2021, pp 13-14.

<sup>430</sup> Submission 4, Responsible Wood, p 2 and Submission 222, Timber NSW, p 61.

<sup>431</sup> Submission 4, Responsible Wood, p 2.

<sup>432</sup> Evidence, Mr Felton-Taylor, 29 September 2021, pp 11, 13-14.

to maintain the company since 2007. He explained that as businesses now strive for sustainability, FSC certification has allowed his company to access large commercial projects: 'It does a lot of the marketing for us because obviously people come looking for the certification system'.

- 5.70** During the inquiry, inquiry participants called for the NSW Government to further support and incentivise private native forest certification.<sup>433</sup> For example, Timber NSW submitted that Local Land Services (LLS) could amend the PNF approval process to 'package' and 'streamline' the process of compliance with RWSC. This would involve an extension of the approved PNF Plan period from 15 years to 30 years, pushing 'more investment in PNF and better forestry practices over the long term'.<sup>434</sup>
- 5.71** Moreover, Responsible Wood called for continued support in providing cost-effective systems for PNF certification, calling for 'a strong policy commitment to use certification as means to demonstrate sustainable and responsible management of private native forestry'.<sup>435</sup>
- 5.72** To illustrate, Responsible Wood advocated for the funding of pilot projects around the certification of private native forest, in particular group certification schemes that involve private native forest growers coming together to operate a combined forest management program that collectively offsets certification costs.<sup>436</sup> Mr Simon Dorries, Chief Executive Officer, Responsible Wood, explained to the committee how this would operate and the benefits of such a scheme:

When it comes to private forest growers, if they can establish collaborative groups, where a group of forest growers were to come together and to operate a combined forest management scheme, with enough scale it is possible then to bring in professional foresters who will assist with the management planning, with biodiversity assessments, some of the monitoring requirements required by certification. I suppose the pilot program that I am thinking is to really provide an incentive for those groups to establish and show that they are actually cost-effective and economically viable.<sup>437</sup>

### **Multiple uses of State forests**

- 5.73** Some inquiry participants advocated for multiple uses of State forests, as promoted by the community consultation model adopted by the Western Murray Land Improvement Group (WMLIG).<sup>438</sup>
- 5.74** As noted in an earlier case study, the WMLIG is a collective of local community stakeholders, including government agencies, indigenous groups and forest industry stakeholders, based in the Barham near the Koondrook-Perracoota State Forest. Its purpose is to facilitate the community's agreed approach to the management model and future uses of the Koondrook-

<sup>433</sup> Submission 4, Responsible Wood, pp 2-3; Submission 222, Timber NSW, pp 61-62 and Evidence, Mr Dorries, 29 September 2021, p 11.

<sup>434</sup> Submission 222, Timber NSW, p 62.

<sup>435</sup> Submission 4, Responsible Wood, p 2. See also: Evidence, Mr Dorries, 29 September 2021, pp 11-12.

<sup>436</sup> Submission 4, Responsible Wood, p 2.

<sup>437</sup> Evidence, Mr Dorries, 29 September 2021, p 18.

<sup>438</sup> Submission 234, WMLIG) p 4.

Perracoota State Forest, namely 'a healthy working forest where native species can flourish and where local communities can connect and co-manage the forest for future generations'.<sup>439</sup>

- 5.75** In its submission to the inquiry, the WMLIG highlighted various impacts on the region following increased government reform, such as the Murray Darling Basin water reform process and the conversion of State forest estate to national parks.<sup>440</sup>
- 5.76** WMLIG called for 'striking a balance between job retention and creation, community benefit and environmental reform and ongoing innovation' which they argued could be achieved by a 'cooperative approach' between government and the community actively managing multiple uses in forest estate, such as the Koondrook-Perracoota State Forest and surrounds.<sup>441</sup>
- 5.77** For example, WMLIG drew attention to its various projects and initiatives, such as the rehabilitation of forest areas including Swan Lagoon and Pollack Swamp, managing watering events and native fish recovery, pest and weed management and eco-tourism in Koondrook-Perracoota State Forest.<sup>442</sup>

## Role of the NSW Government

- 5.78** During the inquiry, the NSW Government emphasised its commitment to driving sustainable growth across New South Wales forestry industries and advised that it has put in place a number of programs to help promote productivity, best practice and growth in the industry.<sup>443</sup> This section considers these efforts, including the NSW Forestry Industry Roadmap, as well as stakeholder views on the NSW Government's role in providing support for the industry, from streamlining current regulation to investment in research and development to the creation of industry advisory groups.

### NSW Forestry Industry Roadmap

- 5.79** Developed in 2016, the NSW Forestry Industry Roadmap is the NSW Government's strategic action plan 'to build a stronger, more competitive and ecologically sustainable forest industry'.<sup>444</sup> The NSW Government advised that the Roadmap remains the whole of government strategy for the industry, focusing on four key 'priority pillars':
- Regulatory modernisation and environmental sustainability
  - Balancing supply and demand
  - Community understanding and confidence
  - Industry innovation and new markets.<sup>445</sup>

<sup>439</sup> Submission 234, WMLIG, p 3.

<sup>440</sup> Submission 234, WMLIG, p 5.

<sup>441</sup> Submission 234, WMLIG, p 4.

<sup>442</sup> Submission 234, WMLIG, p 16-18 and 26.

<sup>443</sup> Submission 19, NSW Government, p 17.

<sup>444</sup> Submission 19, NSW Government, p 15.

<sup>445</sup> Submission 19, NSW Government, p 15.

**5.80** The committee received evidence on the delivery of this strategy, noting a number of projects the NSW Government informed have been delivered, including:

- the commencement of a new Coastal Integrated Forestry Operations Approvals (IFOA) following the Natural Resources Commission review
- a streamlined legislative and regulatory framework for native forestry on both public and private land
- the renewal of three NSW Regional Forestry Agreements
- funding for mapping Threatened Ecological Communities in coastal State forests
- a review of coastal native wood supply agreements
- investigation of barriers to investment in new softwood and hardwood plantations.
- Commencement of new PNF codes.<sup>446</sup>

**5.81** The NSW Government also advised of ongoing projects, such as:

- Statutory review of the Plantations and Reafforestation Act and Code, completed and currently under Ministerial consideration
- the review and remake of Forestry Regulation, to be remade by 1 September 2022
- a review of the IFOAs for Brigalow-Nandewar and South-west Cypress and Riverina Red Gum, currently pending
- working with industry to resolve north coast WSA concerns, including WSA extension
- the funding of \$7.2 million for improved forest monitoring, building community trust and supporting rollout of IFOA and RFA reporting
- the funding of \$4.6 million for training and certification to improve the environmental performance of forestry contractors
- research on how koalas respond to native forestry in north coast State forests, as part of the NSW Koala Strategy
- the rollout of the \$34 million Forest Industries Innovation Fund (FIIF) loan scheme, providing long-term low-interest loans to projects that contribute to supporting industry innovation and the exploration of new markets for forest products
- the delivery of a further \$2.2 million program to expand threatened ecological community mapping.
- the 12-month health check of the Coastal IFOA, currently pending.<sup>447</sup>

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<sup>446</sup> Submission 19, NSW Government, p 15 and Answers to questions on notice, Local Land Services, 6 June 2022, p 1.

<sup>447</sup> Submission 19, NSW Government, pp 15-16 and Answers to Questions on Notice, DPI, 14 June 2022, p 4.

### Industry advisory groups

- 5.82** The committee received evidence that, following the Forest Industries Taskforce established in 2012, two advisory groups were installed to continue to provide guidance on the Forestry Industry Roadmap – the Softwood Industry Advisory Group and the Hardwood Industry Advisory Group.<sup>448</sup>
- 5.83** During the hearing, Mr Nick Milham, Group Director, Forestry Policy, Research and Development, DPI, explained that the groups consulted with the NSW Government in relation to recent events affecting the industry, such as the impact of the 2019/20 bushfires and the best forms of recovery support as well as the impact of the COVID-19 pandemic.<sup>449</sup>
- 5.84** Mr Milham advised that these groups are 'informal advisory groups' and were established by the Minister (then Deputy Premier) for the Minister's consultation purposes.<sup>450</sup> He gave evidence that the groups most recently met with the Minister for Agriculture in June 2022 but before that had last met in August 2020.<sup>451</sup>
- 5.85** Notwithstanding these groups, the Australian Workers' Union and the CFMEU – Manufacturing Division claimed that there is a lack of industry collaboration with government in discussing the challenges that the industry faces and providing policy advice to assist the industry. They called for establishing a Forest Industry Advisory Council to address 'industry supply challenges, initiatives and an ongoing dialogue between industry, workers and the NSW Government'.<sup>452</sup>
- 5.86** Sharing this view, Mr Steve Dobbyns, Member, Institute of Foresters of Australia and Australian Forest Growers, acknowledged that the concept of a council had been trialled in the past, through the advisory groups – which he described as a 'useful forum' – but observed that they have not been active over the last couple of years. Mr Dobbyns stated that to reinvigorate such a forum would be 'certainly welcome':

[The council] was quite a useful forum for information flow to and from government, and also it was instrumental in setting up or informing on the New South Wales Forestry Industry Roadmap several years ago. So reinvigorating something like the forest industry task force would be certainly welcome in New South Wales.<sup>453</sup>

### Government funding to support innovation

- 5.87** As mentioned above, \$34 million was allocated by the NSW Government over four years to establish a loans scheme to promote innovation, productivity and growth in the forest and forest products industries, known as the Forest Industries Innovation Fund loan scheme. Since

<sup>448</sup> Submission 19, NSW Government, pp 16-17.

<sup>449</sup> Evidence, Mr Nick Milham, Group Director, Forestry Policy, Research and Development, DPI, 24 May 2022, p 42.

<sup>450</sup> Evidence, Mr Milham, 24 May 2022, p 42.

<sup>451</sup> Answers to questions on notice, DPI, 14 June 2022, p 5.

<sup>452</sup> Submission 224, AWU and CFMEU, p 16.

<sup>453</sup> Evidence, Mr Steve Dobbyns, Member, Institute of Foresters of Australia and Australian Forest Growers, 29 September 2021, p 39.

launching the Scheme in October 2018, seven projects have been approved totalling approximately \$11.3 million. The NSW Government advised that following a recent increase in the loan cap (from \$3 million to \$5 million), the Scheme had remained open, with the NSW Government calling for project proposals.<sup>454</sup> At the time of writing, it is understood that applications to the Scheme are now closed.<sup>455</sup>

**5.88** Even so, the Australian Forest Products Association argued that government investment in the industry's research and development (R&D) has declined over the past 20 years. The Association attributed this to the downsizing and restructuring of R&D within many state and federal research agencies and urgently called for a 'national strategy for forest industries in R&D'.<sup>456</sup>

**5.89** Similarly, Dr Stuart Blanch, Senior Manager, Towards Two Billion Trees, WWF Australia, called for an investment in R&D but towards other aspects of the industry such as incentivising the uptake on plantations and improving forest practices.<sup>457</sup> When asked about the issue during the hearing, Dr Blanch, agreed that Australia has not invested in R&D around silviculture, arguing:

We do not know how to grow well hardwood plantations over a half-century time frame that are going to provide the quality of wood for people's kitchens and floors that we can get out of native forests. So I think it is a basic R&D investment.<sup>458</sup>

**5.90** Challenging this view, Mr Jim Snelson, CEO, Borg – Manufacturing, considered R&D not necessarily as a responsibility of government but agreed that government could incentivise for more R&D. During the hearing, Mr Snelson elaborated:

[A]s the chief executive of Borg Manufacturing, I'd say that we're masters of our own destiny when it comes to investing in the R&D. I think it's better to come from the private sector.<sup>459</sup>

### **Investment in skills and training**

**5.91** The committee heard evidence regarding the importance of skills and training in the industry, where four in ten timber and forest products workers have a vocational qualification. According to ForestWorks, access to training is essential to the industry as the skills developed in training keep the workforce safe, foster innovation in developing new sustainable products and optimise operations and functions so as to use resources efficiently.<sup>460</sup>

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<sup>454</sup> Submission 19, NSW Government, p 17.

<sup>455</sup> NSW Government, Rural Assistance Authority, *NSW Forest Industries Innovation Fund*, <https://www.raa.nsw.gov.au/loans/nsw-forest-industries-innovation-fund>.

<sup>456</sup> Submission 111, Australian Forest Products Association, p 13.

<sup>457</sup> See for example: Evidence, Dr Stuart Blanch, Senior Manager, Towards Two Billion Trees, WWF Australia, 28 September 2021, pp 22-23; Evidence Mr Dorries, 29 September 2021, p 14 and Evidence, Mr Felton-Taylor, 29 September 2021, p 14.

<sup>458</sup> Evidence, Dr Blanch, 28 September 2021, pp 22-23.

<sup>459</sup> Evidence, Mr Snelson, 24 May 2022, p 27.

<sup>460</sup> Submission 194, ForestWorks, p 4.

**5.92** However, stakeholders raised concerns about the decline in the provision of formal education, and skills and training delivery for the sector.<sup>461</sup> Timber NSW reported that:

Twenty years ago, Australia had three universities offering a range of tertiary education opportunities in forest management and wood product technologies. There were also a large number of regional institutions offering a wide range of certificate level qualifications throughout the value chain, from silviculture to saw-doctoring. That has nearly disappeared.<sup>462</sup>

**5.93** ForestWorks considered that the key challenges in the investment of vocational skills and training for the industry are:

- the small number of employees, often operating in highly differentiated roles;
- low attrition rates and the small number of new entrants in any given period; and
- the geographic dispersion across (predominantly) regional and remote New South Wales.<sup>463</sup>

**5.94** Stakeholders called for the NSW Government to invest in access to gaining skills and training in the industry.<sup>464</sup> For example, Timber NSW advocated:

There is an important role for government in facilitating jobs and skills, ensuring the approach is sensitive to specific regional challenges and needs. There is currently no centralised approach to resolving the problems of skills and employment shortages, compounding these problems rather than solving them. In particular, accessibility to training and skills development is a key issue for regionally-based employers.<sup>465</sup>

**5.95** Indeed, the Australian Workers' Union and CFEMU – Manufacturing Division urged the NSW Government to commit to an industry-wide skills audit.<sup>466</sup>

**5.96** On growing the industry's capabilities and recognising a commitment to best practice sustainable and renewable forestry, the committee was advised that the NSW Government announced in 2018, funding of \$4.6 million over four years to support training and certification and improve the environmental performance of forestry contractors operating in native and plantation forests in New South Wales.<sup>467</sup>

**5.97** According to the NSW Government, the design and development of a Forest Contractor Training and Certification scheme is underway. The Scheme is industry-led and jointly

<sup>461</sup> Submission 194, ForestWorks, p 4; Submission 222, Timber NSW, p 170 and Submission 224, AWU and CFMEU, p 36.

<sup>462</sup> Submission, 222, Timber NSW p 170.

<sup>463</sup> Submission 194, ForestWorks, p 16.

<sup>464</sup> Submission 194, ForestWorks, pp 1-2; Submission, 222, Timber NSW, pp 170-171 and Submission 224, AWU and CFMEU, pp 36-37.

<sup>465</sup> Submission, 222, Timber NSW, p 171.

<sup>466</sup> Submission 224a, AWU and CFMEU, p 1.

<sup>467</sup> Submission 19, NSW Government, p. 17.

developed by the NSW Government in partnership with the Australian Forest Contractors Association.<sup>468</sup>

## Committee comment

- 5.98** In undertaking this inquiry, the committee received a wealth of evidence about the future of the timber and forest products industry. It is clear that in examining this evidence, the key priority areas to ensure the industry's long term sustainability are securing timber supply, modernising regulatory requirements whilst balancing environmental sustainability, understanding community concerns and maintaining its confidence, and continued investment in the industry. The committee acknowledges and supports these priorities as reflected in the 2016 NSW Government's Forestry Industry Roadmap, and agrees that in working towards these priority pillars 'a stronger, more competitive and ecologically sustainable forest industry' is assured.
- 5.99** However, the committee cannot overlook the fact that six years later, overwhelming evidence to this inquiry suggests that the NSW Government has failed to deliver on its priorities as articulated in the industry Roadmap. We have seen a consistent theme emerge – one of inaction and lack of investment in the industry – which we believe has ultimately resulted in the timber crisis we see today, characterised by a significant timber supply and demand imbalance. The committee therefore concludes that the NSW Government has failed to substantially deliver on its four priority pillars as outlined in its NSW Forestry Industry Roadmap.
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### Finding 9

The NSW Government has failed to substantially deliver on the four priority pillars outlined in its NSW Forestry Industry Roadmap:

- Regulatory modernisation and environmental sustainability
  - Balancing supply and demand
  - Community understanding and confidence
  - Industry innovation and new markets.
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- 5.100** Notwithstanding the above finding, we are encouraged to see inquiry participants look forward to opportunities for the industry, taking into consideration current and future supply constraints as well as the impact on the environment.
- 5.101** We acknowledge the evidence suggesting alternative uses for State forests, noting the intentions of various inquiry participants to see the end of native forest harvesting. In particular, the committee recognises the proposal for the Great Koala National Park (GKNP), supported by a number of stakeholders and for which great efforts have been undertaken to assess and promote its economic and environmental value in the region. However, in examining the GKNP Economic Impact Assessment and Environmental Benefit Analysis, the committee notes that not all aspects of economic impact were thoroughly considered. For example, the committee is concerned that indirect job losses in native forestry, the impact on hardwood plantations, private native forestry, local mills and their workers, and on the industry in other

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<sup>468</sup> Submission 19, NSW Government, p. 17.

regions were not appropriately investigated. In addition, the committee recognises the work currently underway by the NSW Government through its NSW Koala Strategy.

- 5.102** For these reasons, the committee finds that the deficiencies in the GKNP Economic Impact Assessment and Environmental Benefit Analysis, as prepared for the National Parks Association, are significant enough that they cannot be relied upon to make a rigorous and objective decision on the proposal to establish the Great Koala National Park.

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**Finding 10**

The deficiencies in the Great Koala National Park Economic Impact Assessment and Environmental Benefit Analysis, as prepared for the National Parks Association, are significant enough that they cannot be relied upon to make a rigorous and objective decision on the proposal to establish the Great Koala National Park.

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- 5.103** Moreover, the committee is reluctant to support the establishment of the GKNP until an independent, comprehensive study has been conducted to assess the full impact of the proposal, including its environmental, economic and social impacts across all affected industries. The study should seek input from all stakeholders, including conservationists, community groups, local and state government agencies, scientists and industry participants.
- 5.104** As such, the committee recommends 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. We also recommend 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.

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**Recommendation 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.

**Recommendation 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.

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- 5.105** In addition, while the committee acknowledges the various opportunities for nature-based tourism discussed by inquiry participants, the committee remains unconvinced that these opportunities require the cessation of harvesting and the conversion of State forests as they are achievable even now with current access. The committee notes in particular the evidence that State forests are already 'multi-use' forests hosting more activities than are currently permissible in national parks.

- 5.106** In calling for timber to be recognised as the 'ultimate renewable', stakeholders drew attention to the role of the timber and forest products industry in carbon sequestration and creating value from wood waste. The committee is particularly interested in the latter given the various demonstrations of industry innovation presented during the inquiry. Indeed, the committee was encouraged to hear about wood waste and crop residue initiatives as well as recycling programs in recognition of the industry as a circular economy.
- 5.107** We strongly support opportunities to develop new products, efficiencies and strategies for eliminating waste to secure the long term sustainability of the industry. However, we believe that there is untapped potential for innovation in the timber and forest products industry that the NSW Government should be doing more to capitalise on.
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**Finding 11**

There is untapped potential for innovation in the timber and forest products industry that the NSW Government should be doing more to capitalise on.

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- 5.108** Despite the potential for significant innovation within industry, the committee acknowledges the evidence suggesting a decline in investment in government research and development. While some industry participants believe research and development is the responsibility of industry, the committee accepts the views of stakeholders who argued that there many aspects of the industry that could benefit from greater research and development, such as silviculture.
- 5.109** Separately, the committee notes that the NSW Government has established the Forest Industries Innovation Fund loan scheme to promote innovation, productivity and growth in the industry. However, evidence suggests that there has been limited uptake of this opportunity. Noting that applications to the Scheme are now closed, the committee believes the NSW Government should provide further funding opportunities for industry, particularly small-medium operators, to encourage innovation.
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**Recommendation 20**

That the NSW Government provide funding opportunities for the timber and forest products industry, particularly small-medium operators, to encourage innovation.

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- 5.110** The committee acknowledges the evidence identifying forest certification as a means to balance forestry operations with environmental interests and ensure that ecologically sustainable forest management practices are implemented. The committee sees merit in ensuring that certification standards are applied to all timber and forest products, noting a shift in consumer expectations around responsible timber sourcing.
- 5.111** However, we note the evidence that there has been less interest in forest certification in private native forestry (PNF). The committee agrees that forest certification should be increased across the State's private native forestry estate, particularly as PNFs will be crucial to meeting timber supply needs into the future. The committee believes that NSW Government has a role to play in encouraging an uptake of PNF certification, especially as the evidence suggests that the cost and complexity of the certification process are barriers to smaller suppliers in particular. To this end, the committee recommends that the NSW Government investigate ways to incentivise
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PNF certification, including potential group certification schemes or streamlined approval processes.

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### **Recommendation 21**

That the NSW Government investigate ways to incentivise Private Native Forestry certification, including potential group certification schemes or streamlined approval processes.

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- 5.112** The committee also commends the work of community-led cooperatives such as the Western Murray Land Improvement Group. We are encouraged by their efforts to recover and respond to the various changes impacting their region by working together to build a 'healthy working forest'. We share the group's position on balancing economic, community and environmental considerations when planning for and managing multiple uses for a State forest. We consider this community consultation model to be a successful example of how an engaged and empowered community can work towards a common goal.
- 5.113** As such, we recommend that the NSW Government investigate ways in which it can facilitate the establishment of similar community-based initiatives supporting healthy working forests across the State.

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### **Recommendation 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.

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- 5.114** While the committee acknowledges past efforts by the NSW Government to establish industry advisory groups, the committee notes the evidence suggesting that those groups have not been active in recent years and now maintain a more informal function. The committee hears the calls from industry for greater engagement and collaboration with government to facilitate an open dialogue about current challenges faced by the industry and to provide advice. The committee agrees that a formal mechanism in this way, such as an industry advisory body, would be beneficial to both industry and government moving forward.
- 5.115** The committee therefore recommends 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.

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### **Recommendation 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.

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- 5.116** The committee recognises that having the appropriate skills and training to work within the timber and forest products industry is essential. However, the committee is concerned to hear that there has been a decline in formal education and skills training delivery in the sector. To address this issue, the committee agrees that an industry-wide skills audit would be beneficial to

identify gaps in skills and training. Furthermore, the committee believes greater investment in access to gaining skills and training across the regions is necessary to meet industry needs and challenges.

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**Recommendation 24**

That the NSW Government:

- 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.
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## Appendix 1 Submissions

No.	Author
1	Mr Jim Brydon
2	Dr Timothy Cadman
3	Great Southern Forest Steering Group
4	Responsible Wood
5	North East Forest Alliance Inc
6	Vic Jurskis
7	Confidential
8	Mr Daniel Atwater
9	Name suppressed
10	Mr Elias Howard-Schorr
11	Name suppressed
12	Name suppressed
13	Mr Neville Green
14	Mr Les Mitchell
15	Ms Alex Halsted
16	Name suppressed
17	Nao Dibble
18	Mr Michael King
19	NSW Government
20	Ms Jenny Fritzsche
21	Name suppressed
22	Mr Boyd Robinson
23	Rebecca Graham
24	Name suppressed
25	Mrs Christine Norris
26	Mrs Emilie Martin
27	Ms Keri James
28	Ms Catherine Smith
29	Name suppressed
30	Ms Jane Ambrose
31	Sarah Doherty
32	Confidential

<b>No.</b>	<b>Author</b>
33	Ms Dene McMillan
34	Confidential
35	Confidential
36	Dr Bea Bleile
37	Dr Anne Loveband
38	Name suppressed
39	Name suppressed
40	Lynn Benn
41	Ms Elizabeth Honey
42	Name suppressed
43	Ms Jennifer Rae
44	Mr Joseph Tamas
45	Clarence Environment Centre
46	Mr Peter Kestel
47	Lenore Taylor
48	Margaret Kerr
49	Dr Evan Christen
50	Ms Malveena Martyn
51	Dr Nola Firth
52	Name suppressed
53	Snowy Monaro Regional Council
54	Gugiyn Balun Aboriginal Corporation
55	Confidential
56	Mr Adrian Keefe
57	Ms Rebecca Stevens
58	Mr Freddie Williams
59	Mr Josh Whitworth
60	Mrs Anne Edwards
61	Mrs Martine Porret
62	Name suppressed
63	Ms Harriett Swift
64	Mr Ross McKinney
65	Name suppressed
66	Name suppressed
67	Mrs Jane Costigan

<b>No.</b>	<b>Author</b>
68	Softwoods Working Group
69	Mr Matthew McBurney
70	Mr Stephen Pearce
71	Name suppressed
72	Mr Michael Jones
73	Name suppressed
74	South East Timber Association Inc. (SETA)
75	Hyne Timber
76	NSW National Parks Association Far South Coast Branch
77	NSW Bird Atlassers
78	Name suppressed
79	Name suppressed
80	Name suppressed
81	Dr Liz Silverstone
82	Ms Jodie Nancarrow
83	Mr Michael Murphy
84	Mr Martin Wilks
85	Ms Annika Faber
86	Ms Cynthia Brook
87	Mr Derek Robertson
88	Name suppressed
89	Mrs Dianne Ward
90	Mr John Bell
91	Name suppressed
92	Name suppressed
93	Name suppressed
94	Dr Oisin Sweeney
95	Mr Craig Brown
96	Mr Mike Mizzi
97	Name suppressed
98	Dr Maggie Wheeler
99	Name suppressed
100	Mr David Holden
101	Brooman State Forest Conservation Group
102	Mr Robert Bertram

<b>No.</b>	<b>Author</b>
103	Ms Naomi Shine
104	Mr Thomas Luck
105	Name suppressed
106	Mr Graeme Carrad
107	Mr Scott Baron
108	Dr Michelle Hamrosi
109	Mr Angus Murphy
110	Morgan Sawmill Jamestown
111	Australian Forest Products Association
112	Ms Jo Lewis
113	Name suppressed
114	Ms Juliet Dingle
115	Mr Jamie McMahon
116	Signature Oysters and Oyster Life
117	Mrs Bronwen Hughes
118	Team Koala Inc.
119	Name suppressed
120	Friends of the Forest (Mogo)
121	Name suppressed
122	Housing Industry Association
123	Northern Rivers Guardian, Inc
124	Byrill Creek Landcare
125	South East Region Conservation Alliance
126	Coffs Harbour Greens
127	Climate Action Monaro
128	Valerie Farm Pty Ltd.
129	BirdLife Australia
130	National Parks Association of NSW
131	Ms Fiona McCuaig
132	Miss Rowena Russell
133	Mr Charlie England
134	Ms Philippa Cutter
135	Name suppressed
136	Ms Elizabeth Stock
137	Mr Roger Seccombe

<b>No.</b>	<b>Author</b>
138	Name suppressed
139	Mr Michael de Mol
140	Name suppressed
141	Ms Skye Etherington
142	Ms Denise Turner
143	Name suppressed
144	Ms Anne Maret
145	Mr Michael Harewood
146	Mrs Gloria Tommy
147	Ms Rosalind Bush
148	Mr Bunja Smith
149	Mrs Judith Smith
150	Mr Jim Morrison
151	Ms Peach Darvall
152	Andy Putnam
153	Name suppressed
154	Confidential
155	Name suppressed
156	Dr Judith Bourne
157	Clyde River Blueberry Farm
158	Mr Leif Lemke
159	Mr Ian Dixon
160	Ms Isabelle Whyte
161	Mr Timothy Nott
162	Mr Jack Egan
163	Name suppressed
164	Name suppressed
165	Confidential
166	Name suppressed
167	Mr Mick Lyons
168	Mr Jonas Bellchambers
169	Name suppressed
170	Mr Peter Maslen
171	Mr Peter Day
172	Ms Heather Kenway

<b>No.</b>	<b>Author</b>
173	Mr Frank Dennis
174	Name suppressed
175	Name suppressed
176	Ms Angela Robbers
177	Mrs Moira Ryan
178	Ms Elizabeth Bewsher
179	Southern New England Landcare
180	WIRES
181	Ms Susie Hearder
182	Bellingen Nature Company and Bellingen Nature Tours
183	Nature.Net Pty Ltd
184	Clarence Valley Conservation Coalition Inc
185	North Coast Environment Council
186	Australian Sustainable Timbers
187	David Joss
188	Hunter Environment Lobby Inc.
189	Environmental Defenders Office
190	Gulaga (Mt Dromedary) Protection Group
191	Lil Ganly
192	Githabul Elders
193	Margaret Booth
194	ForestWorks
195	Burbidge Farms
196	Geoff Daniel
197	Parramatta Climate Action Network
198	Nature Conservation Council of NSW
199	Nicholas Leeding
200	Helen Clemens
201	Chris Pryor
202	Julie Ivison
203	Ms Marie Healy
204	Sie Tod
205	Dr Peter Sainsbury
206	David Milledge
207	Mrs Maureen Webb

<b>No.</b>	<b>Author</b>
208	Marilyn Wise
209	Caroline Adams
210	Harold Todd
211	Christopher Grubb
212	Sue Gould
213	Pam Handyside
214	South East Forest Rescue
215	Confidential
216	Todd Gelletly
217	Colong Foundation for Wilderness
218	Name suppressed
219	Leigh Campbell
220	WWF Australia
221	Anne Reeves
222	Timber NSW
223	Institute of Foresters of Australia and Australian Forest Growers
224	Australian Workers' Union (AWU) and the CFMEU Manufacturing Division
224a	Australian Workers' Union (AWU) and the CFMEU Manufacturing Division
225	Hurford Group
226	Forest Ecology Alliance (FEA)
227	The Coastwatchers Association Inc.
228	Professor David Lindenmayer
229	Professor Brendan Mackey
230	Mr Michael Kingwill
231	Snowy Valleys Council
232	Koondrook Perricoota Alliance - Red Gum Timber Industry - Wakool River Association - Joint Indigenous Group
233	Pentarch Forestry
234	Western Murray Land Improvement Group
234a	Western Murray Land Improvement Group



## Appendix 2 Witnesses at hearings

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
<b>Tuesday 28 September 2021</b> <b>Via videoconference</b>	Ms Maree McCaskill	Chief Executive Officer, Timber NSW
	Mr Stuart Coppock	Legal, Timber NSW
	Mr Steven Dobbys	Vice President, Timber NSW
	Ms Sue Grau	CEO, Australian Forestry Products Association NSW
	Mr Chris Gambian	Chief Executive, Nature Conservation Council of NSW
	Dr Brad Smith	Campaigns Director, Nature Conservation Council of NSW
	Ms Rachel Walmsley	Head of Policy & Law Reform, Environmental Defender's Office
	Ms Cerin Loane	Senior Solicitor, Environmental Defender's Office
	Dr Stuart Blanch	Senior Manager, Towards Two Billion Trees, WWF Australia
	Ms Virginia Young	Director, Colong Foundation for Wilderness
Mr Gary Dunnett	Executive Officer, National Parks Association of NSW	
<b>Wednesday 29 September 2021</b> <b>Via videoconference</b>	Mr Stephen Dadd	National General Manager – Building Products, Boral
	Mr Rod Caust	General Manager – Bunnings Trade, Bunnings
	Mr Adam Morton	Category Manager – Timber, Doors and Windows, Bunnings
	Mr James Felton-Taylor	Director, Australian Sustainable Timbers
	Mr Damian Paull	Chief Executive Officer, Forest Stewardship Council (Australia and New Zealand)
	Mr Simon Dorries	Chief Executive, Responsible Wood
Ms Sharon Musson	NSW District President and Tumut Delegate, Construction Forestry	

Date	Name	Position and Organisation
		Maritime Mining and Energy Union (CFMEU)
	Mr David Webb	Tumut Delegate, CFMEU
	Mr Peter Errington	Illawarra Delegate CFMEU
	Ms Alison Rudman	NSW District Assistant Secretary, CFMEU
	Professor Brendan Mackey	Director - Griffith Climate Action Beacon, Griffith University
	Professor Philip Gibbons	Associate Director of Higher Degree Research, Fenner School of Environment and Society, Australian National University
	Professor David Lindenmayer	Professor, Fenner School of Environment and Society, Australian National University
	Dr Michelle Freeman	Vice President, Institute of Foresters of Australia and Australian Forest Growers
	Mr Steve Dobbyns	Member, Institute of Foresters of Australia and Australian Forest Growers
<b>Wednesday 1 December 2021</b>	Mr Nick Milham	Group Director Forestry Policy, Research & Development, Department of Primary Industries (Regional NSW)
<b>Macquarie Room, Parliament House, Sydney</b>	Dr Brad Law	Principal Research Scientist, Department of Primary Industries (Regional NSW)
	Mr David Witherdin	Chief Executive Officer, Local Land Services
	Mr Adam Tyndall	Director, Policy & Reform, Local Land Services
	Mr Dean Kearney	Senior Manager Planning, Hardwood Forests Division, ForestCorp
	Mr Dean Anderson	Regional Manager, Snowy Region, Softwood Plantations Division, ForestCorp

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
	Mr Peter McKechnie	Deputy Commissioner, Rural Fire Service
	Ms Tracy Mackey	Chief Executive Officer, NSW Environmental Protection Authority
	Mr David Fowler	Executive Director, Regulatory Practice and Environmental Solutions, NSW Environmental Protection Authority
	Mr Bryce Wilde	Chief Executive Officer, Natural Resources Commission
	Professor Hugh Durrant-Whyte	Commissioner, Natural Resources Commission
<b>Tuesday 8 February 2022 Tumut Golf Club, Tumut</b>	Mr Peter Crowe	Chair, Softwoods Working Group
	Ms Diana Gibbs	Economist, Softwoods Working Group
	Cr David Graham	Councillor, Cootamundra-Gundagai Regional Council
	Mr Greg Blackie	Director – Engineering, Greater Hume Shire Council
	Cr Ian Chaffey	Mayor, Snowy Valleys Council
	Mrs Theresa Lonergan	Member and Former Director, Australian Forest Contractors Association; and Director and Owner of P & T Lonergan Pty Ltd
	Ms Carlie Porteous	General Manager, Australian Forest Contractors Association
	Mr Michael Kingwill	Private landowner
<b>Tuesday 5 April 2022 Eurobodalla Council Chambers, Moruya</b>	Mr Anthony McMahon	Chief Executive Officer, Bega Valley Shire Council
	Ms Julie Taylor Mills	Committee member, South East Region Conservation Alliance
	Ms Lisa Stone	Committee member, South East Region Conservation Alliance
	Mr Sean Dooley	National Public Affairs Manager, BirdLife Australia
	Mr Nick Hopkins	Community Liaison Officer, Friends of the Forest (Mogo) and

Date	Name	Position and Organisation
		Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc.
	Ms Joslyn van der Moolen	Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc. and Community Liaison Officer, Friends of the Forest (Mogo)
	Mr Stephen Dadd	Executive Director, Allied Natural Wood Enterprises/Pentarch Forestry
	Mr Charlie Fisher	Regional Manager, Allied Natural Wood Enterprises/Pentarch Forestry
	Mr Peter Rutherford	Secretary, South East Timber Association
	Mr Vic Jurskis	Forest Ecologist, Silviculturist and Researcher, South East Timber Association
<b>Friday 29 April 2022</b>	Mr Craig McPherson	Manager, Tableland Timbers
<b>Coffs Harbour Council Chambers, Coffs Harbour</b>	Mr John McPherson	Manager, Tableland Timbers
	Mr Stephen Dadd	Executive Director, Pentarch Forestry
	Mr Keith Davidson	General Manager, Domestic Operations, Pentarch Forestry
	Mr Mark Graham	Managing Director and Principal Guide, Bellingen Nature Company and Bellingen Nature Tours
	Ms Leonie Blain	Secretary, Clarence Valley Conservation Coalition Inc.
	Mr Phil Redpath	Committee Member, Clarence Valley Conservation Coalition Inc.
	Mr Dailan Pugh	President, North East Forest Alliance

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
	Mr Jim Morrison	Member, North East Forest Alliance and President, North Coast Environment Council
	Mr Brett Duroux	Chairperson, Gugiyin Balun Aboriginal Corporation
	Ms Ursula da Silva	Spokesperson and Manager of Ourimbah Camp, Gugiyin Balun Aboriginal Corporation
<b>Tuesday 24 May 2022 Room 814/815, Parliament House, Sydney</b>	Professor Roberta Ryan	Local Government and Executive Director, Institute for Regional Futures, University of Newcastle
	Mr Dean Kearney	Senior Manager Planning, Forestry Corporation NSW
	Mr Dean Anderson	Regional Manager Snowy Region, Forestry Corporation NSW
	Mr Simon Croft	Executive Director, Building Policy, Housing Industry Association
	Mr Joshua Burg	Assistant Director, Building, Housing Industry Association
	Mr Nicholas Ward	Senior Economist, Housing Industry Association
	Mr Jim Snelson	Chief Executive Officer, Borg Manufacturing
	Mr Warwick Drysdale	Member and Sponsor, Frame & Truss Manufacturers Association of Australia, and Director, Program Timber Supplies
	Mr Nick Milham	Group Director, Forestry Policy, Research & Development, Department of Primary Industries
	Dr Brad Law	Principal Research Scientist, Department of Primary Industries
	Mr Steve Orr	Chief Executive Officer, Local Land Services
	Dr Adam Tyndall	Executive Director, Policy & Strategic Reform, Local Land Services

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<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
	Dr Georgina Kelly	Executive Director, Science Economics & Insights division, Department of Planning & Environment
	Dr Tom Celebrezze	Interim Director, Remote Sensing and Landscape Science branch, Science Economics & Insights division, Department of Planning & Environment
	Ms Jacqueline Moore	A/CEO, NSW Environment Protection Authority
	Ms Jackie Miles	A/Executive Director, Regulatory Policy, Advice and Initiatives, NSW Environment Protection Authority
	Professor Hugh Durrant-Whyte	Commissioner, Natural Resources Commission
	Mr Bryce Wilde	Executive Director, Natural Resources Commission

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## Appendix 3 Minutes

### Minutes no. 38

Thursday 25 March 2021

Portfolio Committee No. 4 – Industry

Members' Lounge, Parliament House, Sydney, at 2.46 pm

#### 1. Members present

Mr Banasiak, *Chair*

Ms Hurst, *Deputy Chair*

Mr Amato

Mr Farraway

Mr Primrose

Mr Veitch

#### 2. Apologies

Ms Cusack

#### 3. Previous minutes

Resolved on the motion of Mr Veitch: That draft minutes nos. 35, 36 and 37 be confirmed.

#### 4. Consideration of terms of reference

The Chair tabled a letter proposing the following self-reference:

1. That Portfolio Committee No. 4 - Industry inquire into and report on the long term sustainability and future of the timber and forest products industry and the role of the Forestry Corporation and other government agencies in supporting the industry, in particular:
  - (a) the nature of, and relationship within, the value chain between the timber and forest products industry, logistics companies, manufacturers, retailers, exporters and their relationship with timber supply and environmental management, and opportunities to enhance supply chains,
  - (b) the impact of external influences on the timber and forest products industry, including but not limited to drought, water, fire, regulatory structures, habitat protection and local, state and federal policies regarding climate change and plantation establishment,
  - (c) projections for softwood and hardwood supply and demand over the next 30 years,
  - (d) transparency and data reporting of timber supply,
  - (e) opportunities for the timber and forest products industry and timber dependent communities and whether additional protections, legislation or regulation are required in New South Wales to better support the forestry products industry and timber-dependent communities, including opportunities for value adding,
  - (f) the role of the government in addressing key economic, environmental and social challenges to the industry, including funding and support to encourage improvements in forestry practices, training, innovation and automation, workplace health and safety, industry and employee support, land use management and forestry projects,
  - (g) the environmental impact and sustainability of native forest logging, including following the 2019/20 bushfire season,

- (h) the operation, effectiveness and outcomes of the implementation of the NSW Forestry Industry Roadmap and Bushfire Industry Recovery Package,
- (i) best practices in other Australian and international jurisdictions in relation to the sustainability of the timber and forest products industry, including social sustainability, community and Indigenous engagement and multiple uses of the forest estate and
- (j) any other related matters.

2. The Committee report on or by 21 October 2021.

Resolved, on the motion of Mr Veitch: That the terms of reference be amended by omitting 'or by 21 October 2021.' and inserting instead 'a date of the committee's choosing.'

Resolved, on the motion of Mr Veitch: That the committee adopt the terms of reference, as amended.

## 5. Conduct of the inquiry into the long term sustainability and future of the timber and forest products industry

### 5.1 Timeline

Resolved, on the motion of Mr Veitch: That, the committee adopt the following timeline for the inquiry:

- 28 May 2021 – submission closing date
- dates and locations of regional hearings to be determined after the close of submission, and
- regional hearings to be conducted on consecutive days, if practicable.

### 5.1 Stakeholder list

Resolved, on the motion of Mr Primrose: That the secretariat circulate to members the Chair's proposed list of stakeholders to provide them with the opportunity to amend the list or nominate additional stakeholders, and that the committee agree to the stakeholder list by email, unless a meeting of the committee is required to resolve any disagreement.

## 6. Adjournment

The committee adjourned at 2.54 pm, *sine die*.

Stephen Frappell  
**Committee Clerk**

## Minutes no. 41

Tuesday 6 July 2021

Portfolio Committee No. 4 – Industry

Macquarie Room, Parliament House, Sydney and via videoconference at 9.41 am

### 1. Members present

Mr Banasiak, *Chair*

Ms Hurst, *Deputy Chair* (via videoconference, until 9.52 am)

Ms Faehrmann (substituting for Ms Hurst for the duration of the inquiry into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021) (via videoconference, from 9.55 am until 11.30 am)

Mr Faraway (via videoconference)

Mr Field (substituting for Ms Hurst for the duration of the inquiry into the long term sustainability and future of the timber and forest products industry and the inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021) (via videoconference)

Mr Martin (via videoconference)

Mr Poulos (via videoconference)

Mr Primrose (via videoconference)

Mr Veitch (via videoconference)

Ms Boyd (participating for the duration of the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021) (via videoconference, from 9.50 am until 12.21pm)

## 2. Committee membership

The committee noted that the Hon Taylor Martin replaced the Hon Catherine Cusack on the committee from 20 May 2021; and the Hon Peter Poulos replaced the Hon Lou Amato on the committee from 20 May 2021.

## 3. Previous minutes

Resolved, on the motion of Mr Veitch: That draft minutes no. 40 be confirmed.

## 4. Correspondence

The committee noted the following items of correspondence:

### *Received:*

- 26 March 2021 – Email from Ms Tess Vickery, Office of the Hon Emma Hurst, to secretariat, advising that Mr Field will be substituting for Ms Hurst for the duration of the inquiry into the long term sustainability and future of the timber and forest products
- 13 May 2021 – Letter from the Hon Natasha Maclaren-Jones, Government Whip, to secretariat, advising that Mr Poulos will be substituting for Mr Amato for the duration of the inquiry into the long term sustainability and future of the timber and forest products
- 7 June 2021 – Email from the Hon Catherine Cusack to the committee, forwarding a copy of a public BAEconomics report provided to her for the purposes of the timber and forest products inquiry by a member of the public
- 13 June 2021 – Email from Mr Michael Ross to Chair, asking the committee to consider past private afforestation efforts as part of the timber and forest products inquiry and requesting an opportunity to provide further input
- 23 June 2021 – Correspondence from Mr Simon Moore, NSW Business Chamber, to the secretariat, attaching the report *Running on empty: How to keep NSW fuelled for the future*
- 30 June 2021 – Email from Mr Ashley Wells, Director – Government Relations, Australian Petroleum Production & Exploration Association to secretariat, declining the committee's invitation to attend the hearing for the inquiries into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021 and the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021
- 30 June 2021 – Email from Ms Ksenya Beloousova, Manager – Corporate, Government and Community Affairs, Whitehaven Coal to secretariat, declining the committee's invitation to attend the hearing for the inquiries into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021 and the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021
- 30 June 2021 – Email from Mr Dale Aaskow, Chief Operating Officer, Comet Ridge Limited to secretariat, declining the committee's invitation to attend the hearing for the inquiries into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021 and the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021
- 30 June 2021 – Email from Mr Keld Knudsen, Senior Government Affairs Adviser, Santos to secretariat, declining the committee's invitation to attend the hearing for the inquiries into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021 and the Petroleum (Onshore)

Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021, and offering to provide further written responses to additional questions from the committee

- 1 July 2021 – Email from Ms Harriet Whyte, Executive Director, Department of Regional New South Wales, declining the committee's invitation to attend the hearing for the inquiries into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021 and the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021, and requesting that the department make a late submission.

## 5. Inquiry into Budget Estimates 2021-2022 – procedural resolutions

The committee noted the Budget Estimates timetable for 2021-2022 agreed to by the House, with hearings commencing at 9.30 am and concluding by 6.00 pm, for Portfolio Committee No. 4:

Date	Portfolio
Wednesday 18 August 2021	Agriculture and Western New South Wales (Marshall)
Friday 27 August 2021	Water, Property and Housing (Pavey)
Monday 30 August 2021	Deputy Premier, Regional New South Wales, Industry and Trade (Barilaro)

### 5.1 Allocation of question time and total hearing time

The committee noted that under the Budget Estimates 2021-2022 resolution each portfolio, except The Legislature, will be examined concurrently by Opposition and Crossbench members only, from 9.30 am to 12.30 pm, and from 2.00 pm to 5.45 pm, with an additional 15 minutes reserved for government questions for each of the morning and afternoon sessions.

### 5.2 Witness requests

Resolved, on the motion of Mr Veitch: That the committee invite the following witnesses:

#### **Agriculture and Western New South Wales**

- Mr Scott Hansen, Director General, Department of Primary Industries
- Mr Gary Barnes, Secretary, Department of Regional NSW
- Mr Darryl Quinlivan, NSW Agriculture Commissioner
- Mr David Witherdin, Chief Executive Officer, Local Land Services
- Dr John Tracey, Deputy Director General, Biosecurity and Food Safety, Department of Primary Industries
- Mr Sean Sloan, Deputy Director General, Fisheries, Department of Primary Industries
- Dr Kim Filmer, Chief Animal Welfare Officer, NSW Department of Primary Industries
- Ms Suzanne Robinson, Acting Director Animal Welfare, NSW Department of Primary Industries

#### **Water, Property and Housing**

- Mr Jim Betts, Secretary, Department of Planning, Industry and Environment
- Dr Jim Bentley, Deputy Secretary, Water, Department of Planning, Industry and Environment
- Prof Richard Bush, Crown Lands Commissioner, Department of Planning, Industry and Environment
- Mr Andrew George, Acting Chief Executive Officer, WaterNSW
- Mr Roch Cheroux, Managing Director, Sydney Water
- Mr Darren Cleary, Managing Director, Hunter Water
- Mr Grant Barnes, Chief Regulatory Officer, Natural Resources Access Regulator
- Mr Michael Wright, Group Deputy Secretary, Housing and Property, Department of Planning, Industry and Environment

- Ms Melanie Hawyes, Deputy Secretary, Crown Lands, Department of Planning, Industry and Environment
- Mr Michael Cassel, Chief Executive Officer, Land and Housing Corporation, Department of Planning, Industry and Environment

#### **Regional New South Wales, Industry and Trade**

- Mr Gary Barnes, Secretary, Department of Regional NSW
- Mr Scott Hansen, Director General, Department of Primary Industries
- Commissioner Shane Fitzsimmons, Commissioner, Resilience NSW
- Mr Anshul Chaudhary, Acting Chief Executive Officer, Forestry Corporation
- Ms Kylie Bell, Executive Director, Industry, Trade and Investment, NSW Treasury
- Ms Georgina Beattie, Deputy Secretary, Mining, Exploration and Geoscience, Department of Regional NSW
- Mr Chris Hanger, Deputy Secretary, Public Works Advisory and Regional Development Group, Department of Regional NSW.

Resolved, on the motion of Ms Hurst: That the committee not invite parliamentary secretaries to appear as a witness at the hearings.

#### **5.3 Witness appearance time**

Resolved, on the motion of Ms Hurst: That:

- the Minister appear from 9.30 am until 12.45 pm
- departmental staff appear from 9.30 am until 6.00 pm.

### **6. Inquiries into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021 and the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021**

#### **6.1 Public submissions - Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021**

The committee noted that the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 1-6.

#### **6.2 Public submissions - Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021**

The committee noted that the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 1-3, 6-9, 12-18, 20-25.

Resolved, on the motion of Mr Veitch: That the committee authorise the publication of submission no. 26.

#### **6.3 Name suppressed submissions - Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021**

Resolved, on the motion of Mr Veitch: That the committee keep the name of the author confidential, as per the request of the author in submission nos. 5, 10, 11 and 19.

#### **6.4 Confidential submission - Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021**

Resolved, on the motion of Mr Veitch: That the committee keep submission no. 4 confidential, as per the request of the author as it contains identifying information.

#### **6.5 Online questionnaire reports**

Resolved, on the motion of Mr Veitch: That the committee authorise the publication of the online questionnaire reports for the inquiries into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021 and the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021.

## **6.6 Briefing paper - Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021 Inquiry into the long term sustainability and future of the timber and forest products industry**

Resolved, on the motion of Mr Poulos: That the committee keep confidential the briefing paper provided by the Parliamentary Research Service for the inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021.

## **6.7 Transcript corrections, answers to questions on notice and supplementary questions**

Resolved, on the motion of Mr Faraway: That witnesses be requested to return transcript corrections, answers to questions on notice and supplementary questions within seven days of the date on which questions are forwarded to the witness.

Resolved, on the motion of Mr Field: That members provide any written questions for Santos and Comet Ridge to the secretariat within two working days of circulation of the 6 July hearing transcript.

## **6.8 Briefing on virtual hearing proceedings**

The Chair briefed members on virtual hearing arrangements.

## **6.9 Public hearing**

Resolved, on the motion of Mr Veitch: That the allocation of questions be left in the hands of the Chair.

Witnesses were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was sworn and examined:

- Mr Andrew Abbey, Policy Director, NSW Minerals Council (via videoconference).

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Ms Susan Lyle, Chair, Caroon Coal Action Group (via videoconference)
- Mr Graeme Norman, Committee Member, Caroon Coal Action Group (via videoconference)
- Ms Georgina Woods, NSW Co-ordinator, Lock the Gate Alliance (via videoconference)
- Ms Danica Leys, Chief Executive Officer, Country Women's Association of NSW (via videoconference).

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined.

- Dr Madeline Taylor, Senior Lecturer, School of Law, Macquarie University (via videoconference)
- Professor Tina Soliman Hunter, Professor Law, School of Law, Macquarie University (via videoconference).

The evidence concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Cr Kiwa Fisher, Deputy Mayor, Upper Hunter Shire Council (via videoconference).

The evidence concluded and the witness withdrew.

The public hearing concluded at 12.21pm.

## **7. Inquiry into the long term sustainability and future of the timber and forest products industry**

### **7.1 Public submissions**

The committee noted that the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos: 1-6, 8, 10, 13-15, 17-20, 22-23,

26-28, 20-21, 33, 36-37, 40-41, 43- 51, 53-54, 56-61, 63-64, 67, 68, 69, 70, 72, 74-77, 81-87, 89-90, 94-96, 98, 100-104, 106-112, 114-118, 120, 122-134, 136-137, 139, 141-142, 144-152, 156-162, 167-168, 170-173, 187- 214, 216-217 and 219-225.

**7.2 Name suppressed submissions**

Resolved, on the motion of Mr Veitch: That the committee keep the name of the author confidential, as per the request of the author in submission nos: 9, 11-12, 16, 21, 24, 29, 38-39,42, 52, 62, 65-66, 71, 73, 78-80, 88, 91-93, 97, 99, 105,113, 119, 121, 135, 138, 140, 143, 153, 155, 163-166, 169, 174-175, 176-185, 186 and 218.

**7.3 Confidential submissions**

Resolved, on the motion of Mr Primrose: That the committee keep submission nos. 7, 32, 34, 35, 55, 154, 165 and 215 confidential, as per the request of the author.

**7.4 Pro formas**

Resolved, on the motion of Mr Field: That a sample of the pro forma and its variations be published on the inquiry website noting the number of responses received and that individual pro forma responses be kept confidential.

**7.5 Witness list and site visits/regional hearings**

Resolved, on the motion of Mr Martin: That members agree to the proposed witness list and have until close of business Friday 9 July 2021 to make any further suggestions.

**7.6 Site visits and regional hearings**

Resolved, on the motion of Mr Field: That members provide suggestions on possible locations to visit and stakeholders to engage for the inquiry's site visits and regional hearings by close of business Friday 9 July 2021, and that the secretariat compile and circulate these suggestions to the committee for further discussion.

**8. Adjournment**

The committee adjourned at 12.42 pm.

Shaza Barbar / Joseph Cho

**Committee Clerk**

**Draft minutes no. 42**

Friday 6 August 2021

Portfolio Committee No. 4 – Industry

Via videoconference, 10.05 am

**1. Members present**

Mr Banasiak, *Chair*

Mr Farraway

Mr Field (substituting for Ms Hurst for the duration of the inquiry into the long term sustainability and future of the timber and forest products industry and the inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021)

Mr Martin

Mr Poulos

Mr Primrose

Mr Veitch

Ms Boyd (participating for the duration of the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021)

**2. Apologies**

Ms Faehrmann (substituting for Ms Hurst for the duration of the inquiry into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021)

**3. Draft minutes**

Resolved, on the motion of Mr Veitch: That draft minutes no. 41 be confirmed.

**4. Inquiry into the long term sustainability and future of the timber and forest products industry****4.1 Revised committee activity dates**

The committee noted that the hearings for the inquiry have been rescheduled due to the public health situation.

**5. Inquiry into the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021****5.1 Public submissions**

The committee noted that the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 7 and 8.

**5.2 Consideration of Chair's draft report**

The Chair submitted his draft report entitled 'Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021', which, having been previously circulated, was taken as being read.

Resolved, on the motion of Mr Veitch: That:

- a) The draft report be the report of the committee and that the committee present the report to the House;
- b) The transcripts of evidence, submissions, responses to the online questionnaire, summary report of the online questionnaire and correspondence relating to the inquiry be tabled in the House with the report;
- c) Upon tabling, all unpublished attachments to submissions and individual responses to the online questionnaire be kept confidential by the committee;
- d) Upon tabling, all unpublished transcripts of evidence, submissions and correspondence relating to the inquiry, be published by the committee, except for those documents kept confidential by resolution of the committee;
- e) The committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;
- f) The committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;
- g) The report to be tabled on Thursday 12 August 2021.

**6. Inquiry into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021****6.1 Public submissions**

The committee noted that the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 27 and 28.

**6.2 Answers to questions on notice**

The committee noted that the following answers to questions on notice and supplementary questions were published by the committee clerk under the authorisation of the resolution establishing the inquiry:

- answers to questions on notice from Cr Kiwa Fisher, Deputy Mayor, Upper Hunter Shire Council, received 21 July 2021

- answers to questions on notice from Ms Georgina Woods, NSW Co-ordinator, Lock the Woods Alliance, received 22 July 2021.

### 6.3 Consideration of Chair's draft report

The Chair submitted his draft report entitled 'Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021', which, having been previously circulated, was taken as being read.

Resolved, on the motion of Mr Field: That:

- The draft report be the report of the committee and that the committee present the report to the House;
- The transcripts of evidence, submissions, answers to questions on notice, responses to the online questionnaire, summary report of the online questionnaire and correspondence relating to the inquiry be tabled in the House with the report;
- Upon tabling, all unpublished attachments to submissions and individual responses to the online questionnaire be kept confidential by the committee;
- Upon tabling, all unpublished transcripts of evidence, submissions, answers to questions on notice and correspondence relating to the inquiry, be published by the committee, except for those documents kept confidential by resolution of the committee;
- The committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;
- The committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;
- The report to be tabled on Thursday 12 August 2021.

## 7. Adjournment

The committee adjourned at 10.08 pm, *sine die*.

Joseph Cho / Shaza Barbar  
Committee Clerk

### Minutes no. 45

Tuesday 28 September 2021  
Portfolio Committee No. 4 - Industry  
*via videoconference*, at 9.16 am

#### 1. Members present

Mr Banasiak, *Chair*  
Mr Veitch  
Mr Farraway  
Mr Field (*substituting for Ms Hurst for the duration of the Timber inquiry*)  
Mr Martin  
Mr Poulos  
Mr Primrose

#### 2. Previous minutes

Resolved, on the motion of Mr Veitch: That draft minutes no. 44 be confirmed.

### 3. Correspondence

The committee noted the following items of correspondence:

#### *Received:*

- 27 August 2021- Email from Ms Kersten Gentle, Executive Officer, Frame and Truss Manufacturers Association of Australia to secretariat, providing contact details of stakeholders at the request of the committee
- 13 September 2021 – Email from Mr Joshua Burg, Assistant Director Building- NSW, Housing Industry Association to secretariat, declining the committee's invitation to appear at a hearing.

### 4. Inquiry into the long term sustainability and future of the timber and forest products industry

#### 4.1 Election of the Deputy Chair for the duration of the inquiry

The Chair called for nominations for the Deputy Chair for the duration of this inquiry.

Mr Primrose moved: That Mr Veitch be elected Deputy Chair of the committee for the duration of the inquiry.

There being no further nominations, the Chair declared Mr Veitch elected Deputy Chair for the duration of the inquiry.

#### 4.2 Submissions

Resolved, on the motion of Mr Primrose: That the committee authorise the publication of submissions nos. 228 and 229.

#### 4.3 Site visits and regional hearings

Resolved, on the motion of Mr Poulos: That 4-5 November and 30 November - 1 December 2021 site visits be postponed, and the secretariat canvass new travel dates in 2022.

#### 4.4 Allocation of questioning

The committee noted that the sequence of questions to be asked at hearings is to alternate between opposition, crossbench and government members, in that order, with equal time allocated to each.

#### 4.5 Briefing on virtual hearing proceedings

The Chair briefed members on virtual hearing arrangements. Key points include:

- turning off the microphone if not speaking to remove background noise
- turning off the video or leaving and re-joining if connection issues
- try to avoid talking at the same time
- be clear on which witness your questions are directed to, or which witness should respond first
- a short break will follow each session, allowing the next witnesses to join the meeting and test their connection
- members should stay connected during these breaks but turn off their video and microphone, noting that witnesses will be able to hear any discussions between members during this time
- there is a time lag when people enter and leave the lobby and when coming on and off mute.

#### 4.6 Livestream and recording of hearings

Resolved, on the motion of Mr Veitch: That the committee agree to record all hearings for the inquiry into the long term sustainability and future of the timber and forest products industry, and that these recordings be placed on Parliament's YouTube channel as soon as practicable after the hearings.

The committee noted that the livestream will be on from the commencement of the hearing until the conclusion of the hearing, including during the lunch break. Members were reminded to place themselves on mute and turn their video off during this break.

#### 4.7 Virtual committee guidelines and procedural fairness

The committee noted that, to help ensure that Hansard can transcribe the hearing, witnesses and/or members should avoid speaking over each other.

The committee considered an approach in the event of disorder and/or inaudibility during the proceedings of the hearing.

#### **4.8 Photo of committee for social media**

Resolved, on the motion of Mr Martin: That the secretariat take a screenshot of the committee during its deliberative for the purposes of publishing on social media.

#### **4.9 Public hearing**

Witnesses, the public and media were admitted via video link.

The Chair made an opening statement regarding the broadcasting of proceedings, virtual hearing etiquette, adverse mention and other matters.

The following witnesses were admitted via video link, sworn and examined:

- Ms Maree McCaskill, Chief Executive Officer, Timber NSW
- Mr Stuart Coppock, Legal, Timber NSW
- Mr Steven Dobbys, Vice President, Timber NSW
- Ms Sue Grau, CEO, Australian Forestry Products Association NSW

The evidence concluded and the witnesses withdrew.

The following witnesses were admitted via video link, sworn and examined:

- Mr Chris Gambian, Chief Executive, Nature Conservation Council of NSW
- Dr Brad Smith, Campaigns Director, Nature Conservation Council of NSW
- Ms Rachel Walmsley, Head of Policy & Law Reform, Environmental Defender's Office
- Ms Cerin Loane, Senior Solicitor, Environmental Defender's Office.

The evidence concluded and the witnesses withdrew.

The following witnesses were admitted via video link, sworn and examined:

- Dr Stuart Blanch, Senior Manager, Towards Two Billion Trees, WWF Australia
- Virginia Young, Director, Colong Foundation for Wilderness
- Mr Gary Dunnett, Executive Officer, National Parks Association of NSW.

The evidence concluded and the witnesses withdrew.

The hearing concluded at 12.25 pm.

#### **4.10 Tendered documents**

Resolved, on the motion of Mr Primrose: That the committee accept and publish the following documents tendered during the public hearing on 28 September 2021:

- Report, 'Does thinning regrowth restore habitat for biodiversity?', NSW Department of Primary Industries, dated April 2018, tabled by Mr Banasiak
- Correspondence from the Great Eastern Ranges Initiative to the Colong Foundation for Wilderness, dated 27 September 2021, tendered by Ms Young
- Media Release, 'Tackling Biodiversity and Climate Crises Together and Their Combined Social Impacts', issued by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, dated 10 June 2021, tendered by Ms Young.

### **5. Adjournment**

The committee adjourned at 12.34 pm until Wednesday 29 September 2021 (public hearing for the inquiry into the long term sustainability and future of the timber and forest products industry via videoconference.)

Joseph Cho  
Committee Clerk

**Minutes no. 46**

Wednesday 29 September 2021

Portfolio Committee No. 4 - Industry

*via videoconference*, at 9.16 am**1. Members present**Mr Banasiak, *Chair*Mr Veitch, *Deputy Chair*

Mr Farraway

Mr Field

Mr Martin

Mr Poulos

Mr Primrose

**2. Inquiry into the long term sustainability and future of the timber and forest products industry****2.1 Additional hearing**

Resolved, on the motion of Mr Veitch: That:

- the committee conduct a half day hearing with witnesses from select government agencies on either 30 November 2021 or 1 December 2021
- members circulate proposed government agencies and/or witnesses to be invited, for the committee's agreement.

**2.2 Public hearing**

Witnesses, the public and media were admitted via video link.

The Chair made an opening statement regarding the broadcasting of proceedings, virtual hearing etiquette, adverse mention and other matters.

The following witnesses were admitted via video link, sworn and examined:

- Mr Stephen Dadd, National General Manager – Building Products, Boral
- Mr Rod Caust, General Manager – Bunnings Trade, Bunnings
- Mr Adam Morton, Category Manager – Timber, Doors and Windows, Bunnings.

The evidence concluded and the witnesses withdrew.

The following witnesses were admitted via video link, sworn and examined:

- Mr James Felton-Taylor, Australian Sustainable Timbers
- Mr Damian Paull, Chief Executive Officer, Forest Stewardship Council (Australia and New Zealand)
- Mr Simon Dorries, Chief Executive, Responsible Wood.

The evidence concluded and the witnesses withdrew.

The following witnesses were admitted via video link, sworn and examined:

- Ms Sharon Musson, NSW District President and Tumut Delegate, Construction Forestry Maritime Mining and Energy Union (CFMEU)
- Mr David Webb, Tumut Delegate, CFMEU
- Mr Peter Errington, Illawarra Delegate, CFMEU
- Ms Alison Rudman, NSW District Assistant Secretary, CFMEU.

The evidence concluded and the witnesses withdrew.

The following witnesses were admitted via video link, sworn and examined:

- Professor Brendan Mackey, Director - Griffith Climate Action Beacon, Griffith University

- Professor Philip Gibbons, Associate Director of Higher Degree Research, Fenner School of Environment and Society, Australian National University
- Professor David Lindenmayer, Professor, Fenner School of Environment and Society, Australian National University

The evidence concluded and the witnesses withdrew.

The following witnesses were admitted via video link, sworn and examined:

- Dr Michelle Freeman, Vice President, Institute of Foresters of Australia and Australian Forest Growers was admitted via video link, sworn and examined.

The following witness was admitted via video link and examined on his former affirmation:

- Mr Steven Dobbins, Member, Institute of Foresters of Australia and Australian Forest Growers

The evidence concluded and the witnesses withdrew.

The hearing concluded at 3.03 pm.

### 2.3 Tendered documents

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following document tendered during the public hearing:

- Opening statement, tendered by Professor Philip Gibbons.

### 3. Adjournment

The committee adjourned at 3.06 pm, *sine die*.

Joseph Cho  
Committee Clerk

### Minutes no. 52

Wednesday 1 December 2021

Portfolio Committee No. 4 - Regional NSW, Water and Agriculture

Macquarie Room, Parliament House, Sydney, at 9.16 am

#### 1. Members present

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair (for the duration of the Timber inquiry)*

Mr Field (*substituting for Ms Hurst for the duration of the Timber inquiry*) (*from 9.17 am*)

Mr Martin

Mr Primrose (*via videoconference*)

Mr Poulos

#### 2. Apologies

Mr Farraway

### 3. Inquiry into the long term sustainability and future of the timber and forest products industry

#### 3.1 Answers to questions on notice and supplementary questions

The committee noted the following answers to questions on notice and supplementary questions were published by the committee clerk under the authorisation of the resolution appointing the committee:

- answers to questions on notice and supplementary questions from Professor David Lindenmayer, received on 14 October

- answers to supplementary questions and questions on notice from Professor Philip Gibbons, received on 14 October
- answers to supplementary questions from Responsible Wood, received on 25 October 2021
- answers to questions on notice from Timber NSW, received on 1 November
- answers to supplementary questions from Timber NSW, received on 1 November
- answers to questions on notice from the Construction, Forestry, Maritime, Mining and Energy Union, received 2 November.
- answers to questions on notice from Forestry Australia, received 2 November,
- answers to questions on notice from the Nature Conservation Council, received 5 November
- answers to supplementary questions from the Forest Stewardship Council, received on 9 November.

### **3.2 Allocation of questioning**

Resolved, on the motion of Mr Martin: That the sequence of questions at the public hearing on 1 December 2021 be left in the hands of the Chair.

### **3.3 Public hearing**

Witnesses were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Mr Nick Milham, Group Director Forestry Policy, Research & Development, Department of Primary Industries (Regional NSW)
- Dr Brad Law, Principal Research Scientist, Department of Primary Industries (Regional NSW)
- Mr David Witherdin, Chief Executive Officer, Local Land Services
- Dr Adam Tyndall, Director, Policy & Reform, Local Land Services.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Dean Kearney, Senior Manager Planning, Hardwood Forests Division, ForestCorp
- Mr Dean Anderson, Regional Manager, Snowy Region, Softwood Plantations Division, ForestCorp
- Mr Peter McKechnie, Deputy Commissioner, Rural Fire Service.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Tracy Mackey, Chief Executive Officer, NSW Environmental Protection Authority
- Mr David Fowler, Executive Director, Regulatory Practice and Environmental Solutions, NSW Environmental Protection Authority
- Mr Bryce Wilde, Chief Executive Officer, Natural Resources Commission
- Professor Hugh Durrant-Whyte, Commissioner, Natural Resources Commission.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 12.38 pm.

### **3.4 Cabinet in confidence document**

Resolved, on the motion of Mr Field: That:

- the Chair write to the Hon Rob Stokes MP, Minister for Planning and Public Spaces, and Minister for Transport and Roads, seeking a copy of the final report entitled 'Coastal IFOA operations post 2019/20 wildfires' dated June 2021, and that it be provided to the committee confidentially.
- the Chair write to the Chair of the Privileges Committee to formally raise the issue of a member seeking a response to questions based on a leaked cabinet in confidence document as part of the Privileges

Committee inquiry into the examination, publication and use of cabinet documents by Legislative Council committees.

#### 4. Adjournment

The committee adjourned at 12.44 pm, *Sine die*.

Sarah Dunn

**Committee Clerk**

#### Draft minutes no. 53

Monday 7 February 2022

Portfolio Committee No. 4 - Regional NSW, Water and Agriculture  
Execujet Flight Lounge, 394 Ross Smith Ave, Mascot, 7.33 am

#### 1. Members present

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair*

Mr Fang

Mr Martin

Mr Primrose

Mr Poulos

#### 2. Apologies

Mr Field

#### 3. Change of membership

Committee noted Mr Wes Fang replaced Mr Sam Farrow as a substantive member of the committee from 25 January 2022.

#### 4. Inquiry into the long term sustainability and future of the timber and forest products industry

##### 4.1 Charter flight travel

Resolved, on the motion of Mr Veitch: That the committee authorises the engagement of a charter plane for its regional visit to Barham and Tumut on 7 and 8 February 2022.

##### 4.2 COVID-Safe plan

Committee noted the COVID-Safe plan developed for the committee's travel to Barham and Tumut.

##### 4.3 Site visit

The committee visited the Western Murray Land Improvement Group office for presentations, followed by a tour of Koondrook-Perricoota Forest and its surrounds, including Pollack Swamp, Crooked Creek, Goodooga camp ground and Waitsy's Corner.

During the visit, the committee met with:

- Roger Knight, Executive Officer, Western Murray Land Improvement Group
- David McDonald, Chair, Western Murray Land Improvement Group
- David McConnell, Chair, Koondrook Perricoota Alliance
- Dan Hutton, Joint Indigenous Group
- John Lolicato, Wakool River Association
- Stephen Coates, Chair, Murrakool Land for Wildlife
- Todd Gelletley, Managing Director, Gelletly Red Gum Firewood
- Paul Madden, Arbuthnot Sawmills

- Faye O'Brien, O'Brien's Redgum
- Ken O'Brien, O'Brien's Redgum
- Andrew McCurdy, Forestry Corporation
- Jean Dind, Forestry Corporation

**5. Adjournment**

The committee adjourned at 4.00 pm until Tuesday 8 February 2022 (Site visit and public hearing for the inquiry into the long term sustainability and future of the timber and forest products industry).

Joseph Cho  
**Committee Clerk**

**Draft minutes no. 54**

Tuesday 8 February 2022

Portfolio Committee No. 4 - Regional NSW, Water and Agriculture

Visy Tumut Mill, 1302 Snowy Mountains Hwy, Tumut at 9.00 am

**1. Members present**

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair*

Mr Fang

Mr Martin

Mr Primrose

Mr Poulos

**2. Apologies**

Mr Field

**3. Inquiry into the long term sustainability and future of the timber and forest products industry**

**3.1 Site Visit**

The committee visited Visy's Kraft Mill and received a tour of the facilities, led by:

- Ben Fourniotis, Manager, Corporate and Public Affairs
- Dean Hawkins, General Manager – Fibre Resources
- Johan Soltz, General Manager – Visy Pulp and Paper Tumut

The committee visited Blowering Nursery and received a tour of the facilities, led by:

- Dean Anderson – Regional Manager, Snowy Region
- Roger Davies – Silvicultural Manager, Snowy Region
- Phil Green – Plantation Improvement Manager

Mr Anderson tendered the following documents:

- 'Presentation: Portfolio Committee No.4 visit to FCNSW Nursery – 8 February 2022'
- 'Promoting sustainable forest management around the world – PEFC, FSC and Responsible Wood'
- 'Timber is the ultimate renewable resource – Forestry Corporation'

**4. Draft minutes**

Resolved, on the motion of Mr Veitch: That draft minutes nos. 45, 46 and 52 be confirmed.

## 5. Correspondence

The committee noted the following items of correspondence:

### *Received*

- 14 January 2022 – Letter from Mr David Gainsford, Acting Group Deputy Secretary, Planning and Assessment, Department of Planning and Environment to Chair, declining the committee's request for a copy of the Natural Resources Commission report entitled 'Advice on Coastal IFOA operations post 2019-20 bushfires'.
- 17 January 2022 – Email from Ms Carlie Porteous, General Manager, Australian Forestry Contractors Association to secretariat, asking for an opportunity to appear before the committee as a witness if possible.

### *Sent*

- 9 December 2021 – Letter from Chair to the Hon. Robert Stokes MP, the Minister for Planning and Public Spaces, requesting a copy of the Natural Resources Commission report entitled Coastal IFOA operations post 2019-20 bushfires' given its relevance to the inquiry.
- 9 December 2021 – Letter from Chair to the Chair of the Privileges Committee to formally raise the issue of a member seeking a response to questions based on a leaked cabinet in confidence document as part of the Privileges Committee inquiry into the examination, publication and use of cabinet documents by Legislative Council committees.

## 6. Inquiry into the long term sustainability and future of the timber and forest products industry

### 6.1 Answers to questions on notice and supplementary questions

The committee noted the following answers to questions on notice were published by the committee clerk under the authorisation of the resolution appointing the committee:

- answers to questions on notice and supplementary questions from the Australian Forestry Products Association, received on 17 November
- answers to supplementary questions from the National Parks Association of NSW, received on 30 November
- answers to questions on notice from the Department of Primary Industries, received on 13 January 2022
- answers to questions on notice from the Environmental Protection Authority, received on 22 December 2021
- answers to questions on notice from Local Land Services, received on 17 December 2021
- answers to questions on notice from the Natural Resources Commission, received 23 December 2021
- answers to questions on notice from the Forestry Corporation, received on 7 January 2022.

Resolved, on the motion of Mr Poulos: That the committee authorise the publication of the answers to questions on notice provided by Australian Sustainable Timbers on 1 February 2022.

### 6.2 Allocation of questioning

Resolved, on the motion of Mr Primrose: That the timing of questioning for today's hearing be left in the hands of the Chair.

### 6.3 Livestream and recording of hearing

The committee noted that, as previously resolved, the hearing will be broadcast via the Parliament's website, and also recorded and uploaded to the inquiry webpage as soon as practicable after the hearing.

### 6.4 Public Hearing

Witnesses and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was admitted, sworn and examined:

- Mr Peter Crowe, Chair, Softwoods Working Group
- Ms Diana Gibbs, Economist, Softwoods Working Group

Ms Gibbs tendered the following documents:

- 'Briefing Note: An Option for Stimulation Expansion of the Softwood Plantation Estate in NSW'
- 'The South West Slopes of NSW – Economic Value of the Timber Industry'
- 'Australia's Timber Framing Cliff: 250,000 house-frames short by 2035'.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Cr David Graham, Councillor, Cootamundra-Gundagai Regional Council
- Mr Greg Blackie, Director – Engineering, Greater Hume Shire Council
- Cr Ian Chaffey, Mayor, Snowy Valleys Council

Cr Graham tendered the following document:

- 'Submission for Senate enquiry into long term sustainability and future of the timber and forest products industry'.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mrs Theresa Lonergan, Member and Former Director, Australian Forest Contractors Association; and Director and Owner of P & T Lonergan Pty Ltd
- Ms Carlie Porteous, General Manager, Australian Forest Contractors Association

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Mr Michael Kingwill, Private landowner

The evidence concluded and the witness withdrew.

The hearing concluded at 3.42 pm.

### **6.5 Tendered documents**

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following documents tendered during the public hearing and site visit:

- 'Presentation: Portfolio Committee No.4 visit to FCNSW Nursery – 8 February 2022', tendered by Mr Dean Anderson, Regional Manager Snowy, Forestry Corporation.
- 'The South West Slopes of NSW – Economic Value of the Timber Industry', tendered by Mr Dean Anderson, Regional Manager Snowy, Forestry Corporation
- 'Australia's Timber Framing Cliff: 250,000 house-frames short by 2035', tendered by Mr Dean Anderson, Regional Manager Snowy, Forestry Corporation
- 'Briefing Note: An Option for Stimulation Expansion of the Softwood Plantation Estate in NSW', tendered by Ms Diana Gibbs, Economist, Softwoods Working Group
- 'The South West Slopes of NSW – Economic Value of the Timber Industry', tendered by Ms Diana Gibbs, Economist, Softwoods Working Group

- 'Australia's Timber Framing Cliff: 250,000 house-frames short by 2035', tendered by Ms Diana Gibbs, Economist, Softwoods Working Group.

## 7. Adjournment

The committee adjourned at 3.43pm, *sine die*.

Joseph Cho

**Committee Clerk**

## Minutes no. 64

Monday 4 April 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources

Terminal 2, Regional Express Airlines, Sydney Domestic Airport at 8.00 am

### 1. Members present

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair*

Mr Barrett

Mr Primrose

Mr Poulos

### 2. Apologies

Mr Field

Mr Martin

### 3. Change of membership

The committee noted Mr Barrett replaced Mr Fang as a substantive member of the committee from 1 March 2022.

### 4. Inquiry into the long term sustainability and future of the timber and forest products industry

#### 4.1 COVID-Safe plan

Committee noted the COVID-Safe plan developed for the committee's travel to the South Coast of NSW.

#### 4.2 Site visit

The committee toured various forest locations and sites in the Eden region with the following stakeholders:

- Allied Natural Wood Enterprises/Pentarch – the tour was led by Mr Charlie Fisher, Regional Manager, Pentarch; Mr Stephen Dadd, Executive Director, Pentarch; and Mr Ian Sedger, Pentarch Director, Pentarch
- South East Timber Association – the tour was led by Mr Peter Rutherford, Secretary, South East Timber Association and Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher.

Mr Fisher tendered the following document:

- Overview of Pentarch Forestry: Eden.

Mr Rutherford tendered the following document:

- South East Timber Association – Information pack.

Mr Jurskis tendered the following documents:

- Information pack
- Document, 'Landscapes must be managed'.

## 5. Adjournment

The committee adjourned at 3.45 pm until Tuesday 5 April 2022, Mogo rest area, Tomakin Road, Mogo, at 8.15 am.

Lauren Evans

**Committee Clerk**

## Minutes no. 65

Tuesday 5 April 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources

Mogo rest area, Tomakin Road, Mogo, at 8.15 am

### 1. Members present

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair* (Timber and forest products inquiry)

Mr Barrett

Ms Boyd (from 10.50 am until 11.10 am )

Mr Field (until 10.00 am and from 11.10 am)

Mr Martin (from 10.50 am until 11. 10 am)

Mr Poulos

Mr Primrose

### 2. Inquiry into the long term sustainability and future of the timber and forest products industry

#### 2.1 Site visit

The committee toured various sites in compartment 146 of Mogo State Forest. The tour was led by:

- Joslyn van der Moolen, Committee Member and Forest Working Group Member, Coastwatchers, and Community Liaison Officer, Friends of the Forest (Mogo)
- Nick Hopkins, Committee Member and Forest Working Group Member, Coastwatchers, and Community Liaison Officer, Friends of the Forest (Mogo)
- Julie Morgan, Volunteer, Birdlife Australia
- Sean Dooley, National Public Affairs Manager, Birdlife Australia
- Professor David Lindenmayer, Australian National University.

Mr Hopkins tendered the following document:

- Coastwatchers Association pamphlet – Save Mogo's Forests.

### 3. Correspondence

The committee noted the following items of correspondence:

#### **Received:**

- 30 March 2022 – Letter from Mr Bruce Roberts, Chair, Australian Registrars' National Electronic Conveyancing Council, to the Chair, regarding steps required for any amendments to the Bill and NSW Application legislation (eConveyancing inquiry)
- 17 March 2022 – Email from Mr Blair Beaton, Chief Strategy Officer, ASX Ltd to the Chair, regarding evidence given by Mr Simon Smith, Chief Operating Officer, PEXA during the hearing on 17 March 2022 (eConveyancing inquiry)
- 18 March 2022 – Email from Mr James Adler, Legal Counsel, Sympli to the Chair, regarding statements made by representatives of PEXA during the hearing on 17 March 2022 (eConveyancing inquiry)
- 21 March 2022 – Email from Ms Deirdre Rose, Frontier Economics to the committee, attaching report by Frontier Economics and Professor Andrew Macintosh, ANU entitled 'Comparing the value of

alternative uses of native forests in Southern NSW', dated 30 November 2021 (Timber and forest products inquiry)

- 24 March 2022 – Email from Mr Jared Zak, Principal Solicitor, Dott & Crossitt Solicitors to the committee, regarding Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022 (eConveyancing inquiry)
- 29 March 2022 – Email from Ms Anna Waters, Executive Services Officer, Eurobodalla Shire Council, to the secretariat, declining the invitation for the Council to appear at the hearing on 5 April 2022 (Timber and forest products inquiry).

#### **4. Draft minutes**

Resolved, on the motion of Mr Primrose: That draft minutes nos. 62 and 63 be confirmed.

#### **5. Inquiry into the Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022**

##### **5.1 Publication of correspondence on inquiry webpage**

Resolved, on the motion of Mr Veitch: That the committee publish on the inquiry webpage the following correspondence previously noted:

- 30 March 2022 – Letter from Mr Bruce Roberts, Chair, Australian Registrars' National Electronic Conveyancing Council, to the Chair, regarding steps required for any amendments to the Bill and NSW Application legislation
- 17 March 2022 – Email from Mr Blair Beaton, Chief Strategy Officer, ASX Ltd to the Chair, regarding evidence given by Mr Simon Smith, Chief Operating Officer, PEXA during the hearing on 17 March 2022
- 18 March 2022 – Email from Mr James Adler, Legal Counsel, Sympli to the Chair, regarding statements made by representatives of PEXA during the hearing on 17 March 2022
- 24 March 2022 – Email from Mr Jared Zak, Principal Solicitor, Dott & Crossitt Solicitors to the committee, regarding Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022.

##### **5.2 Answers to questions from the Australian Competition and Consumer Commission**

Resolved, on the motion of Mr Barrett: That the committee authorise the publication of the answers to questions received from the Australian Competition and Consumer Commission on 25 March 2022, and that these answers be published on the inquiry webpage.

##### **5.3 Letter from the NSW Registrar General**

Ms Boyd tabled a letter from Mr Jeremy Cox, NSW Registrar General, regarding the commitment to reporting to Parliament on security and progress with interoperability, received on 4 April 2022.

Resolved, on the motion of Ms Boyd: That the committee publish on the inquiry webpage the letter from Mr Jeremy Cox, NSW Registrar General, regarding the commitment to reporting to Parliament on security and progress with interoperability, received on 4 April 2022.

##### **5.4 Recording of the report deliberative**

Resolved, on the motion of Mr Veitch: That the report deliberative meeting be recorded through Webex for the purposes of the secretariat cross-checking amendments following the meeting only, with the recording to be deleted after this use.

##### **5.5 Consideration of Chair's draft report**

The Chair submitted his draft report, entitled 'Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022', which, having been previously circulated, was taken as being read.

Resolved, on the motion of Ms Boyd: That paragraph 2.75 be amended by omitting 'notes the evidence from Property Exchange Australia (PEXA) and inserting instead 'notes the assertion from Property Exchange Australia (PEXA)'.

Resolved, on the motion of Ms Boyd: That Finding 2 be amended by omitting 'including an independent assessment of readiness and the industry code' and inserting instead 'including the industry code and an independent assessment of readiness by the Office of the Registrar General'.

Mr Veitch moved: That the following new recommendation be inserted after Recommendation 1:

'Recommendation X

That the House consider the second bill only after the House has received a report from the Office of the Registrar General and the industry code has been finalised'.

Question put.

The committee divided.

Ayes: Mr Banasiak, Ms Boyd, Mr Primrose, Mr Veitch.

Noes: Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the affirmative.

Resolved, on the motion of Ms Boyd: That:

The draft report, as amended, be the report of the committee and that the committee present the report to the House;

The transcripts of evidence, submissions, tabled documents, report on the online questionnaire, answers to questions, and correspondence relating to the inquiry be tabled in the House with the report;

Upon tabling, all unpublished attachments to submissions be kept confidential by the committee;

Upon tabling, all unpublished transcripts of evidence, submissions, tabled documents, answers to questions, and correspondence relating to the inquiry, be published by the committee, except for those documents kept confidential by resolution of the committee;

The committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;

The committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;

Dissenting statements be provided to the secretariat within 24 hours after receipt of the draft minutes of the meeting;

The secretariat is tabling the report on Friday 8 March 2022.

The Chair to advise the secretariat and members if they intend to hold a press conference, and if so, the date and time.

## **6. Inquiry into the long term sustainability and future of the timber and forest products industry**

### **6.1 Public submissions**

The committee noted that submission 232 was published by the committee clerk under the authorisation of the resolution appointing the committee.

### **6.2 Answers to questions on notice and additional information**

The committee noted that the following answers to questions on notice and additional information were published by the committee clerk under the authorisation of the resolution appointing the committee:

- Answers to questions on notice from Snowy Valleys Council, received 24 February 2022
- Answers to questions on from Greater Hume Shire Council, received 2 March 2022
- Additional information from Mr Michael Kingwill, received 7 March 2022.

### 6.3 Frontier Economics report

Resolved, on the motion of Mr Field: That the committee publish on the inquiry webpage the correspondence from Ms Deirdre Rose, Frontier Economics to the committee, dated 21 March 2022, and the attached report by Frontier Economics and Professor Andrew Macintosh, ANU entitled 'Comparing the value of alternative uses of native forests in Southern NSW'.

### 6.4 Tended documents from site visit with Western Murray Land Improvement Group

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following documents tendered by the Western Murray Land Improvement Group during the site visit on 7 February 2022:

- Barapa Barapa villages of the Pollack
- Joint Indigenous Group - Koondrook-Perricoota – Statement of significance
- Joint Indigenous Group - Koondrook-Perricoota Forest Flood Enhancement Project – Terms of reference
- Koondrook Perricoota Alliance & Sub-Committees – Terms of Reference, July 2021
- Western Murray Land Improvement Group – Koondrook Perricoota Working Group - Terms of reference
- Western Murray Land Improvement Group – Organisation overview
- Western Murray Land Improvement Group – Koondrook-Perricoota Forest community visioning outcomes
- Western Murray Land Improvement Group - KP Group of Forests Collaborative Project List
- Western Murray Land Improvement Group - Koondrook-Perricoota Forest Wetland 'Hotspots' Assessment, June 2021
- Western Murray Land Improvement Group - Koondrook Perricoota Little Forest Traditional Flow Environmental Water Planning Case Study, October 2021.

### 6.5 Tended documents from site visit in Eden and Moruya

Resolved, on the motion of Mr Veitch: That the committee accept the following documents but defer consideration of publication until the secretariat has checked the documents for issues of confidentiality and adverse mention:

- Overview of Pentarch Forestry: Eden, tendered by Mr Charlie Fisher, Regional Manager, Pentarch.
- South East Timber Association – Information pack, tendered by Mr Peter Rutherford, Secretary, South East Timber Association
- Information pack, tendered by Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher
- Document, 'Landscapes must be managed', tendered by Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher
- Coastwatchers Association pamphlet – Save Mogo's Forests, tendered by Mr Nick Hopkins, Member and Forest Working Group Member, Coastwatchers Association.

### 6.6 Public hearing

Witnesses were admitted.

The committee proceeded to take evidence in public.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was sworn and examined:

- Mr Anthony McMahon, Chief Executive Officer, Bega Valley Shire Council.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Ms Julie Taylor Mills, Committee member, South East Region Conservation Alliance
- Ms Lisa Stone, Committee member, South East Region Conservation Alliance

- Mr Sean Dooley, National Public Affairs Manager, BirdLife Australia.

Ms Stone tendered the following documents:

- Media Article, Lucy Cormack and Nick O'Malley, '\$20m loss: native forest logging last year cost NSW taxpayers \$441 per hectare', *Sydney Morning Herald*, 15 March 2022
- Media Article, Andrew Brownbill, 'Native forest logging makes bushfires worse – and to say otherwise ignores the facts', *The Conversation*, 20 May 2021
- Letter from Ms Tracey Mackey, Chief Executive Officer, Environment Protection Authority to Mr Gary Barnes, Secretary, Department of Regional NSW and Mr Anshul Chaudhary, Acting Chief Executive Officer, Forestry Corporation NSW, dated 22 September 2020, regarding FCNSW report entitled 'Environmental Impacts and Implications for Timber Harvesting NSW State Forests'
- Document, 'Why do politicians continue to defy public opinion'
- Extract from 2020 Review of CIFOA standards for mitigating logging impacts in burnt NSW Forests
- Executive Summary from 'Final report on Advice on Coastal IFOA operations post 2019-2020 wildfires', Natural Resources Commission, June 2021.

Ms Taylor-Mills tendered the following document:

- Summary presentation on report, 'Southern and Eden RFA: Economics of native forest harvesting', Frontier Economics and Professor Andrew Macintosh, Australian National University, 23 September 2021.

Mr Dooley tendered the following document:

- Report, 'Bird and Nature Tourism in Australia: KBAs in Danger Case Study Report 2022', Dr Rochelle Steven, BirdLife Australia.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Nick Hopkins, Community Liaison Officer, Friends of the Forest (Mogo) and Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc.
- Ms Joslyn van der Moolen, Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc. and Community Liaison Officer, Friends of the Forest (Mogo).

Mr Hopkins tendered the following documents:

- Living in Eurobodalla, 'MTBs on a roll at Mogo', January to March 2021
- Environment Protection Authority, 'Current Investigations', 25 February 2022
- Document, 'Forestry Corporation NSW breaching – some recent media releases'
- Photograph, 'Typical hollow bearing tree felled in Mogo State Forest in 2020 – one of 70 reported to the EPA'
- Photograph, 'Currowan fire survivor: this Greater Glider typifies the threatened species decimated by Black Summer'.

Ms van der Moolen tendered the following document:

- Fact sheet, 'Forests: Worth more standing', A Beyond Zero Future for South East NSW.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Stephen Dadd, Executive Director, Allied Natural Wood Enterprises/Pentarch Forestry
- Mr Charlie Fisher, Regional Manager, Allied Natural Wood - Enterprises/Pentarch Forestry
- Mr Peter Rutherford, Secretary, South East Timber Association
- Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher, South East Timber Association.

Mr Rutherford tendered the following document:

- Answer to question on notice from Mr Primrose during site visit on 4 April 2022.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 2.45 pm.

#### **6.7 Tendered documents from public hearing**

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following documents tendered during the public hearing:

- Summary presentation on report, 'Southern and Eden RFA: Economics of native forest harvesting', Australian National University, 23 September 2021, tendered by Ms Julie Taylor Mills, South East Region Conservation Alliance
- Report entitled 'Bird and Nature Tourism in Australia: KBAs in Danger Case Study Report 2022', Dr Rochelle Steven, BirdLife Australia, tendered by Mr Sean Dooley, BirdLife Australia
- Living in Eurobodalla, 'MTBs on a roll at Mogo', January to March 2021, tendered by Mr Nick Hopkins, Friends of the Forest Mogo and Coastwatchers.
- Environment Protection Authority, 'Current Investigations', 25 February 2022, tendered by Mr Nick Hopkins, Friends of the Forest Mogo and Coastwatchers.
- Document, 'Forestry Corporation NSW breaching – some recent media releases', tendered by Mr Nick Hopkins, Friends of the Forest Mogo and Coastwatchers.
- Photograph, 'Typical hollow bearing tree felled in Mogo State Forest in 2020 – one of 70 reported to the EPA', tendered by Mr Nick Hopkins, Friends of the Forest Mogo and Coastwatchers.
- Photograph, 'Currowan fire survivor: this Greater Glider typifies the threatened species decimated by Black Summer', tendered by Mr Nick Hopkins, Friends of the Forest Mogo and Coastwatchers.
- Fact sheet, 'Forests: Worth more standing', A Beyond Zero Future for South East NSW, tendered by Ms Joslyn van der Moolen, Coastwatchers and Friends of the Forest Mogo.
- Answer to question on notice from Mr Primrose during site visit on 4 April 2022, tendered by Mr Peter Rutherford, South East Timber Association.

Resolved, on the motion of Mr Primrose: That the committee accept and publish the following documents tendered by Ms Lisa Stone, South East Region Conservation Alliance:

- Media Article, Lucy Cormack and Nick O'Malley, '\$20m loss: native forest logging last year cost NSW taxpayers \$441 per hectare', Sydney Morning Herald, 15 March 2022
- Media Article, Andrew Brownbill, 'Native forest logging makes bushfires worse – and to say otherwise ignore the facts', The Conversation, 20 May 2021
- Letter from Ms Tracey Mackey, Chief Executive Officer, Environment Protection Authority to Mr Gary Barnes, Secretary, Department of Regional NSW and Mr Anshul Chaudhary, Acting Chief Executive Officer, Forestry Corporation NSW, dated 22 September 2020, regarding FCNSW report entitled 'Environmental Impacts and Implications for Timber Harvesting NSW State Forests'
- Document, 'Why do politicians continue to defy public opinion'
- Extract from 2020 Review of CIFOA standards for mitigating logging impacts in burnt NSW Forests
- Executive Summary from Final report on Advice on Coastal IFOA operations post 2019-2020 wildfires, Natural Resources Commission, June 2021.

#### **7. Adjournment**

The committee adjourned at 2.48 pm until *sine die*.

Peta Leeman and Laura Ismay  
Committee Clerks

**Minutes no. 66**

Thursday 28 April 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources

Terminal 3, Qantas Airlines, Sydney Domestic Airport at 7.20 am

**1. Members present**Mr Banasiak, *Chair*Mr Veitch, *Deputy Chair*

Mr Barrett

Mr Field

Mr Martin

Mr Poulos

**2. Apologies**

Mr Primrose

**3. Inquiry into the long term sustainability and future of the timber and forest products industry****3.1 COVID-Safe plan**

The committee noted the COVID-safe plan developed for the committee's travel to the North Coast of New South Wales on 28-29 April 2022.

**3.2 Site visit**

The committee toured a Private Native Forestry (PNF) operation in Bucca, and met with the following stakeholders:

- Ms Sharon Bettler, local landholder
- Mr Connell Simpson, local landholder
- Mr Steve Dobbins, local contractor, Jamax Forest Solutions
- Ms Elysia Harradine, A/Director Policy & Reform, Local Land Services (LLS)
- Mr Jeff Boyd, Manager PNF Operations, LLS
- Ms Sarah Fay, PNF Officer, LSS.

Ms Harradine tendered the following documents:

- Media release dated 26 April 2022 by NSW Government regarding the introduction of new Farm Forestry Codes of Practice;
- Local Land Services, New Private Native Forestry Codes of Practice (PNF Codes); and
- Local Land Services, PNF Codes FAQ.

The committee toured various forest locations, including Lower Bucca State Forest and Orara East State Forest, and met with the following stakeholders:

- Mr Dean Kearney, Senior Manager Planning, Forestry Corporation NSW (FCNSW)
- Mr Chris Sade, Senior Ecologist, FCNSW
- Ms Kiara Botma, Senior Ecologist FCNSW
- Mr Justin Black, Partnerships Leader, FCNSW
- Mr Clark Webb, CEO, Bularri Muurlay Nyanggan Aboriginal Corporation.

Mr Kearney tendered the following documents:

- FCNSW Koala Search Guide for machine operators pamphlet
- NSW Department of Primary Industries poster 'Koalas GPS tracking in a forestry landscape'.

#### 4. **Adjournment**

The committee adjourned at 5.00 pm until 8.45 am, Friday 28 March 2022 (site visit for the inquiry into the long term sustainability and future of the timber and forest products industry).

Frances Arguelles  
**Committee Clerk**

#### **Minutes no. 67**

29 April 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources

Perry's Hill Lookout, Repton at 8.45am

#### 1. **Members present**

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair*

Mr Barrett

Mr Field

Mr Martin

Mr Poulos

#### 2. **Apologies**

Mr Primrose

#### 3. **Inquiry into the long term sustainability and future of the timber and forest products industry.**

##### 3.1 **Site visit**

The committee toured the proposed site of Great Koala National Park (GKNP), and met with the following stakeholders:

- Ms Paula Flack, GKNP Campaign Coordinator
- Ms Caitlin Hockey, GKNP Campaign Team member and tour guide business owner
- Mr John Pile, founding member of Friends of Pine Creek
- Ms Ann Coyle, founding members of Friends of Pine Creek.

Ms Flack tendered the following documents:

- Great Koala National Park – information pack
- Hunter Research Foundation Centre, University of Newcastle, 'Great Koala National Park Economic impact analysis and environmental benefit assessment'
- 'Forest for all' pamphlet – National Parks Association.
- 'The Great Koala National Park Long Distance Walking Track'
- The Great Koala National Park Horseshoe Trail.
- Trails of the Great Koala National Park – a proposal for mountain bike investment in the Great Koala National Park.

#### 4. **Draft minutes**

Resolved, on the motion of Mr Veitch: That the draft minutes nos. 64 and 65 be confirmed.

## 5. Correspondence

The committee noted the following items of correspondence:

### *Received*

- 11 April 2022 – Email from Mr Peter Day to the committee regarding social media posts of site visit to the South Coast for the inquiry into the long term sustainability and future of the timber and forest products industry.
- 20 April 2022 – Email from Ms Deirdre Rose, Frontier Economics, to the committee, advising that the document entitled 'Summary presentation on report, 'Southern and Eden RFA: Economics of native forest harvesting', Australian National University, 23 September 2021', tendered by Ms Julie Taylor Mills, South East Region Conservation Alliance at the hearing on 5 April 2022, was a draft version and requesting that the document be replaced with an updated version
- 21 April 2022 – Email from Ms Jaylene Stewart, Executive Assistant to the Mayor, to the committee, advising that the Coffs Harbour City Council declines the invitation to appear at the hearing on 29 April 2022
- 22 April 2022 – Email from Ms Karlie Chevalley, Executive Assistant to the Mayor, to the committee, advising that the Clarence Valley Council declines the invitation to appear at the hearing on 29 April 2022.

Resolved, on the motion of Mr Veitch: That the document entitled 'Summary presentation on report, 'Southern and Eden RFA: Economics of native forest harvesting', Australian National University, 23 September 2021', tendered by Ms Julie Taylor Mills, South East Region Conservation Alliance at the hearing on 5 April 2022 be replaced with the updated version provided by Frontier Economics on 20 April 2022.

## 6. Inquiry into the long term sustainability and future of the timber and forest products industry

### 6.1 Public submissions

Resolved, on the motion of Mr Veitch: That the committee authorise the publication of submission no. 231 and submission no. 232.

### 6.2 Tended documents from site visits in Eden and Moruya

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following documents tendered from the site visits in Eden and Moruya on the 4<sup>th</sup> and 5<sup>th</sup> of April

- South East Timber Association – Information pack, tendered by Mr Peter Rutherford, Secretary, South East Timber Association
- Information pack, tendered by Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher
- Document, 'Landscapes must be managed', tendered by Mr Vic Jurskis, Forest Ecologist, Silviculturist and Researcher
- Coastwatchers Association pamphlet – Save Mogo's Forests, tendered by Mr Nick Hopkins, Member and Forest Working Group Member, Coastwatchers Association.

### 6.3 Public hearing

Witnesses were admitted.

The committee proceeded to take evidence in public.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Mr Craig McPherson, Manager, Tableland Timbers
- Mr John McPherson, Manager, Tableland Timbers
- Mr Stephen Dadd, Executive Director, Pentarch Forestry
- Mr Keith Davidson, General Manager, Domestic Operations, Pentarch Forestry.

Mr Martin left the hearing.

The evidence concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Mark Graham, Managing Director and Principal Guide, Bellingen Nature Company and Bellingen Nature Tours.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Ms Leonie Blain, Secretary, Clarence Valley Conservation Coalition Inc.
- Mr Phil Redpath, Committee Member, Clarence Valley Conservation Coalition Inc.
- Mr Dailan Pugh, President, North East Forest Alliance
- Mr Jim Morrison, Member, North East Forest Alliance and President, North Coast Environment Council

Ms Blain tendered the following documents:

- Document, 'Additional material tabled at the Coffs Harbour hearing', dated April 29 2022.
- Letter from Clarence Valley Conservation Coalition to Ms Jacqueline Moore, A/Chief Executive Officer, NSW Environment Protection Authority, dated 14 April 2022
- Letter from John Edwards, Clarence Environment Centre to the Hon. Dugald Saunders, MP about the Southgate State Forests Assessment, dated 25 March 2022.
- Research paper, 'Logging elevated the probability of high-severity fire in the 2019-20 Australian forest fires' by David B. Lindenmayer et al, Nature Ecology & Evolution, 2021.

Mr Pugh tendered the following documents:

- Document, 'Providing homes for hollow-dependent animals', by Dailan Pugh, North East Forest Alliance Inc., April 2022
- Document, 'DPI Forestry's claim that logging has no impacts on Koalas is invalid', by Dailan Pugh, North East Forest Alliance, April 2022

Mr Morrison tendered the following document:

- Document, NSW Parliamentary inquiry: long term sustainability and future of the timber and forest products industry by Jim Morrison, North East Forest Alliance and North Coast Environment Council.

The evidence concluded and the witnesses withdrew.

Mr Martin re-joined the hearing.

The following witnesses were sworn and examined:

- Ms Ursula da Silva, Spokesperson and Manager of Ourimbah Camp, Gugiyin Balun Aboriginal Corporation
- Mr Brett Duroux, Chairperson, Gugiyin Balun Aboriginal Corporation.

Ms da Silva tendered the following document:

- Photograph and QR code link to references.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 2.45 pm.

#### **6.4 Tendered documents from site visits in Coffs Harbour**

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following documents tendered from the site visits in Coffs Harbour on the 28th and 29th of April

- Media release dated 26 April 2022 by NSW Government regarding the introduction of new Farm Forestry Codes of Practice, tendered by Ms Elysia Harradine, A/Director, Local Land Services
- 'New Private Native Forestry Codes of Practice (PNF Codes), Local Land Services', tendered by Ms Elysia Harradine, A/Director, Local Land Services
- 'PNF Codes FAQ, Local Land Services', tendered by Ms Elysia Harradine, A/Director, Local Land Services
- 'FCNSW Koala Search Guide for machine operators pamphlet', tendered by Mr Dean Kearney, Senior Manager, FCNSW
- 'NSW Department of Primary Industries poster "Koalas GPS tracking in a forestry landscape"', tendered by Mr Dean Kearney, Senior Manager, FCNSW
- 'Great Koala National Park – information pack', tendered by Ms Paula Flack, Campaign Manager for the Great Koala National Park, National Park Association
- 'Great Koala National Park Economic impact analysis and environmental benefit assessment', Hunter Research Foundation Centre, University of Newcastle, tendered by Ms Paula Flack, Campaign Manager for the Great Koala National Park, National Park Association
- 'Forest for all' pamphlet – National Parks Association, tendered by Ms Paula Flack, Campaign Manager for the Great Koala National Park, National Park Association
- 'The Great Koala National Park Long Distance Walking Track', tendered by Ms Paula Flack, Campaign Manager for the Great Koala National Park, National Park Association
- 'The Great Koala National Park Horseshoe Trail' tendered by Ms Paula Flack, Campaign Manager for the Great Koala National Park, National Park Association
- 'Trails of the Great Koala National Park – a proposal for mountain bike investment in the Great Koala National Park' tendered by Ms Paula Flack, Campaign Manager for the Great Koala National Park, National Park Association

#### **6.5 Tendered documents from public hearing**

Resolved, on the motion of Mr Veitch: That the committee accept and publish the following documents tendered during the public hearing:

- Document, 'Additional material tabled at the Coffs Harbour hearing April 29 2022', tendered by Ms Leonie Blain, Secretary, Clarence Valley Conservation Coalition Inc.
- Letter from Clarence Valley Conservation Coalition to Ms Jacqueline Moore, A/Chief Executive Officer, NSW Environment Protection Authority, dated 14 April 2022, tendered by Ms Leonie Blain, Secretary, Clarence Valley Conservation Coalition Inc.
- Letter from John Edwards, Clarence Environment Centre to the Hon. Dugald Saunders, MP about the Southgate State Forests Assessment, dated 25 March 2022, tendered by Ms Leonie Blain, Secretary, Clarence Valley Conservation Coalition Inc.
- Research paper, 'Logging elevated the probability of high-severity fire in the 2019-20 Australian forest fires' by David B. Lindenmayer et al, Nature Ecology & Evolution, 2021, tendered by Ms Leonie Blain, Secretary, Clarence Valley Conservation Coalition Inc.
- PowerPoint presentation, 'The role of hollow-bearing trees in NSW forests', tendered by Mr Phil Redpath, Committee Member, Clarence Valley Conservation Coalition Inc.
- Document, 'Providing homes for hollow-dependent animals', by Dailan Pugh, North East Forest Alliance Inc., April 2022, tendered by Mr Dailan Pugh, President, North East Forest Alliance
- Document, 'DPI Forestry's claim that logging has no impacts on Koalas is invalid', by Dailan Pugh, North East Forest Alliance, April 2022, tendered by Mr Dailan Pugh, President, North East Forest Alliance.
- Document, NSW Parliamentary inquiry: long term sustainability and future of the timber and forest products industry by Jim Morrison, North East Forest Alliance and North Coast Environment Council, tendered by Mr Jim Morrison, Member, North East Forest Alliance and President, North Coast Environment Council

- Photograph and QR code link to references tendered by Ms Ursula da Silva, Spokesperson and Manager of Ourimbah Camp, Gugiyin Balun Aboriginal Corporation

## 7. Adjournment

The committee adjourned at 2.48 pm until *sine die*.

Frances Arguelles  
Committee Clerk

## Minutes no. 68

Friday, 6 May 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources

Borg Panel Plant, Gate 4 Lowes Mount Road, Oberon at 11.15am

### 1. Members present

Mr Banasiak, Chair  
Mr Veitch, Deputy Chair  
Mr Field  
Mr Martin

### 2. Apologies

Mr Barrett  
Mr Primrose  
Mr Poulos

### 3. Inquiry into the long term sustainability and future of the timber and forest products industry.

#### 3.1 COVID-safe plan

The committee noted the COVID-safe plan developed for the committee's travel to Oberon.

#### 3.2 Site Visit

The committee toured Borg Panels manufacturing plant, and met with the following stakeholders:

- Mr Jim Snelson, Chief Executive Officer, Borg
- Mr Richard Whitham, Oberon Facility Manager, Borg.

The committee toured Highland Pine Products Mill. The tour was led by the following stakeholders:

- Mr Fritz Gaiser, Supply Chain Manager, Highland Pine Products
- Mr Paul Cotton, General Manager, Softwoods, Pentarch.

Mr Gaiser tendered the following document:

- Powerpoint slide, 'NSW Parliamentary committee – Portfolio Committee 4 Visit'.

The committee toured Essington state forest. The tour was led by the following stakeholders:

- Mr Matthew Mangan, Director, Mangan Logging
- Mr Chris Mangan, Director, Mangan Haulage
- Mr Jason Molkentin, Regional Manager, Northern Region, Forestry Corporation NSW
- Ms Tamara Campbell – Harvesting and Roding Manager, Bathurst, Forestry Corporation NSW.

#### 3.3 Correspondence from Githabul Elders

The committee noted correspondence received from Ms Gloria Williams and Ms Jennifer Williams declining the invitation to appear at the hearing on 29 April 2022 and expressing concerns about the invitation process, dated 29 April 2022.

Resolved, on the motion of Mr Field: That the committee write to Ms Williams and Ms Williams in response to their letter, to apologise and extend another invitation to appear at the hearing on 24 May 2022, with an offer to support their appearance in person or by videoconference.

#### 4. **Adjournment**

The committee adjourned at 4.15pm until *sine die*.

Frances Arguelles  
**Committee Clerk**

#### **Minutes no. 70**

24 May 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources

Room 814/815, Parliament House, Sydney at 9.18am

#### 1. **Members present**

Mr Banasiak, *Chair*

Mr Veitch, *Deputy Chair*

Mr Barrett

Mr Field

Mr Martin

Mr Poulos (by videoconference until 2.00 pm)

Mr Primrose (by videoconference until 3.00 pm)

#### 2. **Previous minutes**

Resolved, on the motion of Mr Veitch: That draft minutes nos. 66, 67, 68 and 69 be confirmed.

#### 3. **Correspondence**

The committee noted the following items of correspondence:

##### ***Received***

- 28 April 2022 – Email from Stephen Dadd, Executive Director, Pentarch Forestry, to the committee secretariat attaching a copy of Pentarch Forestry's submission and an updated version of the document entitled 'Overview of Pentarch Forestry: Eden', tendered by Mr Charlie Fisher, Regional Manager, Pentarch Forestry on 4 April 2022 at the site visit on 4 April 2022.
- 29 April 2022 - Letter from Ms Gloria Williams and Ms Jennifer Williams, Githabul Elders, to the committee declining the invitation to appear at the hearing on 29 April and raising concerns about the invitation process.
- 10 May 2022 – Email from Mr Dean Kearney, Forestry Corporation, to the committee, providing a brief outline of FCNSW cultural burning program.
- 10 May 2022 – Letter from Mr Jeremy Cox, NSW Registrar General, to the Chair, attaching the 'Government Response – Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022'.
- 11 May 2022 – Letter from Ms Gloria and Ms Jennifer Williams, Githabul Elders, to the committee, declining the invitation to appear at the hearing on 24 May 2022.
- 16 May 2022 – Email from Ms Elena Krtovski, Executive Assistant to Mr Stephen Dadd, Executive Director, Pentarch Forestry, to the committee secretariat requesting that document entitled 'Overview of Pentarch Forestry: Eden', tendered by Mr Charlie Fisher, Regional Manager, Pentarch Forestry on 4 April 2022 at the site visit be updated with the version provided by Mr Stephen Dadd, Executive Director, Pentarch Forestry to the committee secretariat on 28 April 2022, and that the document be kept confidential.

- 17 May 2022 – Email from Ms Katie Fowden, Manager of Strategic Relations, Hyne Timber to the committee, advising that Hyne Timber declines the invitation to appear at the hearing on 24 May 2022.
- 19 May 2022 – Email from Ms Kathleen Henery, Administrative Coordinator and Community Support Officer, Western Murray Land Improvement Group, to secretariat, attaching an updated version of submission no. 234.
- 20 May 2022 – Email from Professor Andrew Macintosh, Professor and Director of Research ANU Law School, The Australian National University to the committee, advising that himself and Ms Deirdre Rose, Economist, Frontier Economics can no longer appear at the hearing on 24 May 2022.

**Sent**

- 10 May 2022 – Letter from Chair to Ms Gloria Williams and Ms Jennifer Williams, Githabul Elders, in response to their 29 April 2022 letter to the committee.

**4. Inquiry into the Electronic Conveyancing (Adoption of National Law) Amendment Bill 2021**

**4.1 Correspondence from NSW Registrar General**

Resolved, on the motion of Mr Veitch: That the committee authorise the publication of the correspondence from Mr Jeremy Cox, NSW Registrar General, to the Chair, dated 10 May 2022 on the inquiry webpage, including the attached 'Government Response – Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022'.

**5. Inquiry into the long term sustainability and future of the timber and forest products industry**

**5.1 Public Submissions**

Resolved, on the motion of Mr Barrett: That the committee authorise the publication of submission no. 234a.

**5.2 Partially confidential submissions**

Resolved, on the motion of Mr Veitch: That the committee authorise the publication of submission no. 234, with the exception of identifying and sensitive information which are to remain confidential, as per the request of the author.

**5.3 Tended documents from site visits**

Resolved on the motion of Mr Barrett: That:

- the document entitled 'Overview of Pentarch Forestry: Eden', tendered by Charlie Fisher, Regional Manager, Pentarch Forestry at the site visit on 4 April 2022 be replaced with the version provided by Mr Stephen Dadd, Executive Director, Pentarch Forestry on 28 April 2022 entitled 'Pentarch Forestry – Eden'
- the committee keep the document entitled 'Pentarch Forestry – Eden' confidential, as per the request of the author.

Resolved on the motion of Mr Martin: That the committee accept and publish the following documents tendered:

- Information pack and email correspondence, tendered by Mr Brett Duroux, Chairperson, Gugiyn Balun Aboriginal Corporation, on 29 April 2022
- Powerpoint slide, 'NSW Parliamentary committee – Portfolio Committee 4 Visit', tendered by Mr Fritz Gaiser, Supply Chain Manager, Highland Pine Products, on 6 May 2022.

**5.4 Answers to questions on notice and additional information**

Resolved on the motion of Mr Veitch: That the committee accept and publish the following answers to questions on notice and additional information:

- additional information, Mr Phil Redpath, Clarence Valley Conservation Coalition Inc, received on 2 May 2022
- answer to question on notice from Pentarch Forestry, received on 16 May 2022
- answer to question on notice from Bega Valley Shire Council, received on 16 May 2022.

### 5.5 Public hearing

The witness was admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was sworn and examined:

- Professor Roberta Ryan, by videoconference, Local Government and Executive Director, Institute for Regional Futures, University of Newcastle.

The evidence concluded and the witness withdrew.

The following witnesses were examined on their former oath:

- Mr Dean Kearney, Senior Manager Planning, Forestry Corporation NSW
- Mr Dean Anderson, Regional Manager Snowy Region, Forestry Corporation NSW.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Simon Croft, Executive Director, Building Policy, Housing Industry Association (by videoconference)
- Mr Joshua Burg, Assistant Director, Building, Housing Industry Association (by video conference)
- Mr Nicholas Ward, Senior Economist, Housing Industry Association (by video conference).

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Jim Snelson, Chief Executive Officer, Borg Manufacturing
- Mr Warwick Drysdale, Member and Sponsor, Frame & Truss Manufacturers Association of Australia, and Director, Program Timber Supplies.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Steve Orr, Chief Executive Officer, Local Land Services
- Dr Georgina Kelly, Executive Director, Science Economics & Insights division, Department of Planning & Environment
- Dr Tom Celebrezze, Interim Director, Remote Sensing and Landscape Science branch, Science Economics & Insights division, Department of Planning & Environment.

The following witnesses were examined on their former oath:

- Mr Nick Milham, Group Director, Forestry Policy, Research & Development, Department of Primary Industries
- Dr Brad Law, Principal Research Scientist, Department of Primary Industries
- Dr Adam Tyndall, Executive Director, Policy & Strategic Reform, Local Land Services.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Jacqueline Moore, A/CEO, NSW Environment Protection Authority

- Ms Jackie Miles, A/Executive Director, Regulatory Policy, Advice and Initiatives, NSW Environment Protection Authority.

The following witnesses were examined on their former oath:

- Professor Hugh Durrant-Whyte, Commissioner, Natural Resources Commission
- Mr Bryce Wilde, Executive Director, Natural Resources Commission.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 4.05 pm.

**6. Adjournment.**

The committee adjourned at 4.15 pm until *sine die*.

Frances Arguelles  
**Committee Clerk**

**Draft minutes no. 81**

Thursday 15 September 2022

Portfolio Committee No. 4 – Customer Service and Natural Resources  
Room 814/815, Parliament House at 11.32 am

**1. Members present**

Mr Banasiak *Chair*  
Mr Veitch, *Deputy Chair*  
Mr Barrett  
Mr Field (via videoconference)  
Mr Martin  
Mr Poulos  
Mr Primrose

**2. Draft minutes**

Resolved, on the motion of Mr Veitch: That draft minutes no. 42, 53, 54 and 70 be confirmed.

**3. Correspondence**

The committee noted the following items of correspondence:

***Received***

- 1 June 2022- Correspondence from Ms Ursula Da Silva, spokesperson, Camp Ourimba, to the committee, providing clarifications of her evidence on 29 April 2022.
- 2 June 2022 – Email from Mr Travis Wacey, National Policy Research Officer, Construction Forestry Maritime Mining and Energy Union (CFMEU), to secretariat, providing additional information, including a document entitled 'Timber Industry Log of Claims' to be considered as a supplementary submission.
- 3 June 2022 – Email from Mr Andrew Hunter, Conservation Campaigner, BirdLife Australia, to the Chair, thanking the committee for the opportunity to present evidence during the inquiry.
- 20 June 2022 – Email from Mr Bryce Wilde, Executive Director, Natural Resources Commission, providing additional information and clarification of their evidence on 24 May 2022.
- 22 June 2022 – Letter from Mr Dean Anderson, Regional Manager, Snowy, FCNSW, to the committee, providing clarifications to his evidence on 24 May 2022.

#### 4. Inquiry into Budget Estimates 2022-2023

The committee previously resolved to accept and publish the following tabled document, with the exception of certain identifying information:

- Letter from EA Legal to the Secretary of the Department of Customer Service, with respect to activities of Mr David Chandler, NSW Building Commissioner, dated 19 August 2022.

Resolved, on the motion of Mr Veitch: That the committee defer reconsideration of its decision to publish the above tabled document to its next meeting (to consider Budget Estimates supplementary hearings).

#### 5. Long term sustainability and future of the timber and forest products industry

##### 5.1 Public submissions

The following submission was published by the committee clerk under the authorisation of the resolution appointing the committee: submission no. 224a.

##### 5.2 Transcript clarifications

Resolved, on the motion of Mr Martin: That the committee authorise:

- the publication of the correspondence from
  - Ms Ursula Da Silva, spokesperson, Camp Ourimba, to the committee, providing clarifications of her evidence on 29 April 2022 received on 1 June 2022.
  - Mr Bryce Wilde, Executive Director, Natural Resources Commission, providing additional information and clarification of their evidence on 24 May 2022 received on 20 June 2022.
  - Mr Dean Anderson, Regional Manager, Snowy FCNSW, to the committee, providing clarifications to his evidence on 24 May 2022 received on 22 June 2022.on the inquiry webpage.
- the insertion of footnotes at the relevant points in the transcripts of 29 April 2022 and 24 May 2022 noting that correspondence clarifying the evidence had been received and providing a hyperlink to the published correspondence.

##### 5.3 Answers to questions on notice and additional information

The committee noted the following answers to questions on notice and additional information which were published by the committee clerk under the authorisation of the resolution appointing the committee:

- Answers to questions on notice from Ms Ursula Da Silva, spokesperson, Camp Ourimba, received 1 June 2022
- Answers to questions on notice from the Frame and Truss Manufacturers Association, received 3 June 2022
- Answers to questions on notice from Local Land Services, received 6 June 2022
- Answers to questions on notice from Department of Primary Industries, received 14 June 2022
- Answers to questions on notice from Environment Protection Authority, received 15 June 2022 and 21 June 2022
- Answers to questions on notice from Housing Industry Association, received 17 June 2022
- Answers to questions on notice from Department of Planning & Environment, received 20 June 2022
- Answers to questions on notice from Forestry Corporation, received 20 June 2022
- Answers to questions on notice from Professor Roberta Ryan, Local Government and Executive Director, Institute for Regional Futures, University of Newcastle, received 3 August 2022
- Additional information from the Natural Resources Commission, received 20 June 2022.

##### 5.4 Consideration of Chair's draft report

The Chair submitted his draft report entitled '*Long term sustainability and future of the timber and forest products industry*', which, having been previously circulated, was taken as being read.

##### Chapter 1

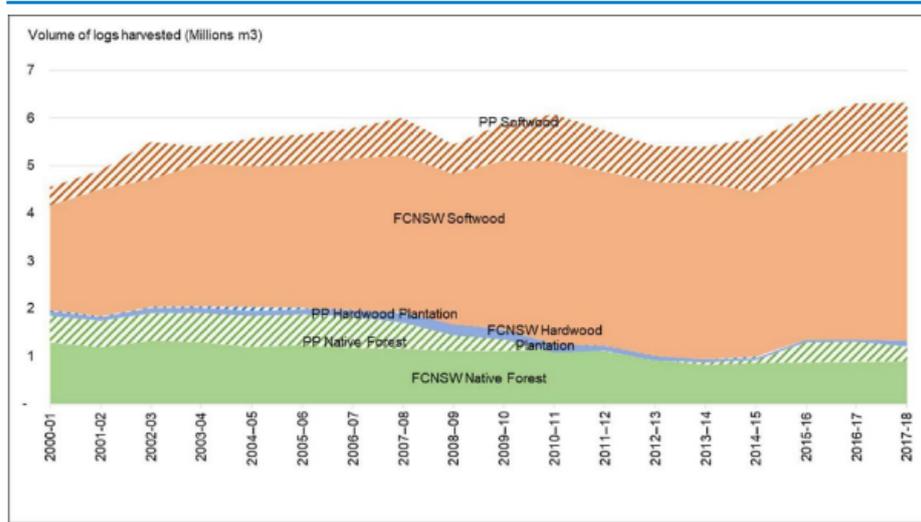
Resolved, on the motion of Mr Field: That paragraph 1.3 be amended by inserting at the end: 'Forestry and timber products jobs are heavily weighted to the softwood sector. In 2019-20, employment in forestry and

related industries in New South Wales was 20,000. Of this total, 922 are employed in native forestry'. [FOOTNOTE: NSW Department of Primary Industries, *Forestry*, <https://www.dpi.nsw.gov.au/about-us/publications/pdi/2020/forestry>; Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, Natural Resources Commission, *Final Report Coastal IFOA operations post 2019/20 wildfires*, June 2021, pp 38 and 40.]

Resolved, on the motion of Mr Field: That:

- a) paragraph 1.5 be amended by inserting at the start: 'Timber is currently sourced from a mix of dedicated plantations (both softwood and hardwood) which have been either deliberately planted or converted from native forests with a mix of natural regeneration and seeding; or from existing native forests.'
- b) the following tables be inserted at a location to be determined by the secretariat.

**Figure B.2 Total log harvest NSW 2000-01 to 2017-18**



Note: PP refers to Private Property. FCNSW refers to Forestry Corporation of NSW.

Source: ABARES and Indufor, Native Forest Harvesting and Haulage Review and Benchmarking, Final Report, p 6.

[FOOTNOTE: IPART, *Final Report: Review of Forestry Corporation’s Native Timber Harvesting and Haulage Costs 1 July 2016 – 30 June 2019*, May 2021, p 31.]

**Volume and Value of Logs Harvested 2018-19**

Log Type	Volume '000 m <sup>3</sup>	Value \$ m
Hardwood native	1057	\$ 142
Hardwood plantation	353	\$ 31
Softwood	5119	\$ 348
<b>Total</b>	<b>6529</b>	<b>521</b>

Source: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) (2020). Australian plantation statistics 2020 update, June 2020.

[https://daff.ent.sirsidynix.net.au/client/en\\_AU/search/as-set/1030441/0](https://daff.ent.sirsidynix.net.au/client/en_AU/search/as-set/1030441/0)

[FOOTNOTE: NSW Department of Primary Industries, *Forestry*, <https://www.dpi.nsw.gov.au/about-us/publications/pdi/2020/forestry>.]

Resolved, on the motion of Mr Field: That Table 1 – Common types of processed timber be amended by:

- a) inserting 'exported' before 'for paper and cardboard products' under the 'Woodchips' description
- b) inserting 'or' after 'split into fence posts' under the 'Split firewood' description.

Resolved, on the motion of Mr Field: That paragraph 1.14 be amended by omitting 'forests are planted and regenerated' and inserting instead 'forests are left to regenerate'.

Resolved, on the motion of Mr Field: That:

- a) paragraph 1.16 be amended by omitting: 'In 2020-21, a total of 42,500 (hectares) of private native forestry plans were approved.'
- b) the following new paragraph be inserted after paragraph 1.16:

'Private native forests constitute 8.85 million hectares, or 40 per cent of New South Wales' total native forest estate. As at September 2021, approximate 580,000 hectares of private land was covered by approved PNF plans. PNF plans are heavily concentrated on the NSW North Coast. In May 2022 the NSW Government remade the private native forestry codes with an explicit purpose to simplify regulation of PNF and support increased PNF activity.' [FOOTNOTE: Timber NSW, *Private Native Forestry Review*, <https://timbernsw.com.au/private-native-forestry/> ; Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, NSW Chief Scientist & Engineer, *Advice on koala protection in the proposed new Private Native Forestry Codes of Practice*, September 2021.]

Resolved, on the motion of Mr Field: That paragraph 1.25 be amended by inserting at the end: 'Harvesting and haulage of FCNSW timber resources is conducted by contractors.' [FOOTNOTE: Evidence, Mr Dean Anderson, Regional Manager Snowy Region, Forestry Corporation of NSW, 24 May 2022, p 14.]

Resolved, on the motion of Mr Field: That paragraph 1.26 be omitted: 'FCNSW is a state-owned corporation under the State Corporations Act 1989, which establishes commercial businesses on behalf of the people of New South Wales to provide services to the economy and infrastructure to the state. The NSW Government contributes approximately \$18 million per year in Community Service Obligation funding to FCNSW as a fee for service for land management activities, including fire management on non-productive land, management of pests and weeds, tourism and non-commercial public roads across the estate. According to FCNSW, the total cost of land management is offset by revenue from timber production', and the following new paragraphs be inserted instead:

'FCNSW is a state-owned corporation under the *State Corporations Act 1989*, which establishes commercial businesses on behalf of the people of New South Wales to provide services to the economy and infrastructure to the state. [FOOTNOTE: NSW Treasury, *State owned corporations*, 3 February 2022, <https://www.treasury.nsw.gov.au/information-public-entities/government-businesses/state-owned-corporations>.]

The objectives of FCNSW are set out in section 10 of the *Forestry Act 2012*. The principal functions of FCNSW are set out in section 11 of the Act as described below:

- (1) The principal functions of the Corporation are as follows—
  - (a) to carry out or authorise the carrying out of forestry operations in accordance with good forestry practice on Crown-timber land or land owned by the Corporation,
  - (b) to take or authorise the taking of forest materials from State forests or land owned by the Corporation,
  - (c) to sell, supply or process timber, forest products or forest materials taken or harvested under paragraph (a) or (b),
  - (d) to establish and maintain plantations,
  - (e) to control and manage, subject to Part 5, forestry areas,
  - (f) subject to the Rural Fires Act 1997, to carry out measures on Crown-timber land for the protection from fire of timber and forest products on that land,

- (g) to grant forestry rights in respect of State forests, timber reserves or land owned by it, including any such right that is for the benefit of the Corporation,
- (h) to acquire, hold, sell or otherwise deal with or trade in carbon sequestration rights (including for the benefit of other persons).

[FOOTNOTE: *Forestry Act 2012*, s 11 (1)(a)-(h).]

The NSW Government contributes approximately \$18 million per year in Community Service Obligation funding to FCNSW as a fee for service for land management activities, including fire management on non-productive land, management of pests and weeds, tourism and non-commercial public roads across the estate. According to FCNSW, the total cost of land management is offset by revenue from timber production. [FOOTNOTE: Submission 19, NSW Government, p 6.]

In addition to its principal functions, under the Act, FCNSW may provide facilities and services or undertake other activities within State Forests and conduct any business and provide any service it considers will further its objectives. The Act sets out rules for making forestry areas available for non-forestry purposes. [FOOTNOTE: *Forestry Act 2012*.]

Mr Field moved: That the following new paragraph be inserted after paragraph 1.36:

'Following the 2019/20 bushfires, the NRC was commissioned to provide the relevant ministers with independent, evidence-based advice on where, when and how it would be practicable to commence forestry operations under standard CIFOA conditions while satisfying the purposes of Part 5B of the *Forestry Act 2012* and the objectives and outcomes specified in the CIFOA. The final report '*Coastal IFOA operations post 2019/20 Wildfires*' was handed to the NSW Government in June 2021. The NSW Government has not responded to the report or made the report public. The report was leaked to the Guardian on the 25 November 2021. The executive summary of the report was tabled at the inquiry hearing on 5 April 2022.'

Question put.

The committee divided.

Ayes: Mr Banasiak, Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the affirmative.

Resolved, on the motion of Mr Barrett: That paragraph 1.42 be amended by omitting 'Under the Subordinate Legislation Act 1989, the Regulation will lapse on 1 September 2022 unless it is remade. Public consultation is currently underway to remake the regulation with amendments.'

Resolved, on the motion of Mr Field: That paragraph 1.52 be amended by omitting 'The IFOAs were made in 2018, 2010, 2011 and 2011' and inserting instead 'The IFOAs were made in 2010, 2011, 2011 and 2018'.

Resolved, on the motion of Mr Field: That paragraph 1.53 be amended by omitting 'sometimes referred to as "contractors"' after 'saw millers and other timber processors'.

Resolved, on the motion of Mr Field: That paragraph 1.54 be amended by omitting 'The majority of WSAs agreements, particularly in the Coastal region, will expire in the period from the end of 2018 to the end of 2023. The NSW Government recently announced, however, a five-year extension to existing WSAs in the North Coast.' and inserting instead:

'All wood supply agreements on the North Coast will now expire in 2028. There are three current wood supply agreements on the South Coast which expire in 2029, 2030 and 2033. At least three wood supply agreements on the South Coast expired in 2018 and 2020 and have not been renewed.' [FOOTNOTE: IPART, Final Report: Review of Forestry Corporation's Native Timber Harvesting and Haulage Costs 1 July 2016 – 30 June 2019, May 2021, p 34]

## Chapter 2

Resolved, on the motion of Mr Field: That paragraph 2.1 be amended by omitting 'Timber NSW highlighted that Australia is the sixth most forested nation where the demand for timber "has never been higher".' and inserting instead 'Timber NSW argued that the demand for timber "has never been higher".'

Resolved, on the motion of Mr Field: That paragraph 2.11 be omitted: 'However, they also indicated that softwood pine has become the timber of preference for New South Wales residential house frames and is the main fibre source for commodity products like plywood, fibreboard and paperboard', and the following new paragraphs be inserted after paragraph 2.3:

'As was noted by several witnesses, the overwhelming majority of timber used in housing construction is from softwood plantations. Mr Warwick Drysdale from the Frame and Truss Manufacturers Association of Australia said "by far the greatest percentage of timber used in frames and trusses is presently, but not necessarily, from a softwood resources". [FOOTNOTE: Evidence, Mr Warwick Drysdale, Member and Sponsor, Frame & Truss Manufacturers Association of Australia, and Director, Program Timber Supplies, 24 May 2022, p 24.] Mr Simon Croft from the Housing Industry Association said "certainly I think there's less and less hardwood used and more of some solid pine softwoods, by a lot of engineered timbers being utilised for the structural applications".' [FOOTNOTE: Evidence, Executive Director, Building Policy, Housing Industry Association, 24 May 2022, p 21.]

Timber NSW acknowledged that softwood pine has become the timber of preference for New South Wales residential house frames and is the main fibre source for commodity products like plywood, fibreboard, and paperboard. [FOOTNOTE: Submission 222, Timber NSW, p 92.]

Professor Brendan Mackey provided further evidence of the extent to which domestic Australia timber supply was provided from plantations, which are primarily softwood, stating that "Australia has a total of 134 million hectares of forest of which 132 million hectares are native forests and only 1.95 million hectares are commercial plantations. Yet, 88 per cent of Australia's wood supply is sourced from these commercial plantations which are only 1.5 per cent of the total forest area. In NSW, the figure is 86 per cent of wood supply".' [FOOTNOTE: Submission 229, Professor Brendan Mackey, p 1.]

Resolved, on the motion of Mr Field: That paragraph 2.4 be amended by inserting ', particularly softwood,' after 'While the demand for timber has increased'.

Resolved, on the motion of Mr Field: That:

- a) paragraph 2.5 be amended by omitting 'many stakeholders' and inserting instead 'some stakeholders'
- b) paragraphs 2.6 to 2.7 be omitted:

'Others, however, challenged the view that demand for timber forest products is on the rise, with the Nature Conservation Council of NSW (NCC) arguing that demand has in fact reduced as 'consumers demand sustainable materials and builders switch to engineered plantation-based timber products that are cheaper and easier to work with'

Likewise, the Colong Foundation for Wilderness maintained that recent 'markets for hardwood [in decline] will get worse as softwood engineered products become more prevalent and consumer awareness of the environmental impacts of the native forestry industry increases'.

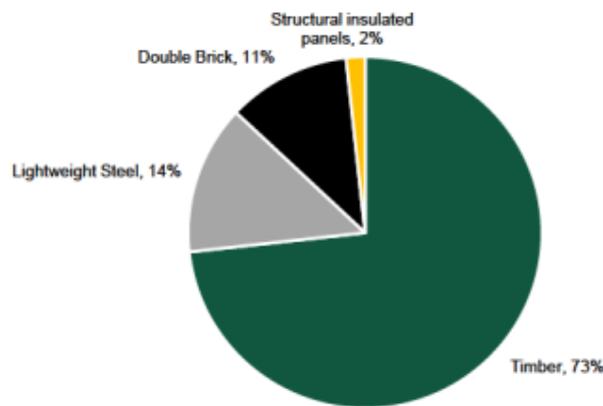
and the following new paragraphs be inserted instead:

'Others, however, made a distinction between hardwood and softwood supply challenges, with the Nature Conservation Council of NSW (NCC) arguing that demand for native forest products has reduced 'as consumers demand sustainable materials and builders switch to engineered plantation-based timber products that are cheaper and easier to work with'.

Likewise, the Colong Foundations for Wilderness argued that 'markets for hardwood have been in decline, which will get worse as softwood engineered products become more prevalent and consumer awareness of the environmental impacts of the native forestry industry increases...'

- c) paragraph 2.8 be omitted: 'In response to the assertion that there is a reduced demand for timber and forest products, Mr Simon Croft, Executive Director, Building Policy, HIA argued that while there has been growth in the use of alternative framing materials and building systems, these still represent a very small proportion of the market. To emphasise the point, the HIA highlighted the reliance on timber for essential structures in the housing sector as demonstrated in the following figure.

Figure 1 Load Bearing Elements in New Detached Houses

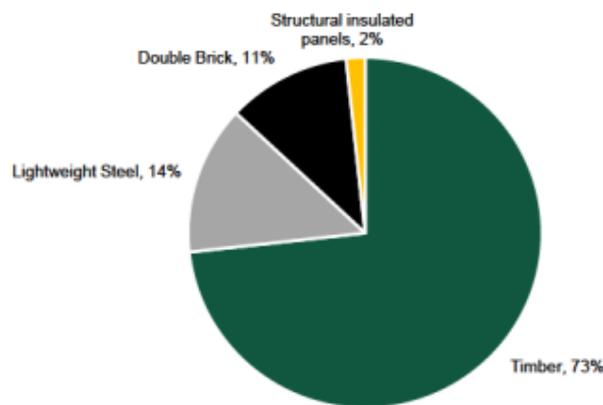


Source: Submission 122, HIA, p 3.'

and the following new paragraph be inserted after paragraph 2.4:

'In response to questions about alternative building materials, Mr Simon Croft, Executive Director, Building Policy, HIA argued that while there has been growth in the use of alternative framing materials and building systems, these still represent a very small proportion of the market. The emphasis the point, the HIA highlighted the reliance on timber, which is almost entirely softwoods, for essential structures in the house sector as demonstrated in the following figure.

Figure 1 Load Bearing Elements in New Detached Houses



Source: Submission 122, HIA, p 3.'

- d) paragraph 2.10 be amended by omitting 'For example' and inserting instead 'Regarding hardwood supply'.
- e) paragraph 2.12 be amended by omitting:
  - (i) 'Even so' and inserting instead 'Regarding softwood supply'
  - (ii) 'However, growth in the area of plantations that produce timber for housing' and inserting instead 'Growth in softwood plantations'.

Resolved, on the motion of Mr Field: That paragraph 2.19 be amended by omitting 'to maintain forest health, habitat and a sustainable supply of timber' after 'In native forests, one per cent of trees are harvested each year'.

Resolved, on the motion of Mr Field: That paragraph 2.23 be omitted: 'Similarly, the NCC also questioned the reliability of the sustainable yield modelling. It called for more transparency regarding the process and methods used for the modelling. Also referencing the models following the bushfires, the NCC asserted that:

Many in the community have questioned FCNSW's figures from its 2019/20 sustainable yield review ... given the massive discrepancy between the amount of forest burnt throughout New South Wales ... Little is publicly known about the assessment method used by FCNSW to come to the yield figures.' [FOOTNOTE: Submission 198, NCC, pp 15-16. See also: Submission 189, Environmental Defenders Office, p 28.]

Resolved, on the motion of Mr Field: That the following new paragraph be inserted after paragraph 2.76:

'Professor David Lindenmeyer, Australian National University, argued that "The advantage of plantations is that you can get a crop much more quickly from a plantation. The first thinning is at about 14 or 15 years; the second one, about 20; the final clear-fell about 24 to 25. You can get three crops in that time of different outcomes. Whereas in a native forest, if you are going to grow sawlogs, basically your forest needs to be about 80 years plus to produce a sawlog. The other advantage of plantations is that plantations, if well-managed, are more defensible in terms of high-severity fire, relative to native forests".' [FOOTNOTE: Evidence, Professor David Lindenmeyer, Professor, Fenner School of Environment and Society, Australian National University, 29 September 2021, p 28.]

Resolved, on the motion of Mr Field: That paragraph 2.97 be amended by omitting 'How can the industry's long term sustainability and future be secured without it?'

Mr Field moved: That paragraph 2.98 be omitted: 'During the inquiry, it became abundantly clear to the committee that consumption of timber and forest products has and continues to grow exponentially, such that existing supply is struggling to meet this demand. We acknowledge with concern that domestic hardwood timber supply from native forests is declining, that the supply of softwood timber is expected to remain static, and that yields from softwood plantations have plateaued and not kept pace with demand', and the following new paragraph be inserted instead:

'During the inquiry, it became abundantly clear to the committee that existing and forecast timber supply cannot meet current or future demand, particularly with regards to softwoods required for growing housing construction.'

Question put.

The committee divided.

Ayes: Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Banasiak, Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the negative.

Resolved, on the motion of Mr Veitch: That paragraph 2.98 be amended by omitting 'We acknowledge with concern that domestic hardwood timber supply from native forests is declining, that the supply of softwood timber is expected to remain static, and that yields from softwood plantations have plateaued and not kept

pace with demand', and inserting instead 'We acknowledge that domestic hardwood timber supply from native forests has declined and it cannot be increased without new hardwood plantations. The supply of softwood timber is expected to remain static, and yields from softwood plantations have plateaued and not kept pace with demand'.

Resolved, on the motion of Mr Field: That Finding 1 be amended by inserting ', particularly plantation softwood saw logs and fibre,' after 'forest products'.

Resolved, on the motion of Mr Field: That:

- a) paragraph 2.99 be amended by inserting 'in regards to softwood plantation saw logs and fibre' after 'heading towards a timber supply crisis'
- b) paragraph 2.100 be amended by omitting 'The committee notes, for example, the progressive removal of native forests for harvesting and timber production which has hindered consistent, reliable supply over the years.'

Mr Barrett moved: That Finding 2 be omitted: 'In the last decade, there has been no demonstrable investment by the NSW Government in additional hardwood and softwood timber plantations.'

Question put.

The committee divided.

Ayes: Mr Barrett, Mr Martin, Mr Poulos.

Noes: Mr Banasiak, Mr Field, Mr Primrose, Mr Veitch.

Question resolved in the negative.

Resolved, on the motion of Mr Veitch: That Finding 2 be amended by omitting 'there has been no demonstrable investment by the NSW Government' and inserting instead 'there has been no increase'.

Resolved, on the motion of Mr Veitch: That Finding 3 be amended by omitting 'The lack of investment in' and inserting instead 'The lack of expansion of'.

Resolved, on the motion of Mr Field: That paragraph 2.104 be amended by omitting 'We share these concerns and find there has been a loss in timber supply over successive governments through significant increases in the Reserve System of protected areas with little to no offset to compensate for this loss' and inserting instead 'We note that there was little effort by the NSW Government to compensate for any loss of native hardwood wood supply through expansion in hardwood plantations.'

Resolved, on the motion of Mr Field: That Finding 4 be omitted: 'There has been a progressive loss in timber supply over successive governments through significant increases in the Reserve System of protected areas with little to no offset to compensate for this loss', and the following new finding be inserted instead:

**'Finding 4**

There has been a loss in native hardwood timber supply over successive governments with forest area taken out of harvesting and put into protected areas with little effort to compensate for the loss of wood supply through an expansion of hardwood plantations.'

Resolved, on the motion of Mr Field: That paragraph 2.105 be amended by omitting 'The bushfires were a devastating blow to the industry and the people who are supported by it, and the committee recognises that its impact continues to have long lasting effects on the regions' and inserting instead 'The bushfires were a devastating blow to the industry and the people who are supported by it. The fires also had profound impacts on communities living in and around forested areas. The committee recognises that its impact continues to have long lasting effects on the regions.'

Resolved, on the motion of Mr Field: That the following new committee comment be inserted after paragraph 2.106:

'Some businesses previously reliant on public native forests have successfully transitioned to process softwoods or native hardwoods sourced from private native forestry and this will likely increase as the Government's PNF code remake comes into effect.'

Mr Field moved: That the following new committee comment be inserted after paragraph 2.106:

'Making findings in regard to the impact of the 2019/20 fires on public native forests and the appropriate response to mitigate wood supply and environmental impacts as a result has been made difficult by the NSW Government's failure to respond to the NRC post fire logging report or to make the report publicly available.'

Question put.

The committee divided.

Ayes: Mr Banasiak, Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the affirmative.

Mr Field moved: That the following new committee comment be inserted after paragraph 2.106:

'The frequency and severity of extreme weather has and will continue to increase due to climate change, meaning the health and condition of native forests and plantations are at greater risk, particularly to fire, further exacerbating wood supply issues without additional investment.'

Mr Martin moved: That motion of Mr Field be amended by omitting 'due to climate change' after 'will continue to increase' and omitting 'additional investment' and inserting instead 'additional expansion of plantations'.

Amendment of Mr Martin put and passed.

Original question of Mr Field, as amended, put and passed.

Resolved, on the motion of Mr Field: That Finding 5 be omitted: 'The gradual reduction in timber supply over the years has culminated in the current timber crisis which has and continues to impact on the jobs, livelihoods and communities dependent on the timber and forest products industry', and the following new finding be inserted instead:

**'Finding 5**

The reduction in harvestable areas of public native forests and failure to expand native hardwood plantations has resulted in the loss of wood supply which has had a corresponding impact on the jobs, livelihoods and communities dependent on the timber and forest products industry. This impact has been exacerbated by the 2019/20 fires.

Resolved, on the motion of Mr Field: That paragraph 2.110 be amended by inserting 'and investment in affected communities' after 'transitional support to affected workers'.

Resolved, on the motion of Mr Field: That the following new recommendation be inserted after Recommendation 4:

**'Recommendation X**

That the NSW Government consider the impact of a transition away from public native forestry on communities where native forest logging currently occurs and provides investment and incentives to encourage new economic opportunities in publicly owned forests.'

**Chapter 3**

Resolved, on the motion of Mr Field: That the level 1 heading under paragraph 3.6 be amended by inserting the words 'of native forest harvesting' after 'Environmental impacts'.

Resolved, on the motion of Mr Field: That the following new paragraph be inserted after paragraph 3.17:

'Professor Mackey contested this point, arguing that "only a small per cent – less than 10 per cent, or 10 per cent if we are being generous – of the carbon that is in a tree in a forest ends up in any long-lived product".' [FOOTNOTE: Evidence, Professor Brendan Mackey, Director, Griffith Climate Action Beacon, Griffith University, 29 September 2021.]

Resolved, on the motion of Mr Field: That the level 2 heading under paragraph 3.17 be amended by omitting the word 'Biodiversity' and inserting instead 'Native forest structure and species composition'.

Mr Field moved: That the following new paragraph be inserted after paragraph 3.23: 'The NRC's Report Coastal IFOA Operations post 2019/20 wildfires report make specific comment about the combined impact of harvesting and the 2019 fires stating that in the most badly burnt areas "there is a risk of serious and irreversible harm to environmental values from the cumulative impacts of fire and harvesting".' [FOOTNOTE: Portfolio Committee No. 7 – Planning and Environment, Inquiry into Budget Estimates 2022-23, Tabled document, Natural Resources Commission, *Final Report Coastal IFOA operations post 2019/20 wildfires*, June 2021.]

Question put.

The committee divided.

Ayes: Mr Banasiak, Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the affirmative.

Resolved, on the motion of Mr Field: That paragraph 3.31 be amended by inserting at the end of the quote: 'That is an indictment on silviculture in that it is not managing those forests in a way that is consistent with the requirements of a whole range of fauna in those forests. In that sense I think it is a failure.'

Mr Field moved: That the following new paragraphs be inserted after paragraph 3.31:

'The NRC's Report Coastal IFOA Operations post 2019/20 Wildfires Report make specific comment regarding the impact of the 2019/20 fires on the hollow resource in public native forests and the adequacy of current harvesting prescriptions.

Available literature and work currently in progress under the Coastal IFOA monitoring program suggest that the existing prescriptions may not be adequate to maintain the hollow resource in the long-term following the 2019/20 wildfires. The Commission has proposed temporary additional measures relating to hollow-bearing trees and recruitment trees for medium and high-risk zones. However, the Commission considers the following measures could also enhance the standard Coastal IFOA prescriptions:

- retain a minimum of eight hollow-bearing trees per hectare where they exist (as per the requirement in the standard Coastal IFOA prescriptions)
- if hollow-bearing trees are not available, then retain suitable substitutes, in priority order being, potential future hollow-bearing.' [FOOTNOTE: Tabled document, *Final Report Coastal IFOA operations post 2019/20 wildfires*, June 2021, Natural Resources Commission, tabled by Ms Sue Higginson MLC, Portfolio Committee no. 7, Budget Estimates 2022-23, 23 August 2022, p 126.]

Question put.

The committee divided.

Ayes: Mr Banasiak, Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Barrett, Mr Martin, Mr Poulos.

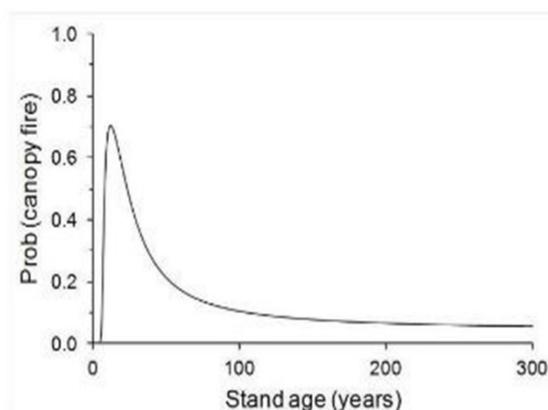
Question resolved in the affirmative.

Resolved, on the motion of Mr Field: That the following new paragraph be inserted after paragraph 3.42:

'Professor Lindenmayer explained the significance of this research,

"But the important part of this is that it is not what we call a linear relationship; it is actually a nonlinear relationship. It is hump shaped. When a forest is first logged and then regenerated, there is a very low probability that it is going to burn. And then there is a very steep increase in the probability of crown fire for the next 40 years. It reaches up to seven times greater probability than a very young forest. As the forest ages even further, that risk starts to decline again, so that the lowest-severity fires are actually in the oldest forests. We saw that in 2009 and we have seen it again in 2019-20".

[FOOTNOTE: Evidence, Professor Lindenmayer, Fenner School of Environment and Society, Australian National University, 29 September 2022, p 29.]



[FOOTNOTE: Work cited in Prof Lindenmayer's submission no 228: Taylor et al. 2014. Conservation Letters, 7, 355-70; Attiwill et al., 2014; Zald and Dunn 2017; Tiribelli et al. 2017; Taylor et al., 2020; Lindenmayer et al., 2021; Zlystra et al., 2021.]

Resolved, on the motion of Mr Field: That paragraph 3.50 be omitted: 'Professor David Lindenmayer, Australian National University, spoke to the committee about the particular impact of silvertop ash not just on the environment but to the risk of fire, explaining that it is a weed that grows following intensive harvesting operations and is highly flammable. Moreover, Professor Lindenmayer described the broader impact on wildlife:

After intensive harvesting operations, such as in the Eden woodchip concession area, silvertop ash comes up en masse. Silvertop ash responds strongly to fire, so it is benefiting from fire. The flip side is that it is not only adding to the flammability of stands—and we now have data on this—but silvertop ash is inedible as a tree species for animals like koalas and greater gliders. We see extensive areas of forests that have now had their tree species composition radically altered are now largely glider and koala deserts'.

Resolved, on the motion of Mr Field: That paragraph 3.79 be amended by inserting 'commissioned by Forest and Wood Products Australia after ' community attitude survey'.

Resolved, on the motion of Mr Barrett: That Recommendation 9 be amended by omitting 'provide funding support to local government' and inserting instead 'provide ways to support local government, including but not limited to funding'.

Resolved, on the motion of Mr Field: That Recommendation 10 be amended by omitting 'prioritise any investigation into the feasibility of the Oberon RailLink' and inserting instead 'investigate the feasibility of the Oberon RailLink'.

Resolved, on the motion of Mr Field: That the following new recommendation be inserted at a location to be determined by the secretariat:

**'Recommendation X**

That the NSW Government regularly publish data on the volumes and extent of Private Native Forestry operations in each forest management area.'

Resolved on the motion of Mr Field: That paragraph 3.109 be amended by omitting the words 'In fact, we would argue that for some, it would signify the very opposite. In addition, the committee does not support criticisms of the economic viability of the industry should be assessed as a whole – not by its individual components.' after 'the committee remains unconvinced that ceasing these harvesting operations will be beneficial to *all* forest users.'

Mr Field moved: That paragraph 3.110 be omitted: 'All things considered, the committee believes that a balance can be struck – that sustainable forestry harvesting operations can coexist with environmental values.'

Question put.

The committee divided.

Ayes: Mr Field, Mr Primrose, Mr Veitch

Noes: Mr Banasiak, Mr Barrett, Mr Martin, Mr Poulos.

The question resolved in the negative.

**Chapter 4**

Mr Field moved: That Finding 7 and Finding 8 be omitted:

**'Finding 7**

Dual consent requirements are an unnecessary element in the private native forestry approval process that significantly impacts the ability of landholders to diversify and improve revenue streams from their property'

**Finding 8**

On balance, dual consent requirements can be removed whilst ensuring that concerns over local road maintenance and broader community feedback are adequately addressed.'

and the following new findings be inserted instead:

**'Finding 7**

Dual consent requirements reflect legitimate community concern that the impacts of private native forestry on neighbours and public infrastructure, including roads, cannot be managed solely under the Government's private native forestry codes.

**Finding 8**

The Government should not remove dual consent requirements for PNF, but rather work with local governments to manage genuine community and neighbour impacts from PNF.'

Question put.

The committee divided.

Ayes: Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Banasiak, Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the negative.

## Chapter 5

Resolved, on the motion of Mr Field: That the following new level 1 heading and paragraphs be inserted in Chapter 5, with the location of the section and associated introductory sentences to be determined by the secretariat:

### ' Climate risks to timber supply

Fire weather is the most important factor determining fire severity, rate of fire spread, the area burned and the probability of containment. Dangerous fire weather will continue to increase under climate change, particularly in south-eastern Australia, and the effectiveness of fuel treatment is likely to be substantially reduced. Under these conditions, it is fuel dryness rather than load which is the critical factor. The location of fuel reduction therefore is more important at reducing asset loss than how much of the landscape is prescribe-burnt. It follows that managing the increased wildfire risks from projected climate change will be best served by targeted prescribed burning to reduce fuel hazard in the close vicinity of assets. The risks to wood supply therefore can be most cost-effectively managed by focusing fire management resources and actions at plantations.' [FOOTNOTE: Submission 229, Professor Brendan Mackey, p 3].

'Given the extent of flammability, limited effects of strategies like prescribed burning, there is an urgent need for the integration of new technologies such as drones and rapid suppression methods to help more quickly detect and then extinguish fires (e.g. Roldán-Gómez et al. 2021). The Australian National University is currently developing new approaches to improve rapid responses to wildfires.' [FOOTNOTE: Submission 228, Professor David Lindenmayer, p 5].

'A decade later, and after the catastrophic 2019/20 bushfires, the Climate Council stated that '[D]uring the massive Black Summer fires, we may have crossed a tipping point for Australia's temperate broadleaf and mixed forests .... In any typical fire season, 2-3% of these forests burn, but during the Black Summer 21% burned.

The 2019/20 bushfires substantially reduced the quantity and quality of eucalypt hardwoods available for logging in NSW state forests, and hence resource available to meet contracted wood supply agreements. This illustrates the existential risk facing the NSW native forest logging industry in coming years, particularly when considered in the context of other ongoing threats such as increasing atmospheric CO2 concentrations, logging which can increase forest flammability,<sup>13</sup> BMAD and weed infestation.' [FOOTNOTE: Submission 220, WWF Australia, p 7.]

Resolved, on the motion of Mr Field: That Case study – Mountain biking trails be amended by omitting 'The NCC believe' before 'that new mountain biking trails' and inserting instead 'The NCC cited figures from Eurobodalla Council'.

Mr Barrett moved: That Finding 9 be amended by omitting 'The NSW Government has failed' and inserting instead 'There is still more work to be done by the NSW Government'.

Question put.

The committee divided.

Ayes: Mr Barrett, Mr Martin, Mr Poulos.

Noes: Mr Banasiak, Mr Field, Mr Primrose, Mr Veitch.

Question resolved in the negative.

Mr Field moved: That Finding 10 be omitted: 'The deficiencies in the Great Koala National Park Economic Impact Assessment and Environmental Benefit Analysis are significant enough that they cannot be relied upon to make a rigorous and objective decision on the proposal to establish the Great Koala National Park.' and the following finding be inserted instead:

**'Finding 10**

The Government should commission 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 timber products industry.'

Question put.

The committee divided.

Ayes: Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Banasiak, Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the negative.

Resolved, on the motion of Mr Veitch: That Finding 10 be amended by inserting ', as prepared for the National Parks Association,' after 'Great Koala National Park Economic Impact Assessment and Environment Benefit Analysis'.

Mr Field moved: That Recommendation 14 be omitted: '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', and the following recommendation be inserted instead:

**'Recommendation 14**

That the NSW Government commissions until an independent, comprehensive study of the Great Koala National Park proposal to is conducted to assesses the full impact of the proposal, including its environmental, economic and social impacts across all affected industries.'

Question put.

The committee divided.

Ayes: Mr Field, Mr Primrose, Mr Veitch.

Noes: Mr Banasiak, Mr Barrett, Mr Martin, Mr Poulos.

Question resolved in the negative.

Resolved, on the motion of Mr Field: That the following new recommendation be inserted after Recommendation 14:

**'Recommendation X**

The 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.'

Resolved, on the motion of Mr Barrett: That Finding 11 be omitted: 'The failure of the NSW Government to deliver on the four priority pillars identified in the NSW Forestry Industry Roadmap, noted in Finding 9, has resulted in untapped potential for innovation in the timber and forest products industry', and the following new finding be inserted instead:

**'Finding 11**

There is untapped potential for innovation in the timber and forest products industry that the NSW Government should be doing more to capitalise on'.

Resolved, on the motion of Mr Field: That Recommendation 18 be omitted: 'That the NSW Government establish an industry body comprising representation from both softwood and hardwood sectors from across the state to provide ongoing advice regarding industry needs, challenges and opportunities.', and the following new recommendation be inserted instead:

**'Recommendation X**

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.'

Mr Field moved: That the following new recommendation be inserted at a location to be determined by the secretariat:

**'Recommendation X**

That the NSW Government publicly release and respond to the findings of the NRC's report on post bushfire logging in public native forests before the end of 2022.'

Question put and passed.

Resolved, on the motion of Mr Field: That the following new recommendation be inserted at a location to be determined by the secretariat:

**'Recommendation X**

That the Coastal Integrated Forestry Operations Approval is reviewed with regard to the impacts of the 2019/20 bushfires and the findings of the 2021 NSW and Commonwealth State of the Environment Reports.'

Resolved, on the motion of Mr Veitch: That:

- a. The draft report as amended be the report of the committee and that the committee present the report to the House;
- b. The transcripts of evidence, submissions, tabled documents, answers to questions on notice and supplementary questions, and correspondence relating to the inquiry be tabled in the House with the report;
- c. Upon tabling, all unpublished attachments to submissions be kept confidential by the committee;
- d. Upon tabling, all unpublished transcripts of evidence, submissions, tabled documents, answers to questions on notice and supplementary questions, and correspondence relating to the inquiry, be published by the committee, except for those documents kept confidential by resolution of the committee;
- e. The committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;
- f. The committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;
- g. Dissenting statements be provided to the secretariat within 24 hours after receipt of the draft minutes of the meeting;
- h. The report be tabled out of session on 15 September 2022.

**6. Adjournment**

The committee adjourned at 1.39 pm, until *sine die*.

Frances Arguelles  
**Committee Clerk**

## Appendix 4 Dissenting Statement

### Mr Justin Field MLC, Independent

The transition away from native forest logging and towards plantation based forestry is both essential and inevitable.

It's essential because the logging of native forests, on either public and private land is driving animal extinctions, degrading ecosystems such as providing clean air and water, and making climate change worse.

It's inevitable because the majority of timber demand for construction is for plantation softwoods and consumer demand is for products that have been traditionally derived from native forests to be increasingly sourced from other, more sustainable plantation-based or non-timber sources.

Australia continues to be a world leader in animal extinctions. Since this inquiry commenced, both the koala and greater glider, two of our most iconic arboreal mammals, have been officially declared in danger of extinction. The 2019/20 fires have exacerbated forest biodiversity decline. Constraining logging and deforestation is the only credible solution to restoring and protecting the habitat of threatened species.

Ending public native forest logging would also unlock the massive carbon sequestration potential of allowing these forests to again grow old. The inquiry heard of the growing fire risk associated with native forest logging and the urgent imperative to minimise disturbance so that older, wetter more resilient forests can become established - a process which will take many decades. Managing forests as an ecological and carbon resource requires ongoing employment in our public forests. The potential for nature based tourism and recreational activities in our forests further increases their economic value to local communities. Transitioning out of native forest logging is a win, win, win.

This report stops short of making findings and recommendations to transition out of native forest logging but it does clearly recognise the failure of successive Governments to invest in the expansion of softwood and hardwood plantations that would have made that transition easier and quicker. The report also recognises that a transition out of native forest logging will require significant public investment to support workers and communities in moving from native to plantation forestry and to support more sustainable use of our public native forests as a continued public economic, social and environmental resource. In this way, the inquiry report is an important signal, from a bipartisan committee, that change is desperately needed if the timber and forest products industry has a sustainable future.

Despite that positive recognition, the committee has missed an opportunity to make a clear recommendation for what would be a valuable early step in that transition, the creation of a Great Koala National Park (GKNP) on the Coffs Coast. In line with the proposal by the National Parks Association, the GKNP would create a 315,000 hectare reserve containing significant areas of high quality koala habitat that exists in the forests around the Kalang Headwaters, the Dorrigo Plateau and extending north towards Chaelundi in the ranges and Woolgoolga on the Coast.

Forestry Corporation is currently logging in a number of high conservation value state forests that would be incorporated in this dedicated koala park. Many other coupes are forecast for logging in this region in coming months and years. The time is now to protect these areas which contain some of the most valuable koala habitat remaining in NSW and the headwaters of the Kalang, Bellinger and Nambucca Rivers.

While this report does not include a recommendation for the Great Koala National Park, I am encouraged that there was bipartisan support for a recommendation that the Government consider commissioning a cost benefit assessment of the native hardwood forest sector to evaluate the most beneficial use of public native forests and the long-term structure of the native hardwoods timber and timber products sector. I am certain such an assessment would find overwhelming value in the dedication of a Great Koala National Park as a priority and find little benefit in maintaining the huge public subsidies for logging our precious public native forest.

Many are looking to private native forestry (PNF) to fill the gap as public native forestry inevitably winds down and plantations are expanded. Already an area of approximately 600,000 hectares of private land is covered by PNF approvals. Many times that has the potential to be opened up for PNF and the government is working to facilitate this. The current approved area is equal to 60% of the harvestable area of public native forests and is highly condensed in the mid-north and north coastal region. I am very concerned about the ecological risks of intensifying PNF without appropriate safeguards.

I oppose the recommendation to remove dual consent provisions that give local government a role in determining where private native forestry can occur in their council areas. Logging is an industrial process with significant local impacts, including noise, loss of amenity, local road wear and tear, water quality decline from runoff, invasive species spread, and loss of biodiversity and habitat corridors. Planning rules enable councils to ensure these impacts are appropriately located and balanced. The current PNF rules do not adequately address these impacts and removing the role of councils will see increased local disputes over forestry activities including neighbour on neighbour disputes. The push to just remove the role of council is shortsighted and will cause long-term damage to our forests and the native forestry sector.

Ultimately I do not accept any suggestion in this report that native forest logging as it currently occurs on public and private land is environmentally sustainable in the short or long-term. A plan for a transition is essential if our forest ecosystems are to be allowed to recover. We need to be honest that the hardwood sector must shrink significantly. It makes no sense for the majority of our public native forests to be logged for woodchip for export, firewood or burning for electricity. Public native forest logging should cease immediately. To the extent that private native forest logging continues while a transition to a plantation based hardwood sector occurs, it must have strong environmental and community protections and be limited to the highest value timber products that can't be achieved through other resources.





