

**Submission
No 427**

**INQUIRY INTO MANAGEMENT OF PUBLIC LAND IN
NEW SOUTH WALES**

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Submission to The Inquiry into Management of Public Land in NSW.

Australian Solar Timbers is based in Kempsey, NSW and processes hardwood sawlogs coming basically from Forests NSW into a variety of flooring products including strip floors, overlay, parquet and decking. AST's origins go back to 1919. It is now the second largest processor of timber flooring products in the State and has the most modern line including treatment facilities and the most advanced scanning systems. It was the Macleay Valley business of the year in 2011.

Resource security in the form of legislated Forest Agreements and specific Wood Supply Agreements is the basis of timber milling businesses and the security that provides for our ongoing investment in our business.

Currently only 31% of forests available for timber production are actually accessible under regulations which were imposed after Forest Agreements were legislated. The excluded areas, the 69%, need to be managed and silviculturally treated if the forests are to be maintained for timber production.

NSW Forest Agreements were set up to better manage the forest resource and maintain a guaranteed wood supply to the industry. The strategy was to facilitate investment into value adding of timber products. The timber industry has well delivered its part in the strategy and AST has invested well over \$15,000,000 during past 5 years to maintain its leadership in innovative technologies.

My company and the rest of the industry invested heavily in the outcomes of Forest Agreements on the basis that all of the forest determined for timber production would be managed that way, not just a third of it. Unless the regulations are substantially eased our investments and our businesses will be unsustainable in the very near future.

Industry has relied on the yield determinations of Forests NSW, the Comprehensive Regional Assessments and the delivery of resource in accordance with Wood Supply contracts. To maintain and continue investment into the timber industry we need resource security through to 2023 and beyond. That security will then deliver rural and regional income, jobs in country towns and a sustainable timber supply for building construction and infrastructure development.

The plantation estate is a fairly small resource; especially in AST's area on the Mid North Coast. It currently contributes 20% to the overall determined forest yields. The wood characteristics and species available will never be a substitute product for regrowth native forests in traditional markets. Even if substantial investment into plantations is established, and those plantations are protected from reservation, the timber resources will not be produced for at least 30 years and that will also require further investment into thinning product markets.

Forest assessments also reserved large tracts of land, without justification, without sound assessment, and without a balance of conservation values with social and economic values. Incredibly even plantations were placed into the reserve system. In many circumstances the conservation values can and should be improved through management. That is how the values existed there beforehand. Reservation now only exposes those values to catastrophic risk of wildfire and other problems of neglect.

Many reserves created since 1995 are still without management plans and the values for which they were reserved remain a mystery. The logic of these decisions only makes sense if it was part of an incremental strategy to close Australia's hardwood capacity in stages. They should be reassessed and brought back into sound forest management to protect the values that they previously held.

At present, under the current regulations restricting access, the small area of forests able to be harvested on the North Coast are being overcut. We need the access that was committed in Forest Agreements, we need the resource on which we have invested so heavily, we need better leadership from government to ensure long term sustainability for a strong and competitive, ecologically sustainable, economically viable forest industry.

The balance between conservation values and social and economic outcome of forest management needs to be re-established. The current attitude of the Greens is that reservation is the absolute objective regardless of the cost to communities, jobs and business. That is not the balance on which Forest Agreements were legislated! At the time of the Mid North Coast Regional Forest Agreement being approved the Social Impact Statement had not been drawn up in draft form. This demonstrated how the politics of the triple bottom line were being weighted at that time.

Properly managed forests ensure, protect and can improve conservation outcomes, store carbon and earn income to justify management, as they have done for the past 100 years. It is time to take conservation off welfare, respect environmental values of management and reduce the cost of reservations (including bushfire management) for taxpayers.

Late last year the Federal Government held a Parliamentary Inquiry into Forestry Chaired by Dick Adams M.P. Expert evidence was submitted and the 9 person Committee unanimously recommended that native hardwood residues continue to be recognised for Renewable Energy Certificates. Bizarrely days later the four Labour members of the Committee, including the Chair voted to stop native hardwoods to be eligible. In effect we at AST were stopped, as part of the carbon emissions reduction programme, from investing in cogeneration utilising our sawdust, shavings and timber off cuts. This would have made us more than self sufficient in electricity and reduced our carbon emissions by some 27,000 tonnes per annum, the equivalent of leaving 7,500 tonnes of black coal in the ground. This occurred against the accepted science but was purely driven by the politics of the Greens and a hung Parliament.

The recent above scenario complements many past irrational decisions, such as placing plantations of non indigenous species in our highest value reservation system, National Parks. It demonstrates that the rational needs of the nation, environmentally, socially and economically can be cast aside when Green politics intervenes. Australia, with an entire continent at our disposal, being the home of the eucalypt and with some of the finest forestry agencies in the world is on the verge of closing its hardwood processing capacity. This is bad environmentally as it removes and forever dissipates our accumulated forest expertise in Forests NSW; it is unnecessary and tragic socially for our regional fabric and economically we will import less well managed product to meet demand.

It is time to reverse the unscientific and irrational elements that have crept into our reservation systems, to restore not only our forest industry to good health but also to restore credibility to our reservation systems which have been devalued by this misuse of public goodwill towards environmental causes.

AST is not a member of the NSW Forest Products Association but we strongly endorse the comprehensive submission made by the NSWFPA. Their CEO, Russell Kinsley OAM, is probably the most respected commentator on the history and science of the current situation.

Personally I have been in the timber industry for 45 years in various guises. The past 26 years have been full time and I have held many positions including being President of the National Association of Forest Industries, director for 6 years of the Forest and Wood Products Research and Development Association and Deputy Chair of the CRC Wood Innovations. I am the owner of AST and I would request an opportunity to attend the Inquiry when it visits Port Macquarie on 4 October.

Thank you for considering this submission,

Yours sincerely,

Dr Douglas Head

Director AST