REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 4 - CUSTOMER SERVICE AND NATURAL RESOURCES

LONG TERM SUSTAINABILITY AND FUTURE OF THE TIMBER AND FOREST PRODUCTS INDUSTRY

CORRECTED

At Eurobodalla Council Chambers, Moruya on Tuesday, 5 April 2022

The Committee met at 11:30 am

PRESENT

The Hon. Mark Banasiak (Chair)

The Hon. Scott Barrett
Mr Justin Field
The Hon. Peter Poulos
The Hon. Peter Primrose
The Hon. Mick Veitch (Deputy Chair)

* Please note:
[inaudible] is used when audio words cannot be deciphered.
[audio malfunction] is used when words are lost due to a technical malfunction.
[disorder] is used when members or witnesses speak over one another.

The CHAIR: Welcome to the fifth public hearing for the long-term sustainability and future of the timber and forest products industry. Before I commence, I would like to acknowledge the Yuin people, who are the traditional custodians of this land upon which we meet. I would also like to pay respect to the Elders past, present and emerging of the Yuin people and extend that respect to the other Aboriginal and Torres Strait Islander people present. Today we will be hearing from a range of stakeholders, including representatives from local council, various conservation groups and the timber industry. I thank everyone for making the time to give evidence to this important inquiry.

Before we commence, I would like to make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. A transcript of the hearing will be placed on the Committee's website when it becomes available. Consistent with our current COVID protocol, the hearing room is physically closed to members of the public. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings. While parliamentary privilege applies to witnesses giving evidence today, it does not apply to what witnesses say outside of their evidence at the hearing. Therefore, I urge witnesses to be careful about comments you may make to the media or to others after you complete your evidence.

All witnesses have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could answer only if they had more time or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. In terms of audibility of the hearing today, I remind both Committee members and witnesses to speak into the microphone. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing.

Mr ANTHONY McMAHON, Acting Chief Executive Officer, Bega Valley Shire Council, affirmed and examined

The CHAIR: Would you like to start by making a short opening statement?

ANTHONY McMAHON: I am happy to do that. Obviously, the forestry industry is a major contributor to the Bega Valley shire economy. In recent years, based on data available, there has been an increasing trend in total output from the forestry industry within our region. On the flipside of that, there has been a reduction in the number of employees in that industry, which means that there has been a shift in what is happening in the forestry industry in our area. Obviously, being able to adapt to those changes is important for our community in terms of employment and what that means for our region. The forestry sector has been a key underpinning part of our economy for a long time now. The Bega Valley does have quite a fluctuating economy that can be dependent on seasons, highly dependent on tourism, and the forestry sector does provide relative stability, at least up until recent years with what we have experienced with the Black Summer bushfires.

Certainly, there is a recognition in our community that there is a need to adapt and diversify and change with the changing economy, changes in societal expectations. I believe that the Committee has been down to the area and seen some of the plans for the future diversification and really some of the circularity opportunities around the forestry sector, which are starting to emerge. Examples of that include through the re-use of fish waste and input forestry waste products into that to provide high-value products. That is the type of thing that does provide employment diversification in our area. Certainly, some emerging industries are likely to pop up down on the South Coast—seaweed farming and aquaculture is one that is under consideration at the moment. Another one is large-scale offshore wind farms. So, certainly, there will be opportunities for diversification of skills and complementary opportunities that come from that too. That is probably a bit of a high-level overview of how we see things down in our area, and I am very happy to take whatever questions come.

The Hon. MICK VEITCH: It is good to see you again, Mr McMahon. At the Tumut hearing, we had some councils there and they spoke about how it would be really good if Forest Corp could give them a little bit more forward warning before they start opening up areas for logging—mainly so they can do a bit of work on roads and things like that. Is that the same in this part of the State? Would that be a fair statement?

ANTHONY McMAHON: Yes, certainly down in the Bega Valley. My experience, having been there for the last four years, is that we do tend to get relatively early engagement from Forestry Corp. There is one area in the sort of south-west of Eden that we have been having discussions about for probably three to four years now, particularly around access issues and the need for public road infrastructure upgrades and dilapidation surveys to make sure that the impact on the community is fairly minimal. It is a key consideration for us, making sure we are aware, particularly as a local council, of the impacts. But also the broader community too, because there are certainly much broader impacts than just on the local council when logging does occur.

The Hon. MICK VEITCH: Is there much impact on council roads from the logging activity?

ANTHONY McMAHON: Yes, there is some. This is probably a key point, from our perspective. Just under 80 per cent of the Bega Valley shire is either national parks, forests or public reserve, which makes it unrateable, which means that we do not get income-generating opportunities as a local council to look after the infrastructure that does feel some of the impacts from those land tenures. Forestry again is one of those ones that—we do not have high volumes of freight down in the Bega Valley. Forestry is probably one of the larger freight-generating industries we have. We do feel the impacts on some of our network. In recent years we have made some changes to our own road network through upgrades and infrastructure, and then had to put management barriers in place to try and prevent that really relatively high density of freight on those networks that they were never designed to cater for. So, yes, it is an impact.

The CHAIR: We have heard from a few councils around the State about how they have large amounts of national parks and State forests. They are nonrateable. Would you like to see some sort of fee applied to those land tenures that would assist in covering some of the cost of road impacts and stuff like that?

ANTHONY McMAHON: Yes. Bega Valley Shire Council has proposed a number of different mechanisms to support that. Obviously, in mining areas around the State there are royalties for regions which are a mechanism to transfer funds back to local communities impacted by the mining sector and things like the freight that comes from that. We have experienced that elsewhere. We have also advocated for consideration in things like the financial assistance grants that are distributed to local government—to give consideration to that as a weighting factor in the relative disadvantage where we have large percentages of unrateable land. To date there has not really been any action on that, but there is certainly, in my opinion, existing mechanisms that could be changed or additional ones that could be introduced, as suggested.

The CHAIR: On notice, would you be prepared to table some of those ideas that you have put forward for the Committee?

ANTHONY McMAHON: I can certainly provide further detail on that.

Mr JUSTIN FIELD: Thank you for your attendance today, Mr McMahon. Since the fires, Forestry Corporation have undertaken a sustainable yield review. It was done to understand the impacts on wood supply as a result of the fires. Generally across the South Coast—there are some differences down in Eden—there has been a substantial impact on wood supply in the medium term, as much as 30 per cent. That would suggest that there could be quite profound impacts on the industry down there—the availability of timber for the chip mill or future processes. Has council done any thinking about what that means for the long-term economics of the industry on the South Coast?

ANTHONY McMAHON: I am not familiar with the details of where that study has got to. I am aware that it has occurred. One of the things that we have been very conscious of, as a local council, is the offshoot industries that come out of the forestry sector. That became very clear post the bushfires when we were approached by a large part of the local contracting sector that had traditionally serviced the forestry industry looking for work in the interim until a solution is found. We are very conscious of the fact that if there are shocks to the forestry sector, like a lot of other sectors we have been experiencing down there, we do need to be ready to respond.

If I link what has happened with the bushfires and forestry to what is also happening in some of the other sectors like tourism that has also been impacted by COVID, we have been fortunate that there has been some levels of stimulus, but we are experiencing adjustments. What that means long term specifically for the forestry sector, I am not quite sure yet. Obviously, a lot of that will be driven by the private sector markets and businesses and how much they are willing to invest. Recently we have seen further investment in timber processing down in our part of the world around Eden. I think you have experienced some of that. That type of things gives confidence for investment from other parts of the private sector in our area, which is good, but we do not really have a good handle on what that might mean long term based on some of the yield studies that are being done.

Mr JUSTIN FIELD: Frontier Economics recently did a piece of work looking at the economic opportunity cost of continuing native forest logging on the South Coast. I think they put it at a figure of about $60 million a year economic benefit of actually transitioning out of native forest logging for the economies on the South Coast. Are you aware of that report? Has council done any thinking about how they could maximise those alternative economic opportunities from the forests?

ANTHONY McMAHON: In answer to your question, not specifically. I am not specifically aware of that and council has not yet turned its mind to what that might mean. I am just looking at some figures in front of me here. Depending on your source, they fluctuate a bit, but current outputs from the forestry and manufacturing sectors within the Bega Valley are around $120 to $140 million. The other thing, like I said, is we are not really sure of what the spin-off opportunities are. You referred to a $60 million opportunity cost. Without being familiar, I do not know whether that could even be further inflated, that figure, if we do look at more opportunities.

One thing we certainly are very focused on in the Bega Valley at the moment, being led in a lot of way by Bega Cheese, is circularity, and looking for more opportunities to do more things locally. We look at it from two sides: expansion of the forestry sector might lead to opportunities and, as you have indicated, looking to move out of that might provide opportunities. But we are in the early stages of looking at what the opportunities might be.

The Hon. MICK VEITCH: Mr McMahon, the other thing that has been raised is Forest Corp as a good neighbour. Again over at Tumut it was raised that in the time of the bushfires it was pretty handy to have Forest Corp around. They were good particularly in the Dunns Road fire. Is it the same experience here? Are they prepared and able to assist? Do they meet the definition for Bega Valley shire as a good neighbour?

ANTHONY McMAHON: I will try to answer that unemotionally. When we experienced the fires down south I recall very vividly attending a community meeting in Eden. At the time the RFS were very under-resourced. Forest Corp turned up to a community meeting there and completely changed the dynamic of the community in a positive way. Yes, a very good neighbour.

The Hon. MICK VEITCH: What about weed management?

ANTHONY McMAHON: That is probably an area that I could not specifically comment on too much. I would say just anecdotally they are not too dissimilar to most other neighbours where it fluctuates, and even in certain areas, I think part of their catchments would be managed in different ways, depending on what the priority is in a given catchment for forestry as well at any given time. We do find them very engaging. They participate very strongly in our local bushfire management committee. They are very conscious of their role in overall

bushfire risk mitigation within the region as well. Like I said, that was certainly at the fore during the Black Summer fires.

The Hon. MICK VEITCH: You spoke about the large volume of forest land as State-owned or State-controlled land. What is the footprint for private forests in Bega Valley?

ANTHONY McMAHON: To be honest, I am not terribly familiar with that. I do know that relative to the public land it is definitely not to the same scale.

The Hon. MICK VEITCH: Do you have private plantations?

ANTHONY McMAHON: I do not know off the top of my head. If we do, I have not had too much engagement with those groups. The main engagement we have had is through some of the processors and Forestry Corp themselves that supply the timber for processing.

Mr JUSTIN FIELD: I think by "private plantations" you are talking about private native forestry?

The Hon. MICK VEITCH: Yes, PNF.

Mr JUSTIN FIELD: In some of the councils on the North Coast there is a review of it at the moment. They being quite forceful that they retain the right—I guess, dual consent, using the planning powers of council to specify where private logging can or cannot occur. Does Bega council tend to take planning decisions around whether or not private forestry can occur on private land, or have you largely left this up to rural landholders?

ANTHONY McMAHON: Certainly in the last four years that I have been at Bega Valley it has not been an issue at all. It has not been raised. I do suspect though that, if there was a proposal to establish a private plantation that was going to be used for logging, there would certainly be widespread community interest and council would need to take a position on that. But in the time that I have been there, and based on my knowledge of the history of the area, it has not been a large issue.

The Hon. MICK VEITCH: That is plantation. What about private native forests?

ANTHONY McMAHON: The same applies. It has not been an issue that has come to the fore during my time. One thing I do know that we do experience very strongly down there is strong consideration of biodiversity impacts of any type of development. Certainly, if it were private logging that would be a major consideration. We are getting shorter and shorter on land supply down in the Bega Valley that is not of high biodiversity value, so I suspect it would be a challenge for anyone to set something up new under the current legislative framework.

The Hon. PETER POULOS: Mr McMahon, it would appear from your response that your interactions with Forest Corp appear to be positive. Is there anything in your view, in terms of their overall operations, that you might be able to suggest they can improve on?

ANTHONY McMAHON: Without having an intricate understanding of what it is they are doing out there, it is difficult. We do not tend to get a great deal of advocacy from the community back to council to intervene on anything that the community is observing out in the forest either. To me, that in itself is a bit of an indication that the way they are operating is not of huge concern to the community, aside from the fact there is general concern with logging overall. But the specifics of the operation are not something that has been raised largely with local government.

The Hon. PETER PRIMROSE: You just made a suggestion about apart from the community expressing concern about logging overall. Is there a large section of the community or not that opposes logging?

ANTHONY McMAHON: That is a difficult question to answer. I guess I am being a little bit vague. We do see regular enough activism to try and stop logging happening within our area. It would be hard to quantify what proportion of those people are actually local residents in a community or people that come to our area from outside the region to advocate for the stopping of logging in general. It is something that comes up occasionally. Yes, the time that I tend to hear about it is when it is in the local media, and that does not regularly occur. I would say that maybe every six months or so there is an incident that occurs from an advocacy perspective that then raises again that sentiment that there is some opposition to forestry continuing in the area.

Certainly, within the local community, particularly around Eden where most of the forestry activity occurs, it is quite well supported. Certainly, the majority of the community there support it as an industry and something that they would like to see continue. That is purely based around employment that it provides and the economic-generating activity that goes with the jobs, as well as the history of the area that has been founded on that sector.

The Hon. PETER PRIMROSE: This morning we had a discussion about ecotourism. From council's perspective, what do you see as the future employment activities related to ecotourism? Will it increase, decrease or stay the same?

ANTHONY McMAHON: Certainly an increase. There is a lot of activity happening in that space down in the Bega Valley. Even though I had a bit of a whinge before about the fact that we have a relatively small rate base, because we have so many parks, forests and reserves around our shire, the offset of that is there is a lot of opportunity for ecotourism. Certainly that is a space that the national parks are really getting into at the moment. Even that in itself is a little bit divisive in the community. Some like the idea of increasing ecotourism and other parts of the community would like to see that minimised because of the potential environmental impacts from doing that.

Mr JUSTIN FIELD: I wonder whether or not moving some of that potential commercially based, nature-based tourism into State forest, which is no longer being used for logging, takes that pressure off the national parks so that those areas can be put aside for conservation—whether or not that actually opens that opportunity up even further and manages that risk inside the community?

ANTHONY McMAHON: From what I do know about the land tenure that I talked to you about before, the majority of forestry land tends to be back from the coastline and then it is the national parks that tend to be right on the coastline. That is what gives the Bega Valley its uniqueness: We have so much national park along the coastline. In terms of whether there really is a large-scale market likely to open up for non-coastal-related ecotourism in the Bega Valley, I am not sure because there is quite a high volume of that and it is very well supported at the top or west of the Great Dividing Range. Whether that is a market that makes sense for the Bega Valley to get involved in, I am not quite sure, when we have our own niche, as it stands now.

The Hon. SCOTT BARRETT: You mentioned earlier some of the newer industries and the diversification. We heard yesterday of Pentarch taking the lead on that. With them leading that, is that attracting others to also come to the area with those investments in those new technologies?

ANTHONY McMAHON: Yes. I referred to a few before. Fish waste is one example, the seaweed industries and then the other one I mentioned was the offshore wind farms. One of the other things to consider is the footprint that Pentarch and the Allied Natural Wood Exports have and where they have that. For our region there is an opportunity to greater activate the Eden port, particularly on the south side, which is where a lot of that activity happens. We do know that investment by anyone will lead to and make it easier for further investment due to the scale, particularly around the type of infrastructure that is needed to support some of those newer industries coming in.

In terms of fish waste, Ocean2Earth being the business, the local council actually helped to support them as a start-up business by providing them with a site. They are now reaching the point where their scale and what they are trying to do does not mesh anymore with what we can offer and provide. It is a good example of where, if we do provide a little bit of support, we have broad networks within the community and we start thinking from a circularity perspective. Then whether it be someone else or the forestry sector that can help support those initial start-ups and then expand, it would be good either way, from my perspective.

The Hon. SCOTT BARRETT: So that initial interest from the forestry industry will attract more of those industries to the area?

ANTHONY McMAHON: Yes, I certainly think so. I think the mindset of the people who are established in our community at the moment is different from what it might have been 20 years ago, where they are open minded and do recognise that they need to diversify and they need to minimise waste. The more they can draw out of what it is that they do by supporting other industry, then the better. Yes, I think there is an increased recognition from the operators within our forestry sector of their social and environmental contribution to the community.

The Hon. SCOTT BARRETT: Can I go back to ecotourism again. You talked about that increasing over the next few years. Do you see that happening alongside forestry operations?

ANTHONY McMAHON: Yes, certainly. As an example, one of the major investments that is happening down in our region at the moment is the Bundian Way, which is a cultural walk that meanders through different land tenures, including the national parks down there. It actually adjoins the area where the Allied Natural Wood Exports are based at the moment. There is also the Light to Light walk, which is down in the south of Eden as well. They 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.

The Hon. MICK VEITCH: The Bundian Way is an outstanding project. I have had a bit to do with it with some of the proponents. What they have planned is quite significant if they can get the whole thing off the ground, of course, and get the whole thing marked out.

The CHAIR: I was just going to pick up from Mr Barrett. In your opening statement you talked about how there has been a growth in output but the workforce has shrunk. In the Bega Valley, where have you seen that workforce transition to? We heard from Pentarch that some of the commercial fishermen, when they have a quiet period, will come over and do a lot of the stevedoring work, the unloading of ships, for them. Where have you seen that shift in employment in Bega?

ANTHONY McMAHON: Yes, it is difficult to quantify but, anecdotally and through observations of what they are doing there, I would say it has been a shift away from manual labour more into automated systems and processes. If you did see the site you will understand the investment they have made to do that. Just anecdotally, I would suggest that is where it is. It is moving away from more of the manual labouring type roles and a shift into less but higher skilled technical roles in the trades and technical officer type functions. Again, from a Bega Valley perspective, it is important that there are opportunities to diversify that workforce. Again, with what happened with the Black Summer fires and the impact that had on the forestry sector and people with those skill sets, we have been fortunate that the civil construction sector in particular has taken a huge boom since then, so there have been other employment opportunities locally for people who are in lower skilled roles.

The Hon. MICK VEITCH: Just very quickly, and you may have to take this on notice—I am not sure—but the housing and rental markets in Bega, is there a shortage of accommodation, a shortage of housing construction, capacity to rent and capacity to buy?

ANTHONY McMAHON: Yes, housing availability and affordability is our single biggest issue that the community is facing at the moment. Council is about to finalise an affordable housing strategy, and there are only so many levers that council can work with itself in that space, but it is a huge issue. We have a very diverse economy, like I said, but it is starting to appear as though we have a bit of a two-tiered economy where the employees in the hospitality and retail sectors in particular that underpin tourism are finding it hard to afford to live in the area with the wages they earn, and then we have seen quite a large migration into the area from people working remotely out of cities and large regional centres. That has had a huge impact. There are a number of causes. One of the huge causes of housing availability we are finding at the moment is that supply cannot be kept up to demand, which is largely being driven by availability of construction materials, and obviously timber is one of those. Some of the timber that is manufactured down in our region goes directly into the housing sector. It is a huge issue and, like I said, it is our single biggest issue we are trying to grapple with at the moment in the region.

Mr JUSTIN FIELD: You mentioned the impacts of the fires. It surrounds a lot of discussions still with forestry. We heard this morning from Professor David Lindenmayer, who came out on a site visit with us, about new peer-reviewed research that he is about to put out that shows quite unequivocally now a link between forestry activities and the severity of fires and that logged forests burn more severely and that, because of the nature of forestry activities, those forests stay younger and are more prone to ongoing severe fires. I wonder if there has been much discussion within your community about how forestry activities in and around population centres in your part of the world have contributed to fire risk and whether or not that has changed some of the thinking about forestry activities closer to where people live.

ANTHONY McMAHON: I would certainly say, broadly, land management overall has been a topic of discussion in the community. I would not say I am aware of forestry activity specifically, and how that impacts the severity of fires in the forest, being something that is widely discussed in the community. But certainly public land management—so like I said, that just under 80 per cent of the land in our shire is a huge issue. It goes across national parks, council land, Crown land, and forestry. The other thing with that is—and everyone that I have spoken to has talked about this—what we experienced in the Black Summer fires is unlike anything that anyone had experienced, particularly the local RFS people that have been in the area for a long time.

Interestingly, if you get right down into the detail of bushfire management when a fire is occurring, the RFS make it clear that they would find it very difficult to enter any sort of forested land at all to try to prevent fire spread, and they wait for it to come out into open spaces. One of the key things that we have experienced is making sure that whatever that public land is, and if it is forested in any way or heavily vegetated, we have got adequate buffers between that and the urbanised areas so that we minimise the risk to loss of life and property. That has been a key discussion that has happened in our community. Specifically about how forestry do their operations, and whether that increases bushfire risk or not, is not something that has been broadly discussed.

The CHAIR: Thank you for coming and providing evidence. I think there are a couple of things that you took on notice, so the secretariat will be in touch and you will have 21 days to get them back. Thank you for your time.

(The witness withdrew.)

Ms LISA STONE, Committee Member, South East Region Conservation Alliance, affirmed and examined

Ms JULIE TAYLOR MILLS, Committee Member, South East Region Conservation Alliance, affirmed and examined

Mr SEAN DOOLEY, National Public Affairs Manager, BirdLife Australia, affirmed and examined

LISA STONE: I am also a founding member of South East Forest Rescue. South East Forest Rescue has been monitoring the logging in this region since 2001, and I personally have been working with SEFR since 2006. I am also an admitted and practising lawyer.

JULIE TAYLOR MILLS: I am on the board of the Nature Conservation Council of New South Wales, and I am also on the board of WIRES. I have a property here, just south of Moruya, 40 acres.

SEAN DOOLEY: BirdLife Australia is Australia's only national bird conservation charity engaged in protecting Australia's native birds and preventing the extinction of Australia's native birds.

The CHAIR: Would you like to make a short opening statement before we commence questioning?

LISA STONE: Really, my submissions are on native forests. Plantation is making money. It is sustainable, it gets planted, and the term "harvesting" can be used in plantation forest. It cannot, as you probably all well know, in native forest. They do not plant, they do not water, it just fends for itself. Because the forests have been so heavily over-cut, the promised level of supply cannot be met. That will result in a force majeure of the wood supply agreements, in my view. Before the fires, there was abundant evidence that the forests of this region were already over-logged. Ian Barnes said—he was the manager of the Forestry Corporation in Batemans Bay. He said in 2010, "The remaining multi-age forest resource is coming to an end in the next two or three years."

Of course, the bushfires caused around 80 per cent or more of the native forests that were available for logging and woodchipping to be unavailable; they were burnt. There is irrefutable evidence that the logging exacerbates fire risk. Now, obviously, after the fires, there is no long-term future, in my view. The logging is not sustainable. Every compartment that I have been in on ground, I have found breaches of the legislation and Acts. The ecological integrity of the forests have been greatly damaged by the fires, but also the logging has contributed to that. It also contributes significantly to the effects of climate change. Ninety-five per cent of our forests here—between 80 to 95 per cent of our forests are sent to the woodchip mill. They are chipped on site at the mill and put in ships, and then they are sent to Japan or Korea to be made into cardboard. We do not get the benefit from that.

The new timber optimisation hub is trying to prop up what that private company knows is a dying industry, in my view. The plantation side of the industry, at the woodchip mill, is going well. The native forest sector is not. Unfortunately, as I said, they are take-or-pay contracts. You can overestimate how many workers are on ground, and that is easily estimated by how many active compartments there are. I did a quick calculation. In my estimation, there are currently—and this is an overestimation—40 on-ground logging workers. Obviously, one of the things that could be done, one of the ways of getting around this, is that the logging workers could be paid out. Most workers I have talked to, that is what they are looking for. Most workers do not want to do what they are doing. What I am saying is they are in the forest, it is burnt, it is a war zone, and they are logging. A lot of workers feel very distraught at what they are doing. They want to get out.

I am not talking about the logging companies themselves, or the owners of the logging companies. We have a company here, Kasun Logging. They were brought up from Tasmania by Batemans Bay Forestry. They were paid. Everything was paid by the Forestry Corporation to have them brought from Tasmania, with their machines, and they put them up in accommodation until those Kasun loggers could find more permanent accommodation. That company has already received $875,000 from the Federal Government to get out of logging. There would need to be, if there was going to be a payout, a defining clause that says, "If you have already received a payout, you can't get another one."

As I have given you those little handouts, the Forestry Corporation suffers million dollar losses every year. In 2009 the Auditor-General requested—it was not a corporation then, it was a sole something or other—that forestry not obfuscate the plantation and native figures because what forestry were doing was giving to the Government a bulk lot: "This is how much we are making." The Auditor-General requested that they separate those figures. Since then, we have been able to track what losses the Forestry Corporation is suffering. Sometimes it is $11 million a year, sometimes $16 million, sometimes $20 million. Quite often it seems to really co-relate with the amount of profit that the woodchip mill makes. I think that is an interesting point.

Public opinion is that native forest logging should stop. Sorry for any Liberal members here, but in the recent pork-barrelling exercise where a huge amount of money was given to the woodchip mill for the timber optimisation hub and then a DA was put in, Southeast Forest Rescue ran two actions in the Land and Environment

Court and won both of those actions. Basically, there were 160 submissions speaking to that development application and, out of those 160 submissions, only one was in favour of that development application going ahead.

New Zealand ended native forest logging in 2002, and both Victoria and Western Australia have said they are committed to the ending of native forest logging. I think when you look at the damage to the State forests, it is systemic and routine and the law is disregarded particularly in compartments that are way, way away. One of the biggest things that could happen would be to repeal section 69ZA of the Forestry Act. Section 69ZA has been around since 1998. It was in the original Forestry and National Park Estate Act as section 40. What that section sets out is basically that no-one, no citizen, not even you, only the Ministers of the environment or the DPI can bring forestry to court for breach of any law or any Act. No matter how great the damage is, no-one can bring forestry before the courts. I say the unreasonable protection of the native forests woodchipping industry should come to an end. That is my view.

JULIE TAYLOR MILLS: My personal story is I am, as I said, a member of the board of WIRES. I am member of the board of the Nature Conservation Council and of obviously SERCA. I came to this issue because I was out as a WIRES carer. I really had not been that involved in forestry, but I was out as a WIRES carer supplementary feeding animals to the west of Mogo and taking one of the millions of calls we got for assistance to native animals during the fires. As I went through Mogo, I saw an enormous dual carriage logging truck loaded to the gunwales with burnt logs. I just could not believe it. But when I contacted the Forestry Corporation they said, "Look, we have a permit to do this and it is called salvage logging." The irony of it was just breathtaking to me that I was looking after animals, providing them with food and their habitat was being taken away. When you saw the forests in that area at that time, it was truly gobsmacking how little was left and that they were taking these logs. On 20 February I took a photo of it. It was extraordinary.

From there I started to wonder why this occurred, and someone within Forestry Corporation alerted me to the fact that, "You realise, the hardwood division makes no money at all and it is fully compensated and overshadowed by the plantation industry?" I said no. Since then I have done a lot of digging and discovered and learnt, especially through Frontier and ANU report that was done last year, that last year hardwood made $400,000—less than half a million dollars—whereas the plantation side of the business made $60 million. Half a million to $60 million. Half a million employs less than 1.5 per cent of people employed on the South Coast. There are probably more people making coffees and serving in restaurants. Almost no-one I know knows anyone who works in the forestry industry either in extraction and haulage or in processing. It is not a highly visible or viable part of our community, yet this industry is sustained at a time when there is a deep, deep wounding in our community about what we have lost in terms of environment.

You do not have to talk about it—you just say "that last summer" and everyone knows. You do not need to go into detail because that which we thought was so special, the reason that we all came here, was burnt. The people within Forestry Corporation said to me 90 per cent of the forest area was burnt—270,000 hectares of the 330,000 hectares of this LGA alone were burnt. Ninety per cent of national parks and 90 per cent of State forests. They were struggling within State forests to find refugia that they could seek to protect. What is refugia? It is a place where what native animals that we all cohabit here with could survive. These were the issues that drove me to look at and consider why this industry continues when economically it does not make sense, when it employs so few people who, with their big equipment and kit, they could be used to protect the asset.

The State Government is looking for major carbon abatement opportunities and securing or ceasing logging just in the southern region of New South Wales would currently provide the biggest carbon abatement opportunity anywhere in Australia. Nowhere else would provide such a big abatement opportunity as ceasing logging in State forests. To me it is just a no-brainer that you come up with that outcome, you investigate the opportunities for tourism, and the people who are currently employed use their equipment et cetera for fire management, for maintaining the roads, for keeping the tourism infrastructure and for addressing the incredible proliferation of weeds and feral species that have occurred through the State forests and the national parks since the fires.

These people—these guys, generally—could be employed in the sort of work that, as Lisa was saying, would make them proud. I often think it is rather like when I grew up in Newcastle back in the day, and my cousins, 27 of whom went into the coal and steel industry, now feel proud that their kids are involved in repairing the legacy of the coal and the steel industry and the harbour around Newcastle. To me I often think of the guys involved now in what is an industry that had lost its social licence to operate before the fires, let alone now. They could be doing something that they will be proud of and we could easily and gainfully employ them in this industry of protecting this asset.

SEAN DOOLEY: Thank you for having us appear here. Thank you for the site visit earlier this morning out in the forest. I really wish that I had been able to show you some swift parrots to show you what amazing creatures they are, what beautiful and fascinating birds they are. Because where we went this morning was a site where in 2009, 180 swift parrots were seen. One of the people on the trip this morning, Julie Morgan, she, at a site down at Bodalla State Forest in 2012 saw 1,200 swift parrots in one area of forest. Unfortunately, we were not able to show you those this morning because the area that we were at had been logged very soon after 2009 and the swift parrots have not returned. That site suffered from the bushfires that raged around Mogo.

According to the work from Professor David Lindenmayer and his team, the intensity of those bushfires meant that that unlogged area that we visited suffered a much more intense and severe bushfire effect. The likelihood of swift parrots turning up there is far reduced, particularly because that has now been logged post-fires, as we saw today. The other reason why we were not able to see swift parrots today, even though it is shaping up to be a very good year for swift parrots on the South Coast, is because of the rain that we have had and the spotted gum is starting to burst into flower. The spotted gum is what brings these critically endangered birds to the South Coast. In years like this it is the most important site in Australia for swift parrots.

The reason we could not see those is because there are fewer swift parrots left in the world than there were in 2009 and 2012. The swift parrot is one of Australia's most critically endangered birds. It is recognised as such by Federal legislation. It was categorised as critically endangered, which is one step away from extinction. That was in 2016 that the recognition was given. The best estimated population is that there are only 750 swift parrots left in the world. They breed in Tasmania, where there is also native forest logging that is impacting their breeding sites. But then we suspect there are perhaps only 300 or 350 birds actively involved in and contributing to the future population. They are very thin on the ground. When they are on the mainland one of the most important sites indisputably in years like this will be the South Coast forests.

Unfortunately with the fires, 33 per cent of the suitable swift parrot habitat in the South Coast was severely impacted by the fires and the remaining areas, therefore, that still have flourishing spotted gum forests in a wild state become even more important. Yet as we saw today, that site we were at that has not been logged is still being logged. We are losing the opportunity for these birds, and the swift parrot is only an umbrella species for a number of endangered species that live in the South Coast forest and rely on them. Losing those birds is not just a tragedy for people who love birds, it is also a tragedy for the local economy. BirdLife Australia has released over the past week a document that I have tabled, which is a report into the financial impact of the avitourism industry—that is, bird-related tourism in Australia. That report, using data from Tourism Australia and our own research, shows that in the financial year before the pandemic, when the figures were first tallied, birdwatching-related and bird-related tourism in Australia brought in an estimated $283 million to the Australian economy.

In the South Coast region, which we focus on in our report and which is based on the Ulladulla to Merimbula key biodiversity area—which is a measurement of the importance of this area to an international standard—our research shows that in one year up to $1.2 million is brought into the region by birdwatching tourists. When bird tourists are here they actually have a bigger spend per individual than most other tourism groups as per the Tourism Australia report. Interestingly, given Ms Stone's comments about how much financial benefit the native timber harvesting brings to the region, already—without any targeted birdwatching tourism campaign—organically this region is getting three times the revenue from people who are coming to see these intact forests and the wildlife that use them, including swift parrots and other endangered species such as gang-gang cockatoos, glossy black cockatoos and even regent honeyeaters—all birds that people know are here and want to come and see. But if they lose those intact mature forests, they will stop coming.

The Hon. MICK VEITCH: Thank you for your attendance today and thank you for showing us around this morning, Mr Dooley. My question goes to Ms Stone. In the documents that you have handed out to the Committee, the very last document is the NRC 2020-2021 executive summary to the report entitled *Advice on Coastal IFOA operations post-2019-20 wildfires*. There is a list of recommendations in that. By including this in your batch of documents, are you saying that you support those recommendations?

LISA STONE: No, I am just highlighting. That document is a Cabinet-in-confidence document that has not been released to the relevant Ministers as far as I know. I am merely placing it in there to maybe raise the Committee's awareness that that document does exist. I am sure you know it exists. I have the full report—I have had that leaked to me—but I did get that executive summary from *The Guardian*, which had it placed on its website. There are some recommendations that I and SERCA would support, and that is where the NRC report divides the areas on the South Coast slightly differently to forestry. Forestry have from basically Nowra down to Cobargo and they call that the southern subregion, from Cobargo to the border is the Eden region and then on the Great Dividing Range and above is the Tumut region. That is how forestry divided it.

The NRC report does not divide it in that way. It divides it into the Batemans Bay region, the Bago-Maragle region, the Badja region, the Eden region and the Tumut region, and they also have Narooma and Nowra. Basically the NRC report—just a brief dot-point summary—divides those zones into medium risk, high risk and extreme risk. The NRC report recommends that in the extreme risk zones, which are Narooma and Nowra, that no logging take place; in the high risk zones, which is Badja, Bago-Maragle, Batemans Bay and Eden, minimal logging take place; and then Tumut is under medium risk. In the high risk categories we have current logging in Currowan, Shallow Crossing and Mogo; in the Bago-Maragle region, a lot of Bago is currently being logged; in the Badja region, Tallaganda is being logged; and in the Eden region, East Boyd, Yambulla and Nadgee. You can see that everywhere that is being logged—I think 75 per cent of that the NRC recommends not be logged.

The Hon. MICK VEITCH: I just need to clarify. The document is a—

Mr JUSTIN FIELD: It is on my website, Mick. It is hardly a secret anymore.

LISA STONE: Have you got it on your website?

The Hon. MICK VEITCH: If it is a Cabinet-in-confidence document that has not been to Cabinet but is publicly available on someone's website, I am not sure how we approach—

The CHAIR: Just for the Committee and the witnesses' knowledge, this was the subject of a Privileges Committee inquiry. I am not sure whether that actually resolves the issue in terms of how we deal with leaked Cabinet documents and whether we can actually question or have questions centred around those documents. I am looking for guidance from the chair of the Privileges Committee to my left.

The Hon. MICK VEITCH: How about I continue to ask questions, but I will not cite the document?

LISA STONE: I think the executive summary works because it is publicly available.

The Hon. MICK VEITCH: My second question would be to Ms Taylor Mills. It relates to pest and weed control in State forests, particularly post-bushfires. I know there are some suggestions that there should be substantial investment and better regional coordination of that investment. In light of your opening statement where you spoke very briefly about the flourishing of weeds and pests since the 2019-20 bushfires, have you seen evidence of that investment and have you seen any evidence of the regional coordination that has taken place?

JULIE TAYLOR MILLS: Not of the coordination and not of the investment certainly in weeds and pests. As recently as last night I saw photographs which Professor David Lindenmayer identified as deer down here on the coast around Moruya. We had never seen deer until recently. Deer have absolutely proliferated in this area. I have not seen indication of adequate pest management. National parks continues to be under-resourced and State forests, I could not speak to them, but my sense from those who are involved in the natural resource management side of the State forests is that they are swamped and they barely know where to start. The same too with Local Land Services and the Aboriginal land crews; they are just not enough people to cater for the proliferation of weeds that have come. I took a parliamentary member out to Nerrigundah mid-year last year—a Federal parliamentarian—and all you could see was a dense growth of small, thick vegetation that was coming through, part weed, part native weedy species, and no-one was able to address that.

Mr JUSTIN FIELD: Mr Dooley, you make some recommendations around the CIFOA. Can you be clear about what prescriptions are in the CIFOA at the moment to deal with potential impacts on the swift parrot, either the sites of known presence or foraging habitat?

SEAN DOOLEY: I was actually going to mention that the site that we visited this morning that was involved in post-fire logging should not technically have been logged because in 2021 the EPA fined Forestry Corporation for failing to compile and include swift parrot records in its pre-logging surveys post-fire. That site was where in the coop we were at there were 150 swift parrots seen in 2009 with 30 at the coop next door. It was definitely a known, significant site for swift parrots, and I think the fact that this logging went ahead shows that the actual application of these rules is just not sufficient. I think that is very much an example of where this falls down in that in the broader picture the CIFOA is part of the regional forest agreement and, in terms of national legislation, the EPBC Act that the Federal Government has responsibility for, to take a critically endangered bird like a swift parrot and log, destroy known habitat for it, would be an action under that Act. However, the CIFOA, as part of a regional forest agreement, actually is exempt from that legislation.

The independent Graeme Samuel review into the EPBC Act in 2019-20 actually found that the RFA Acts are weaker in terms of their requirements for protection of threatened species. He noted that there is a lack of clear, definable and applicable environmental benchmarks. What we are seeing, and what we saw today, and what we are seeing in the South Coast forests is that the laws are very loose. The regulations are very loose and there is very little need for compliance because there is no scrutiny. 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 coops, we would not

be aware of these breaches. There are a lot of areas out there. Unfortunately, we know that the EPA has been fining Forestry Corporation for these breaches, and these are only the ones we know about.

Mr JUSTIN FIELD: Ms Stone, I guess this interacts with your comment about the section of the Act that prevents third-party appeal rights as it relates to forestry breaches. The result of that is community members are entirely reliant on the EPA reporting potential breaches to the EPA and having the EPA act. There is nothing that you can do to sort of uphold the law in terms of citizen scientists or community groups throughout there observing what is happening in the forests. Is that right? Is that usual as well?

LISA STONE: No, that is absolutely not usual. If I had the money and if I had the resources, I would bring that particular section, for want of anything better to do, in front of the Federal Court or even the High Court to say this is not constitutional. No other State or Territory—in fact, you all could be brought before a court. A judge or whoever can be brought before the court. It is very unusual.

Mr JUSTIN FIELD: Other States in their forestry laws enable third parties to bring the State forestry agency to court for breaches of the law. Is that right?

LISA STONE: That is right. This was brought in, as well as the RFA exemptions. So the very powerful at the time in 1998 forestry lobby said that they did not want a flood of court cases—you know, the old flooding argument which does not hold any water, for want of a better word. To stop the flooding of the courts this was brought in, as well as the RFA exemptions from the Protection of the Environment Administration Act and the EPBC Act and all those Acts. Those exemptions were put in place on the undertaking that the IFOAs, the RFA, would be as good as, if not better than, in protecting the environment. The exemptions were put in place, 69ZA was put in place and now we have a situation where—let us talk about swift parrots. In the IFOA—I call it IFOA although it is CIFOA—a minimum of five nectar trees must be held in the whole of the logging compartment.

How forestry define that is that they spray-paint on the tree—has anyone talked to you about this? The retained tree is spray-painted on "N" or whatever, "H" or "R". Then there is a fire or the next time they come back—and logging rotations are now around between five to 10 years in compartments. The logging rotations used to be a lot longer but it is very short now, the logging rotations. So they come back five to 10 years later and those trees are available for logging.

Mr JUSTIN FIELD: I think that is an important point. That is a right that is not available to citizens in New South Wales, where you are reliant on the EPA. My next question is, putting aside your position that native forest logging should end, particularly on the South Coast, if it is going to be continued to operate and there is a regulatory environment, I would like to get to the bottom of the appropriateness of the regulatory environment. Can you speak to whether or not you think the EPA's actions and resourcing are adequate in this regard? I note the letter from the EPA that you have included in your bundle of documents, Ms Stone, from September 2020 when they wrote to forestry saying, "We think you might be in breach of the Forestry Act in New South Wales." Subsequent to that, we know that an NRC report was commissioned, which government has not responded to. But the EPA largely do not appear to have followed through on these concerns. Can you speak to your experiences of the EPA's adequacy of identifying and acting on potential logging breaches? I will start with Mr Dooley.

SEAN DOOLEY: I think the big issue with the EPA is their ability to prosecute these cases. From what I understand, it can takes months, if not years, before any action is taken. We heard this morning that there is some action that we are still waiting a resolution to that is due out soon. In terms of the wildlife, it is too little, too late. Those trees are gone. BirdLife Australia in our submission has called for the CIFOA being amended so that it excludes all known and potential remaining swift parrot habitat, which would mean that you cannot be in breach because you are not allowed to log those areas in the first place. As I said, it seems that there is a big lag between the action and the impact. I suspect 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 aware, the EPA does not have the resources to have monitoring teams heading out on a substantial basis.

Mr JUSTIN FIELD: Ms Taylor Mills, do you have anything to add to that?

JULIE TAYLOR MILLS: I sat next to an EPA inspections chap who was out of head office at an RFA meeting a few years ago and he said, "We have one inspector between Wollongong and the border." He said, "We can't keep up with it." I have been out into those active logging coops—well, not into them, but on the edge of them or into ones that are about to be—and I was just astonished that you could see eight habitat hollow-bearing trees and five nectar trees per hectare that are required to be retained. But they can be one and the same. So it is eight trees, and these are not huge trees. They are not the big trees that we all saw when we were growing up, they are actually relatively this sort of girth. It is quite astonishing that that is considered adequate.

When Sean talks about swift parrots, it is not just swift parrots. If you talk to anyone who lives anywhere in a bushy area, what they noticed most after the fires was how silent it was. There were no birds. Birds do not

have big hearts. They drop out of the sky in the heavy smoke. They just were not there. For months and months there was nothing. So they need this habitat to keep them alive—not just eight trees per hectare. They need the refugia. I mean, you went out to Mogo. Apart from anything else, why would anyone want to go mountain biking there? Some $8 million is going to a mountain biking hub at Mogo. It is a stunted, logged, reedy, overgrown area. That is not somewhere I would want to be on a mountain bike hooning around. Certainly my daughter, who is a keen mountain biker in Ferny and who has been up Thredbo, which now derives more income from summer mountain bikers than it does from winter skiers—why would they want to go to Mogo the way it is now? There are no big trees to look at; it is not particularly attractive. That would be my somewhat emotive comment.

LISA STONE: I would definitely agree that the EPA had been white-anted when it was the OEH, and it was DECW before that. The EPA now seems stronger; it has more teeth somehow. But I think they are still underfunded. Obviously they have to be quite careful that they are not captured. A lot of people who work in the EPA used to work in Forestry. In my view they are trying the best that they can, but Forestry have taken the view that they can basically do what they want—and they can, really. Let us face it, no-one can bring them to court, so they can. Southeast Forest Rescue have been instrumental in a number of matters that the EPA has brought before the courts. As Sean said, it does take quite a long time. Sometimes we are contacted the day of. So there is a two-year statutory limitation period and sometimes we are contacted the day of that statutory limitation period. They are obviously underfunded if that is the case, and it is harder for them.

That gives more strength to my submission that if 69ZA was not there, then at least a group could put an injunction on the particular compartment and have it held until someone decides whether it is okay to do what they are doing. Many of these forests down here have not had an environmental impact assessment. That did not happen through the NRC process. Many of the forests have not even had proper fauna surveys. I come here with clean hands. The only thing citizens can do, apart from doing the breach reports, giving the GPS and sending the photos, is take hold of a compartment. They put their bodies on the line and try to get the EPA down and show them what the breaches are. That is basically one thing that citizens can do. If 69ZA was not here, that would not happen. It just would not happen because people would have an outlet for courts.

One of the actions on the red gum forests, Forestry thought they were in an IFOA zone and they did not do an environmental impact assessment. So people held that compartment and said, "You can't log this until you have done that environmental impact assessment." The court agreed, and now it is a national park, which can be a little bit logged here and there. One of the really important things that happened in 2007 to 2010 was that Forestry logged two very important Aboriginal significant areas, one being Gulaga Mountain and one being Mumbulla Mountain further south. Gulaga Mountain is Bodalla State Forest and is huge habitat for every sort of animal you could imagine. People stood on the road and tried to slow it down but could not stop it.

Mumbulla Mountain, people stood on the road and tried to stop it and from day one said, "This is a significant area. This is an area you should not log." Those people got arrested—of course they did—for standing in the way. It was not until I found the gazettal map that said that the area they were logging had been gazetted and was not allowed to be logged that the logging stopped. Forestry said, "We didn't know it was an Aboriginal area," despite everyone on the road every day saying, "I am a traditional owner, please don't log. It is my sacred area," and despite there being a big sign saying, "Mumbulla Mountain, sacred to the Aboriginal people." We did not know because in the National Parks and Wildlife Act, where the destruction of Aboriginal objects and places sits, the word "knowingly" was there. So Forestry said, "We didn't know. It slipped off our radar." So if 69ZA was not there, we could have put an injunction on it. That would have ended everything. Instead, it cost the taxpayer however many thousands of dollars to have police there every day and of course Forestry was losing money hand over fist. What would have happened to the logs if they had logged—Forestry then sent the logs, of course, and the chip mill picked those logs up and chipped them.

The CHAIR: I am loath to stop you there.

LISA STONE: Stop me any time.

The CHAIR: We have actually run out of time. I will flag, Mr Dooley, that there may be some supplementary questions about that bird tourism report that you have now given us. It is 24 pages, so it would be hard for us to quickly scan them and frame some questions for you. But there may be some supplementary questions to that. Are you happy for that to be tabled?

SEAN DOOLEY: Yes, certainly.

The CHAIR: Excellent, thank you. That finishes our questioning. We will break for lunch. I am not sure whether you took questions on notice, but if you did the Committee secretariat will be in touch and you will have 21 days to respond to those questions. Once again, thank you for your time and thank you for the tour earlier on today. It was much appreciated.

SEAN DOOLEY: Thank you for your interest.

LISA STONE: Thank you for having us.

(The witnesses withdrew.)

(Luncheon adjournment)

Mr NICK HOPKINS, Community Liaison Officer, Friends of the Forest, Mogo, Coastwatchers Committee Member and Forest Working Group Member, Coastwatchers Association Inc., affirmed and examined

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, affirmed and examined

The CHAIR: Mr Hopkins, do you want to make a short opening statement?

NICK HOPKINS: Yes. I would like to start by acknowledging the Walbunja people of the Yuin nation on whose lands we are meeting today. As a prelude, I want to not table but show you this photo I took of the home where my wife and I lived until 31 December 2019. We came off second best in the fires—the Black Summer fires—and I will show you the aftermath in a minute. On 26 November 2019 lightning struck into logging debris in Currowan State Forest in the southern Shoalhaven shire. Thirty-five days later, on New Year's Eve, that mega fire swept through my neighbourhood behind Malua Bay and completely destroyed my house and gardens and workshop. I was two parts devastated, as you can imagine, and three parts enraged.

Myself and other local conservationists had long been warning about the dangers of logging debris left behind after logging operations. Our nightmare scenario had come true. I hold climate change and the logging industry jointly responsible for this. My wife and I were quickly rehomed in temporary accommodation but not so the local wildlife that do not have the benefit of home insurance. I would like to table a haunting image of a hollow-dependent mammal, the greater glider, that survived the Currowan fire. In fact, I would like to table four more things, and I should probably do it now.

This is an example of a typical photographic report that our group, Friends of the Forest, has made to the EPA. It has got the GPS coordinates of the breach clearly marked on the photo so it cannot be refuted and said that it is happening different to where we say it is happening. This is a double-sided sheet that I would also like to table of Forestry Corporation NSW breaching some recent media releases—so over the past, approximately, three years. The EPA has a register of current investigations on its website so I am tabling the current list of investigations, and I just let your know that it is by no means exhaustive. I am tabling the front page of a Eurobodalla Shire Council broadsheet, which comes out four times a year and is delivered to all our letterboxes. In January last year, on the front page was a pretty PR spiel about the Mogo mountain biking tracks that are being developed. I will refer to that later in my presentation.

After those fires, shockingly, logging recommenced in March 2020. Fortunately the EPA had imposed site- specific operating conditions. One of these, as you know, recognised the critical importance of retaining all the remaining hollow-bearing trees. So, it was very clear no such trees were to be felled. Yet, when Coastwatchers and Friends of the Forest members started compliance monitoring, we found hollow-bearing trees scattered throughout every compartment we checked. Through previous years of compliance monitoring we had formed the view that native forest logging is unable to be conducted without breaching of the licence. However, the breaching that we observed in Mogo and South Brooman State forests was just so blatant and so predictable it took it to the next level.

As these operations continued through 2020, it broke our hearts knowing that these fire-damaged ecosystems were now daily being logged in breach of common sense ecological protections. So it was a three- way failure: the contractors had failed; Forestry Corporation had failed by knowingly allowing the ongoing commission of offences; and the EPA had failed by not acting in a timely enough manner, although they did come into the space eventually. All those three failures are committed by people on wages—they are the waged actors in this space. They were negligent to varying degrees, and yet it was the unpaid actors like ourselves that have gone in to check up on the industry and blown the whistle, and that is just not right.

The CHAIR: Ms van der Moolen, do you have an opening statement?

JOSLYN van der MOOLEN: Welcome to our local community here on the beautiful south coast of New South Wales. I would like to acknowledge that we are meeting here today on Yuin country. I was born in Queanbeyan, grew up in Canberra and moved to South Australia for 23 years. I returned to the south coast to live where the forest meets the sea, when I bought land here 12 years ago and I purpose-built accommodation for the tourism sector. Living my dream life here on the Nature Coast, I was shocked to find our beautiful spotted gum forest being cut down, at taxpayer expense, primarily for woodchips. With the forest working group, I have engaged with the local community in Mogo and other logging hotspots and tourism-reliant areas. This involves community liaison with residents and small business owners concerned by the impact of logging.

When residents asked what could they do to protect environmental features, we developed citizen science techniques for the community to report contractor and forestry compliance issues to the regulator—the

Environmental Protection Authority. I toured the pine plantation mills throughout Tumut, Bombala and the hardwood mill at Eden as a post-graduate student. I am a forest conservationist, and I support a positive forestry industry and planned, purpose-built softwood plantations that leave our wild forests for regional Australians to live and work in, and nature not to be limited in national parks.

I would like to table a "forest with more" standing document, developed with some climate action groups. This has a table showing that if we stop logging in south-east New South Wales, using the Frontier report finding, that a million tonnes of carbon will be negated every year, that for the six local shires in this region that are affected by logging, 20 per cent of their emissions will be negated. In the Eurobodalla and Bega shires it is more than 50 per cent, so that is another significant reason to stop logging.

Mr JUSTIN FIELD: Thank you for your evidence and your time this morning. I thank you on behalf of the Committee and the community for the compliance work on the ground that you have done in holding the Forestry Corporation and the contractors to account. I have been aware of that work for some time. I think it is important that it is recognised here today by the Committee in asking for your evidence and evidence. I really do appreciate that. Mr Hopkins, would you describe the Forestry Corporation's activities as evidence of systemic failures of compliance.

NICK HOPKINS: Yes, I would use the word "systemic" over the past five years. As we have audited from one compartment to the next, we have uncovered breaching in every single compartment. Some of it you could say was insignificant that has been reported to the EPA. The EPA might have sent a warning letter to the Forestry Corporation about it. They may have issued a penalty infringement notice—they do not always tell us how they are going to respond to our reports. But, yes, there is a systemic pattern of non-compliance with the CIFOA.

Mr JUSTIN FIELD: I know a lot of the activities on the ground are conducted by contractors and not the Forestry Corporation itself. Will you explain what you have observed in terms of that interaction between the contractors and the Forestry Corporation? You have highlighted all the paid actors involved here but where do you think the blame hits homes the hardest in terms of those compliance breaches on the ground?

NICK HOPKINS: It is different in every breach but sometimes you would say the contractors are over enthusiastic in that they have gone into exclusion zones they should not have. Under investigation at the moment are 20 trees cut down in the Currowan State Forest, compartment 502, that was reported in January this year. That would be a failure of the contractors. But for every failure that the contractors make, it is the failure of supervision by Forestry Corporation that is employing them. I guess they jointly share that responsibility.

Mr JUSTIN FIELD: Are Forestry Corporation staff on the ground at all times when the contractors are actually harvesting?

NICK HOPKINS: No, they are not. They are meant to be there 20 per cent of the time, which you could interpret as one day out of five, or 20 per cent of any given day. But we have got no way of knowing whether that is being adhered to or not. We try and avoid meeting contractors or forestry staff in the forest. It cannot be a productive interaction. We prefer to be in those forests on a Sunday.

Mr JUSTIN FIELD: The EPA obviously receive your reports. I have been party to discussions between yourself and your members and the EPA as well, so I know that they have been down here at the senior levels and engaged with these issues. The EPA wrote to Forestry Corporation in September 2020, warning that they thought they were at risk of breaching the Forestry Act. Subsequent to that, the Natural Resources Commission was asked to conduct a study into post-fire logging, but largely there has been no follow-through on the EPA's warnings about the status of the Forestry Corporation's activities. How would you describe the EPA's regulatory work here?

NICK HOPKINS: The EPA were excellent in applying the site-specific conditions quickly in 2020. They recognised the danger to the fauna and flora that had been so hammered by the bushfires. All credit to them. We assumed that they had got a new backbone and they were acting like the world-class regulator that they purport to be. Unfortunately, those site-specific conditions for some reason were only able to be applied for 12 months. Negotiations broke down between Forestry Corporation and the EPA as to the extension of those operating conditions. For some reason I am still yet to understand, Forestry was able to continue then, at the beginning of 2021, without these site-specific operating conditions. They just applied their own, which are voluntary. As long as they are still complying with the CIFOA, the contractors are not in breach. Unfortunately, the contractors—what we have uncovered is that they are unable to even comply with some of the specific conditions that Forestry Corporation has put onto them.

Mr JUSTIN FIELD: Can you expand on that further? What are those conditions that the contractors feel they cannot comply with?

NICK HOPKINS: Just one of them, for instance, was that condition that we showed the Committee this morning. Forestry said, "Okay, any tree that is over a metre in diameter must remain standing." It is a pretty easy thing to determine before you chop it down; you just put a tape around it. We have got evidence that four or five trees in compartment 146, which is active at the moment—where trees over that dimension have been cut down. It is nothing we can supply to the EPA, because the EPA cannot do anything about it. For us it is a reminder or an indication that whatever prescriptions are applied, the contractors have great difficulty in adhering to them all.

Mr JUSTIN FIELD: Ms van der Moolen, do you have anything else to add about your experiences with the EPA?

JOSLYN van der MOOLEN: After the fires these site-specific conditions were applied to bushfire-affected operations. As we know, from the unnamed report—

Mr JUSTIN FIELD: We have decided that we can name it now.

JOSLYN van der MOOLEN: Okay, the Natural Resources Commission Coastal IFOA operations post 2019-20 wildfires report. What that report has identified—and I will talk about the area that we are standing in here now, the Batemans Bay management zone. If logging occurs after the fires have been through here, the environment will be at high risk. So in the Batemans Bay and Eden area, and Narooma just slightly south of here with Bodalla State Forest, logging will occur at extreme risk to the environment. There is logging planned at Bodalla. It is already on the portal next to the Princes Highway just south of the town of Bodalla. My understanding, with Forestry resuming logging without these EPA site-specific conditions for bushfire-affected operations, is that they were doing that in defiance of the EPA.

I have got an article in my submission that advises that the EPA has warned the Forestry Corporation it could face regulatory action after accusing it of walking away from the negotiations. So that is the words of the reporter. The view of the community, particularly the Brooman community between Batemans Bay and Ulladulla, is that resuming logging in March, straight after the fires—so the compartment was being logged before the fires; in March they resumed logging—shows a complete disregard to the fire severity and environmental management that the fires inflicted on this area. It also shows contempt for a community that is still in bushfire recovery.

The Hon. MICK VEITCH: Mr Hopkins, this morning we touched briefly on ecotourism, and particularly the mountain biking trails. In the document that you have tabled here this afternoon, the January to March 2021 *Living in Eurobodalla* document, the Mogo Adventure Trail Hub—can you explain to us why that spend may not be a good spend of dollars for ecotourism? I think it is $8 million but that might not be right. What are the issues arising with this bike trail?

NICK HOPKINS: We maintain that there is a conflict of interest, that the forests are contested spaces and it is a deluded view to think that you can have an $8 million investment of mountain biking trails through the State forest when the Forestry Corporation reserves the right to log those forests at any stage. To back that up, I just refer to this town in north-east Tasmania called Derby, which has reinvented itself and become the Tasmanian capital of mountain biking—or some people call it the Australian capital of mountain biking. The economy is booming down there because of all the people coming to do mountain biking.

Just last month, the community tabled a petition of 34,000 signatures into the Tasmanian Parliament calling for an end to logging in the area because it was eroding the economic base of their town. Derby had become so dependent on mountain biking, but because the logging was going on all around the town it was sabotaging that industry. That is exactly what could happen at Mogo and also what could happen at Bodalla if either of those two towns became similarly "reinvented", as Derby has.

The Hon. MICK VEITCH: So essentially you are saying that Forest Corp maintaining a right to log at any stage in the future puts at risk that investment.

NICK HOPKINS: That is right. Ideally, if 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. Yes, it is shooting ourselves in the foot and we are deluded to think that the two can coexist. That is why I point the finger at the council, I point the finger at Forestry Corporation, and say, "Look, we've really got to make a stand here and just say that if we're going to invest $8 million, we want an assurance that the forest is not going to be logged"—even within that footprint of that particular project. The Mogo Adventure Trail Hub is 155 kilometres of trails; it is both sides of the highway. Last year, Forestry Corporation logged compartment 180. That is totally within the footprint of this project. Right now they are logging, as we have seen today, in compartment 146, which is actually a critical linkage location between Mogo town and the major existing bike tracks around Deep Creek Dam.

The Hon. MICK VEITCH: Are there other ecotourism enterprises that would be put at risk because of this provision that Forestry have that at some stage in the future they reserve the right to log again?

NICK HOPKINS: Well, birdwatching tourism. Any kind of nature-based camping. Who wants to go camping in a logged forest? There are so many opportunities that will open up if we can just leave these forests alone and have them grow to be older and older and older. The biodiversity values will increase, and they will become more and more attractive for visitation. For people coming out of the cities, particularly after our experiences with the pandemic, nature has become more and more of a priority in people's lives, and they would be more and more prepared to spend their tourist dollar domestically. Places like the South Coast are so well positioned to take advantage of that. I do not have the figures, but already the tourist industry eclipses the logging industry by a long way on the South Coast.

The Hon. SCOTT BARRETT: Can I continue on that. First of all, on mountain biking, are you not worried about the impact of mountain biking on these forest areas?

NICK HOPKINS: No, because the infrastructure is restricted to a single track so it will have minimal impact on the fauna and flora of those areas.

The Hon. SCOTT BARRETT: Ms van der Moolen, are you in tourism?

JOSLYN van der MOOLEN: Yes.

The Hon. SCOTT BARRETT: How has that been tracking over the past however long you have been in the industry? Are we increasing that ecotourism space?

JOSLYN van der MOOLEN: I have been in the accommodation sector for the last six years.

The Hon. SCOTT BARRETT: A good six years to pick in that game.

JOSLYN van der MOOLEN: It was doing well until the bushfires and then everyone has had the experience with COVID. We do have the figures—we gave some of these out on our walk today—for ecotourism. In the Eurobodalla shire—this area here—we welcome 1.2 million visitors a year. It is just above the aerial map. And 1,425 jobs are directly supported by tourism and 850 are indirectly supported. I have just looked up some extra figures. On the South Coast in 2009, tourism was worth $1.9 billion and employed over 58,000 people. It is a significant sector and it is the lifeblood of this community.

The Hon. SCOTT BARRETT: How do you think those numbers would track compared to 10 years ago? I know it is hard with the fires and COVID, but how do you think the industry is tracking compared to 10 or 15 years ago?

JOSLYN van der MOOLEN: I do not have figures for that, but I do have some submissions from some tourism operators that I am going to refer to in terms of the impact of logging on their tourism ventures.

The Hon. SCOTT BARRETT: We heard earlier this morning from the council that they think that the ecotourism sector has been growing significantly. Would you agree with that?

JOSLYN van der MOOLEN: Yes, because the population is increasing. I mean, Canberra is our main area and it is no longer 80,000 people.

The Hon. MICK VEITCH: Whilst Ms van der Moolen is answering questions, on the handout that you provided to us as part of your opening statement the fact sheet actually contains figures around what State forests can earn in the carbon markets.

JOSLYN van der MOOLEN: Yes.

The Hon. MICK VEITCH: Others have put to us in our travels around what the State forests would be earning if they were engaged in the carbon markets. This document goes on to talk about the Commonwealth Climate Solutions Fund carbon price of $17 per tonne, which means that the south-east New South Wales forests could earn $16 million per annum from carbon credits. If the forests were to be closed completely and that money could be earned in the carbon credit markets by the State and Commonwealth governments, do you have a proposal for what that money should be spent on?

JOSLYN van der MOOLEN: Yes. On the back of the sheet, "Managing State forests for carbon credits and nature-based tourism"—I will say, though, that if State forests were no longer logged it would actually open the forests up because when the forests are logged they are actually closed to the public. I will quote from here, "Managing native forest for carbon will generate employment in forest management, weed and feral animal control, wildlife preservation, fire management and nature-based tourism." The price is fluctuating. The $17 per tonne is very conservative. I know that there is a debate at present, but State forests would create very credible

carbon credit units. The *7.30* program was about schemes that were not working out. The high-quality carbon credit abatement scheme would be earning—on 26 February it was earning $50 a tonne, so that would give $47 million. We have over 400,000 hectares of State forest here in the south-east corner of New South Wales, so a carbon credit income of $47 million per annum could provide funding for 522 jobs at $90,000 per job. That work could be maintaining State native forest for carbon fire management and recreation facilities.

The Hon. MICK VEITCH: Are either of you aware of any work being done to measure the soil carbon in the forests in the south-east?

NICK HOPKINS: Sorry, I am not aware.

JOSLYN van der MOOLEN: I would have thought that the Frontier Economics report, that talks about nearly a million tonnes of carbon no longer being omitted if logging stops, would include that. On page 45 it talks about carbon modelling:

> … we modelled emissions and removals from four sources and sinks (onsite forest carbon, harvested wood products, landfills, and fossil emissions associated with forest management, transport, and wood processing) …

It does not seem to mention soil carbon there.

The Hon. MICK VEITCH: That is right; soil profiling for carbon content. That is all right. I just wondered if you knew or if you would be able to point us in any direction.

The CHAIR: Ms van der Moolen, I invite you to make a correction. You said that when logging is going on in State forests the whole forest is closed to others. Is it not just the compartment that is closed rather than the whole forest?

JOSLYN van der MOOLEN: The whole compartment, which can be up to 450 hectares, yes, that is closed, and for a significant amount of time. The forest next to the Mogo village, they put a sign up saying, "This forest will be closed for nine months." The Joan of Arc trail that the locals have been maintaining in Dunns Creek grew over, it was closed for so long. It was along a creek line and it is still closed, so that is a mountain biking trail that is no longer accessible, it was closed so long.

The CHAIR: Yes, so depending on the size of the forest and how many compartments, if they are logging several compartments at a time the whole forest may be closed, but a larger forest that has a larger number of compartments may not be completely closed off to other visitors.

JOSLYN van der MOOLEN: No, but then we are getting into the issue of the safety of residents and tourists who are travelling through the area with logging trucks.

The CHAIR: I will go to the questions about the EPA. I know Mr Field was pressing for where the blame needs to land on this. If the EPA was properly funded and could do more compliance, do you think that would address some of the issues that you have addressed here today—not being able to pick up on those failings and you having to find those and report those issues? Do you think if it was funded properly and it was that world-class regulator that you hope it would be, that would assist in abating some of these issues?

NICK HOPKINS: I genuinely believe that they aspire to be the world-class regulator that they want to be and that it is funding and resourcing that is putting the handbrake on them. They maintain that they are monitoring every logging operation in the State, but I find that hard to believe. They just do not have the field staff to go out and keep an eye on what is going on. They rely on the community to a large degree for them to prioritise where they put their resources. That was what was heartbreaking in 2020. We knew every day that logging continued without a stop work order that more and more breaching was going on. I think in South Brooman it took 60 days from when we first started reporting it for the stop work order to be put in place there, and in Mogo from memory it was about 45 days. Those were days that were pointlessly destroying our native ecosystems—needlessly. Perhaps with better resourcing they would have been able to act in a more timely manner.

The CHAIR: To your knowledge does the EPA have in place KPIs regarding how quickly it aims to respond to those complaints?

NICK HOPKINS: Sorry, I do not know.

The Hon. PETER PRIMROSE: Just briefly, Ms van der Moolen, I am looking again at the zero document. You say in the second dot point on the very first page, "Inter alia, the South Coast and Tumut forestry sub region has…" Then in the very last dot point you say, "Between 2008 and 2014 the softwood plantations division of Forestry Corporation NSW subsidised the loss-making native forestry sector by $79 million." That is from a 2016 report from the Australia Institute. Does that just refer to this region or are we talking about statewide?

JOSLYN van der MOOLEN: That is New South Wales and that is updated with the latest annual report where they lost $20 million.

The Hon. PETER PRIMROSE: That is what I was going to ask you. Can you maybe talk about the sources of any updated information?

JOSLYN van der MOOLEN: As I just mentioned, in the latest annual report the native forest sector has lost $20 million. What this raises is that logging in what I call wild forest—mountains, rivers, creeks—amongst the community over one million hectares across all sorts of landscapes in New South Wales is not a planned forestry operation. A planned forestry operation is done in a plantation. A planned forestry operation is efficient. It is grown very tightly, the right species grow fast, they are near the industries, as they are in Tumut, near the sawmills. You can see why this industry is running at a loss because it is inefficient and also it answers the question about the EPA and all the breaches. It is so problematic, logging in a wild forest, that you are just going to have consistent failures to comply. I mentioned this morning and I will provide the media article of a contractor stating in the media that they simply could not meet the environmental rules in native forests. This would not happen in plantations that are grown for wood production.

NICK HOPKINS: And getting back to Mark's question just before that, in the compartment now being logged where we have reported the under-retention of some 49 per cent of the trees that should have been recorded for retention, that report, we will not see an outcome for that until well after the compartment has finished being logged and they have moved on to another compartment. It is a bit frustrating from the community's point of view, knowing that whatever tree report might not be picked up on in a timely fashion. The other thing we have to get used to is this long lead time between when a breach occurs and is investigated and the repercussions are actually applied. So from what we reported in 2020 of hollow bearing trees that were felled in Mogo State Forest the penalty infringement notices were not issued until December last year to the tune of $45,000.

We have queried that amount because I spoke to the officer who issued those notices. He said they were on the basis of approximately 20 to 25 hollow bearing trees on the ground which is about a third of what we reported. So I came quickly back to the EPA and said, "Thank you for acting, but what about the other two-thirds of these reported breaches? How do we account for them?" I am waiting on a response to that. So everything just happens in slow motion.

The CHAIR: I do not think they are related in that department.

Mr JUSTIN FIELD: Just on that, Mr Hopkins, does the EPA provide any investigation report publicly where it outlines—

NICK HOPKINS: Not that I am aware of—

Mr JUSTIN FIELD: —the investigation that it went through, which allegations it might have upheld or ones that it—

NICK HOPKINS: There is on the website the register of investigations that have been conducted and it shows what the outcomes of those investigations are and whether a prosecution resulted or a penalty infringement notice or a warning letter. It is a little bit incomplete; it is not comprehensive.

Mr JUSTIN FIELD: On this question of the EPA and its activity on the ground, I asked some questions in budget estimates about inspections. Since August 2021 the EPA has conducted just four inspections pre-harvest and I think about 18 or 20 during harvest and only a handful after. What do you think the EPA should be doing to be able to identify and effectively regulate against the CIFOA?

NICK HOPKINS: You would have to have a regional EPA office in every town where there was a Forestry Corporation office. They would have to be staffed with enough people who can go out in the field and perhaps even monitor, you know, to 20 per cent of the time that contractors are out there with the level of breaching that has been going on.

Mr JUSTIN FIELD: I want to get you to put this in context for us. You showed us that very large tree that had been felled today that was outside the Forestry Corporation's self-imposed additional—

NICK HOPKINS: Voluntary, yes.

Mr JUSTIN FIELD: Can you put that in context for us because we really only saw a logged forest today. We have not seen some of the more intact forests that I know exist on the South Coast. What are the ecological implications of the loss of that single large tree?

NICK HOPKINS: It is hard to say about one single tree.

Mr JUSTIN FIELD: I know we do not know what homes or particular species might have been in that tree. But give us an example because you have documented quite a few of these. In a large area there is a lot of forest. I am trying to understand the implications of the extent of the breaching in the ecology of the forest.

NICK HOPKINS: Well generally the bigger the girth of a tree the more chance it has lived long enough to develop the types of hollows that our 140 different hollow-dependent native fauna rely on for their breeding, their roosting and their nesting. It is mainly arboreal mammals, reptiles and birds. The more densely populated our forests can become with these large trees, the greater intensity of biodiversity of our animals can be living in there. Given that we are in a biodiversity crisis and a climate crisis—the twin crises of our times—surely it would be prudent to try to do everything we can to reverse that slide of loss of biodiversity and move it in the opposite direction.

Mr JUSTIN FIELD: If we were to rebuild some of those ecosystem services in our forests, how old do you think that tree was? How long do you think it will take to recruit a tree with similar sorts of natural features to provide that service?

NICK HOPKINS: I am not a forest ecologist. But it could have been 250 years old, that tree. The sooner we start to leave those trees alone, the sooner it will be before we can have a forest full of trees that are 250 years old. We have got to draw a line in the sand somewhere and start to rebuild these decimated forest ecosystems so that they can approach what they were pre-colonial times.

The Hon. MICK VEITCH: The eight trees—what is the science that underpins that? How does that come about?

NICK HOPKINS: The eight trees per hectare that are required to be retained, I am not sure of the scientific basis of that but it is written into the CIFOA. Conservationists would have argued to leave 20 trees per hectare. The forestry industry would have said to leave a handful. It is always a compromise but what is clear is that those eight trees per hectare have to be combined with another five nectar-bearing trees per hectare in the forests where swift parrots have been identified. I believe somebody else referred to it but there has been a shonky practice where they have double-dipped in a sense by allowing the one tree to count as both a hollow-bearing tree and a nectar tree. So effectively you do not get those 13 trees per hectare and that is one of the problems with under-attention in compartment 146. It is only one of the problems. They have also under-identified the number of hollow-bearing trees per hectare and they have also under-identified the nectar-bearing trees. There is like a three-way failure there that we are trying to get the EPA to go and have a look at.

The Hon. MICK VEITCH: I have two very quick questions. What are your views on plantation forests and do you think that is one of the ways going forward to meet our timber supply requirements? Just some words about that so it is on the transcript would be nice.

JOSLYN van der MOOLEN: I believe plantations are the way to implement forestry because you have got a planned forestry operation, you can choose the species, you can choose the area and co-locate it with industry as is occurring in Tumut. The harvest and the logging truck contractors are long-haul operators, and they are currently switching. After the bushfires, there was a race to salvage-log the pine—intensive pine logging for 12 months. And then they switch back. Some of them have switched back to native forest logging.

Stopping native forest logging does not mean that people will lose their jobs; it means that they are using a different resource. I am very pleased to see David Littleproud put some money into plantation planning. I do believe that it is the role of government to be involved in plantation planning with industry, because it is a large landscape. It is a whole-of-landscape project. I do not agree with planting plantations within native forest. There is quite a lot of controversy about that in northern New South Wales. I have seen that in Wollemi State Forest and I have also seen it in Tasmania, where you have got particular species just planted in forest that has been logged. That is just wild forest that the community owns. State forests only organise for the forest to be cut down and used for profit by the private sector; they do not own the forest.

The Hon. MICK VEITCH: What are your concerns about that? Is it because it creates monocultures—there is a biodiversity issue that arises because of the plantation?

JOSLYN van der MOOLEN: I do not think that we should be limiting our wildlife just to national parks. State forests cover two million hectares in New South Wales. I mean, a million is in forest reserves. That is an enormous area and we need it not only for biodiversity but as a carbon sink. If you think about what it is being used for, we are exporting it overseas at a loss. The taxpayers are paying for it to keep a few contractors in work, who already are working in the plantation sector. I feel it is an industry that is on its way out and we just need to face the facts and get on with being 100 per cent plantation.

The Hon. MICK VEITCH: And hardwood plantation? When you say plantation, it is not just softwood such as the radiata pines over my way. You are talking about a mix of plantations. Hardwood, softwood and a mix of species within both?

JOSLYN van der MOOLEN: It would depend on demand. I am not an expert, but I do know that the softwood pine plantations are supplying the Australian construction sector. The native forest logging is not providing timber into the construction sector. It is going into woodchips and into firewood.

The Hon. MICK VEITCH: The impact of logging on biodiversity within the forest—we have heard a lot on that both yesterday and today. It probably would be worthwhile getting something on the transcript for us. What is the impact on biodiversity of logging in State forests?

NICK HOPKINS: With each rotation of logging, the biodiversity is diminished. It never returns to what it was before that logging took place. All these forests in the South Coast now are regrowth forests. Sure, they are coming back. To a degree, you could say they are sustainable—that it is sustainable forestry. But they are coming back to a decreased level of biodiversity each time, and we can witness that with the inevitable slide of species towards extinction as various of our fauna—like your greater glider, your yellow-bellied glider, your swift parrot, your gang-gang cockatoo—are slowly migrating down that conservation status conveyor belt towards extinction. We heard today that the swift parrot might be gone in the next 12 to 15 years. That is one of the reasons why we need to stop native forest logging, to reverse that loss of biodiversity and to try and bring it back to, as I said before, pre-colonial levels as much as possible. In order to do that I would support 100 per cent plantation-based industries, so that we can move towards old growth and generate those nature-based tourism dollars that will support the economies of the South Coast and North Coast into perpetuity.

The CHAIR: Thank you very much for coming and giving evidence, as well as showing us through compartment 146 this morning. I think you may have taken some questions on notice. The Committee secretariat will be in touch and you will have 21 days to get back to us with that. Thank you very much for your time this afternoon and this morning.

(The witnesses withdrew.)

Mr CHARLIE FISHER, Regional Manager, Pentarch Forestry, affirmed and examined

Mr STEPHEN DADD, Executive Director, Pentarch Group, affirmed and examined

Mr PETER RUTHERFORD, Secretary, South East Timber Association, affirmed and examined

Mr VIC JURSKIS, Private Citizen, sworn and examined

The CHAIR: Would you like to make a short opening statement?

STEPHEN DADD: Can I thank you for the opportunity to participate in this inquiry and also thank you for visiting our site yesterday. I hope from that visit you got a sense of the passion we share for this industry and also for our vision in transforming it into something very different from what it has been in the past. I am Steve Dadd, executive director of the Pentarch Group. I am also a director of AFPA, our industry association, and the FWPA, our national research organisation. I will introduce Charlie Fisher, who is our regional manager for the Eden site and the whole supply chain that feeds into that business.

The Pentarch Group is fairly new to the timber industry in New South Wales. We acquired, a few years ago, the Eden export operation from Japanese investors, and in more recent times we have bought out the Boral timber division in its entirety. Now we employ more than 600 people in New South Wales in the timber industry, which makes us probably the largest timber miller in this State. We have invested more than $100 million in those combined businesses and have some fairly ambitious investment plans into the future. [Audio malfunction]—well documented, and I won't remind you of them. I am sure by now in this inquiry you have heard chapter and verse about what has driven the supply crisis that we now face.

What I would say is that this current crisis, which is unprecedented, certainly in my 20 years in this industry, highlights our exposure to global supply chains. It highlights, I think, 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. I think precisely now we are starting to realise just how significant this industry is to many really significant downstream industries for our economy. Construction, the building industry, the supply chain, logistics and manufacturing industries all rely on timber products in ways that I think perhaps have been clouded in the past.

What we are seeing today is a market failure. Traditionally in economic theory, a supply crisis like this would result in businesses like ours investing heavily in plantations, in infrastructure and new capital in order to fill that supply and demand gap. But we are not seeing that. I think there are so many factors contributing to this market failure that really are worth this inquiry taking a good hard look at. What we are seeing is very short-term contracts, we are seeing no investment horizon, we are seeing challenges to RFAs and we are seeing an industry that is by and large uninsurable because of what we have seen in terms of its exposure to climatic issues like floods, fires and proximity to national parks, which are contributing to some of those insurance problems.

We are also seeing an unwillingness to explore salvage operations in significant areas of our State forest which could probably, in many ways—if we take the lead from the softwood industry—fill some of that supply demand gap. For us, the hardwood regrowth forest is a significant part of our business. We are strong supporters of a permanent, ongoing, continuous regrowth forestry activity. We believe it is sustainable and we believe it is necessary in an industry like ours, which really cannot feed itself on plantation alone and will not be able to do that for many years, if ever.

A reliance on imports, which is up to 30 per cent of our total consumption, is significant, and that gap is widening. We recognise that there are specific and significant problems in the hardwood space, and we look with some dismay on the decisions made based on ideology rather than science in Victoria and Western Australia to close our industry down. We also look with concern at our complete lack of effort in terms of forest restoration in significant hardwood forests that have been burnt in the recent bushfires. What we potentially lose if we lose our industry is not only an enormous loss of regional employment and economic activity, which goes way beyond the forest, but we create an irreplaceable vacuum in the skills and assets to fight fire; we create further pressure on the supply chains down to construction, building and logistics; we lose a lot of expertise in forest management, which are thin on the ground at the moment; we place enormous pressure on imports, and I think the far less well-managed tropical forests of Asia, Africa and South America will be put under more pressure without having an industry of our own; and we also change forever the recreational activities of tens of millions of visitors each year to the State forests.

Into the future, too, without an industry like ours we lose the opportunity for substantial new innovations in cellulose fibre-based industries—bioenergy and engineered building products. All of those things I think are being developed rapidly overseas, but far less so in Australia, and they are opportunities that will go missing if

we do not maintain a healthy, vibrant timber industry in this country. Finally, I think we turn our back on an industry that is capable of assisting in the restoration of landscape function, restoring biodiversity, managing fire risk and helping to fix the forest after devastating fires like what we have had. Look, there is a lot to lose in seeing an industry like ours underinvested in or, worse, shut down. I think Victoria and Western Australia will discover that in the near future. We have some recommendations for what we would like this inquiry to look at in depth, but I might leave them for our submission. I will leave it at that if that is okay, Chair.

PETER RUTHERFORD: Sustainable forest industries must have a sustainable land base. Since the comprehensive, adequate and representative reserve system was established as part of the regional forest agreement process, there has been an ongoing erosion of State forest land base available for timber production. Given the interconnected relationship of forests across the landscape, sustainable forest management must be viewed across both public and private land, including the conservation reserve system. Much of the key New South Wales regulatory framework is written from a terra nullius view of the New South Wales natural environment. The current natural environment regulatory framework purports to protect scrubbed up forests in declining health that are an artefact of more than 200 years of European neglect. The authors of this framework exhibit a failure to understand the effect Aboriginal fire management has had on ecological development in New South Wales. On page 2 of the NSW National Parks and Wildlife Service September 2021 *Zero Extinctions* report it states:

> There is evidence that the overall decline in biodiversity in NSW is occurring even in the national park estate.

Despite up to a century of timber production, biodiverse State forests continue to be transferred to national parks to shore up conservation objectives, including koala protection. When will government and conservation bureaucrats ask, if multiple-use State forests are delivering conservation outcomes to the same or higher level than national parks, "Why is there a need to change land tenure?" New South Wales must take a lead in altering the course of the current mega-fire titanic if we are to avoid another wave of faunal extinction. Any future climate variability is a reason to act, not a reason to do nothing or to continue to implement the same failed ecological and fire management policies. I will conclude there, but on behalf of Vic I would like to table some answers to the Hon. Peter Primrose from yesterday's field trip, so they are tabled for your information.

The CHAIR: I will start off with questioning and then throw to others. Mr Dadd, can I pick up on what you said in your opening statement about insurance troubles? You mentioned that proximity to national parks adds to that inability to be insured. Can you elaborate on the sticking point in terms of being close to national parks making you uninsurable?

STEPHEN DADD: Insurance these days is a global industry. On reinsurance, it is very hard for foreign reinsurers to truly understand the intricacies of what goes on here. But they look at the fires, they look at burn patterns and they look at the proximity of our assets to areas that burn significantly, both State forests and national parks, and that rings alarm bells for insurance companies. The same is said about some of the flood areas, but they are probably of lesser consequence because they are fairly recent. But, certainly, the fires have created the prospect of assets being uninsurable. Most plantations these days, which are significant assets and long-term investments, remain uninsured in this country.

The CHAIR: Picking up on something that you were talking about yesterday during the tour, which I thought was important to get on the official record, was species-specific trees that, when burnt, sit dead and do not generate hollows. But, according to the regulations, they have to sit there even though they will never rejuvenate, they will never kickstart again and they will never provide a hollow for an animal. Essentially they sit there. But you would suggest that by cutting them down it actually allows for a reset of that forest and new trees to grow through. Can you talk about that?

STEPHEN DADD: Yes, I can and I will also defer to my colleague here who is actually a forester—I am not. But what we see is that there are vast areas of State forest in New South Wales that were burnt significantly in the fires. If you go further south, south of here, the forests are predominantly ash species, which under fire regimes are burnt to death. You may see a flash of epicormic regrowth, but that is temporary; it is not long lasting. Those trees are more or less doomed to death. What happens then, of course, is that those trees remain as fuel load in the forest; they remain as a danger to anyone who may enter that forest for recreation or for forestry into the future, and many years later the same cycle repeats.

Over time what we are seeing is the real potential for forests subject to frequent fires like that to be returned to grasslands because the new growth does not actually get to the point where it can reseed. We view that, in this situation, there is a very strong argument for restoring forest health through salvage operations. Those forests benefit from being reset and what we are struggling against is the prescriptions and the rules that exist to protect individual habitat trees in more coastal areas which may be dead and, with the creation of hollows, may be applied to an entire forest. It is a very different situation and a very different circumstance.

The ash trees predominantly do not form hollows and, therefore, they do not create the environment that individual trees on the coast perhaps can do. We are seeing literally millions of tonnes of good quality sawlogs off limits to industry and off limits to those who would seek to restore forest health through forestry activity. In the meantime while we debate this, and while we get frustrated by the regulations that prevent the industry from getting access to that material, we are seeing an enormous growth of invasive species, in particular, blackberries. There are some estimates that up to 30 per cent of areas in some of these forests are now basically covered in blackberries and there is no re-growth that accrues from that. Charlie have I got that right?

CHARLIE FISHER: Yes. So the specific example yesterday was the alpine ash forests which are obligate seeders. They are resetting that from seed and then the overstorey is dying. In some areas you have got good regrowth coming up and in other areas they fail to regenerate and primarily because that regeneration has been outcompeted by other species. So some of those forests around the Tumbarumba area are now predominantly a dead overstorey with the blackberry understorey. There is other evidence in the adjoining national parks where you have had that subsequent fire. So you have had fires in 2003, the forest has regenerated but then the 2020 fires have then killed the regrowth.

So the frequent fire has caused the situation where the next crop has not had that opportunity to mature to be able to regenerate from seed and then you have no seed source available. Around that Cabramurra area you have got areas that used to have good carbon storage, healthy forests that are now predominantly grasslands with a dead overstorey. In different areas around that Bago-Maragle forest some of those areas are now just predominantly blackberries. We have lost the carbon storage in those forests and there is really not an opportunity for that to become forest again without some sort of intervention.

The Hon. MICK VEITCH: So you are suggesting that this Committee should recommend that regulation be changed to allow—

CHARLIE FISHER: Certainly. In the current instance if nothing is done with those forests, if there is no intervention, they are no longer forests and this is what you see in the national park. I suppose this is the risk in other areas with more frequent fire regimes although there is very specific differences with how some of the different eucalypt species respond to fire. So some may be alright with two subsequent fires responding to epicormic growth and then where other areas may die under those scenarios.

The CHAIR: One more question to Mr Dadd or to Mr Jurskis. Yesterday we talked about those ecological burns or traditionally they were called cultural burns. You want to see a more comprehensive rollout of that. Mr Lindenmayer talked to us today out in the forest. I do not want to put words in his mouth but he sort of said that there probably needs to be a greater mapping of where those burns should happen in consultation with traditional landowners. Is that something that you would support where there is a more planned, more comprehensive mapping of where are the best places to do it?

VIC JURSKIS: We need to reinstate frequent mild fire regimes across the whole landscape. That is the only thing that can make forest management in general, and the timber industry, sustainable. What Charlie was saying about frequent fire, of course, he was actually talking about frequent high intensity fire which is a function of lack of frequent mild fire. As I said yesterday, Australia's ecosystems depend on frequent mild fire, not just for fire safety but to maintain their health and productivity. It is not a matter of mapping where we should be managing. We should be managing the whole landscape.

CHARLIE FISHER: 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 which is patch burning, not holocaust. We need to learn from past mistakes and understand the effect of lack of mild burning how detrimental that is to the broad forest estate as well as timber values.

The CHAIR: I think Mr Lindenmayer was talking about merging twenty-first technology with traditional techniques as well. He identified some areas that he said were never subject to traditional cultural burning.

VIC JURSKIS: He is absolutely incorrect on that statement, as I pointed out in my answer to Mr Primrose's question on notice. The mountain ash fire is a prime example of the absurdity of the hypothesis that frequent mild fire is going to eliminate species. The mountain ash forests, when Europeans first saw them when they were under Aboriginal management, were known as blackbutt forests because the butts of the trees were characteristically blackened by low intensity fire. Since we have disrupted Aboriginal burning the whole ecosystem has changed so that academics such as Professor Lindenmayer now embrace a mythology that they are

wet sclerophyll forests that regenerate as naturally as even age forests by high intensity crown fires. That is absolutely wrong and history and science prove otherwise.

The Hon. MICK VEITCH: Mr Dadd, I think you have appeared before us in another capacity. Is that correct?

STEPHEN DADD: That is right. I was running the Boral timber division. Since we got bought out by Pentarch I have re-emerged and rebadged.

The Hon. MICK VEITCH: I think it is important to note that because the Committee has gone for a long time and you have changed tack.

STEPHEN DADD: That was my last day working for Boral.

The Hon. MICK VEITCH: You talked about the chronic underinvestment in plantation and you went on to talk about the lack of long-term planning in that area for many years and across many governments. I gather you were talking about hardwood and softwood. I have a series of questions. Were you talking about hardwood and softwood or were you just talking about hardwood? What would you envisage as a long-term plan or strategy for particularly hardwood plantations? What would that look like? Do you have a view about what is the funding envelope?

STEPHEN DADD: I was referring to both hardwood and softwood. Right across the board we have seen insufficient plantations put in the ground. We face a particular problem in plantations in that it is an agricultural pursuit and there is only so much agricultural land. 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. We have not made it easy for those types of investors to participate in that space. We have had unclear policies around carbon. We have had unclear land management policies, extensive rules and regulations that actually do not exist for agricultural activity that do apply to forestry. The price of land itself is an issue at the moment. There is a lot of competition from traditional agricultural pursuits and also there is community resistance.

There are many communities that just do not want to see more forest in their backyard. They have lived through the fires over the last few years and the prospect of more plantation forest close to their homes is problematic in many rural communities. There is quite a bit of resistance to that. I think not all of that are State issues. There are obviously carbon policies and what we call the water rules—the CFI water rule which prohibits carbon under the ERF from areas of agricultural land that has more than 600 millimetres of rain. It is precisely directed at preventing people from investing in forestry in those areas. They are gradually unwinding that. There are certain areas in Australia, the hub areas, where we are allowed to plant trees and get carbon benefits. But the end product of all of that is virtually no increase in our plantation estate in softwood or hardwood in 20 years.

The Hon. MICK VEITCH: What I am hearing you say, and correct me if I am wrong, is that you would encourage this inquiry to recommend to governments of all persuasions that there needs to be a long-term funded strategy for hardwood/softwood plantations in New South Wales?

STEPHEN DADD: We certainly support that. 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. I would say that this just puts more emphasis on the ongoing, really necessary role for native regrowth forest. 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.

The Hon. MICK VEITCH: So Pentarch operate plantations?

STEPHEN DADD: Yes, we do.

The Hon. MICK VEITCH: I do not know if I heard correctly. In the Northern Rivers? In New South Wales?

CHARLIE FISHER: It is 6,000 hectares around the East Gippsland and Bombala regions.

The Hon. MICK VEITCH: Okay. Was there anything else that was raised yesterday in the visit by the honourable members around this table that you would like to put on the record with your response or have clarified in the transcript?

STEPHEN DADD: I think our written submission will cover some of the issues we touched on yesterday in far more detail.

The Hon. PETER POULOS: Mr Dadd, previous testimony indicated that there is something to learn from the New Zealand experience in relation to how they have adjusted their sector. Do you have a view on that?

STEPHEN DADD: There is mixed reaction to the New Zealand forestry policies. First of all, the carbon price into New Zealand that has basically encouraged investment has been significantly higher than here. I think those who have invested have benefited from that. I think the experience in New Zealand, on the positive side of the ledger, was that they also encouraged native species plantations in more of a semi-plantation or semi-native forest regeneration set of activities. I think that has been somewhat helpful. On the negative side of the ledger, there is some resistance from communities about the hollowing out of the agricultural core to whole towns, where you have got, in a sense, absentee farmers now planting trees and not dairy, which has created some issues for the town. I do think it is a mixed story there. Charlie, you are more familiar with some of these overseas models. Would you have anything to add to that?

CHARLIE FISHER: There is a significant softwood estate throughout New Zealand, and they are heavily reliant on exporting that product as well. There is not as much domestic processing and they are very reliant on the Chinese market. It is where the majority of their product goes, is my understanding. It is a slightly different model. There is a lot of pine plantations on very steep slopes and significant erosion as a result of some of those as well. There are some different issues there in New Zealand.

The Hon. SCOTT BARRETT: I want to touch on a couple of other things we heard this morning and get your views on them—one of them being that 95 per cent of our forest is sent to woodchip mill and then to Japan and Korea.

CHARLIE FISHER: That would probably be the figures from 2020 which have been put around, which was immediately after the fires. So immediately after the fires that was true. I have got the figures here. In response to the fires there was a number of firebreaks put in place. Basically, we spent six months with our contractors going back over those areas where firebreaks had been put in place on State forest road lines and those sort of things. There was no opportunity to harvest in normal compartments like we do generally in State forests. So we went back through and picked up timber off the ground that had been felled during the fires. Often that was very small piece-size timber, and it was not timber that was suitable for sawmilling.

It is a very different situation. That was not a scenario where we were harvesting across the Eden management area like we typically do. So, very different, and the figures don't really reflect what was happening in reality. During the fires our contractors had gone through under the instruction of the RFS or Forestry Corporation or national parks and harvested firebreaks. Six months later we came along; that timber had degraded. There was some sawlogs in it but, no, it was a very low percentage.

The Hon. SCOTT BARRETT: Where would you see that figure in five years' time?

CHARLIE FISHER: You saw the sawmill that we are building in Eden at the moment. Current estimates sit at around 20 per cent. I think for the Eden management area that is probably the typical regime. We are actually now taking sawlogs well below the specification of the current sawlogs. Our sawlog specification goes down to—I think it is 25 centimetres that we take out of the bush. We are pushing that down to 15 centimetres. Our aim is to increase our production of sawlogs out of the current harvest areas and increase that representation and what we are using for solid wood products out of the bush.

The Hon. SCOTT BARRETT: Was that 20 per cent into sawlogs?

CHARLIE FISHER: Yes. What you saw yesterday as well with the silvertop ash, that young regrowth, it has a tendency to split. It is a fire-prone landscape, and so there is a lot of defect in that timber which often makes it not suitable for sawlogs as well.

The Hon. SCOTT BARRETT: The other thing with the logging rotation—yesterday I am sure you were saying 30 or 40 years. We heard this morning five to 10 years.

CHARLIE FISHER: For?

The Hon. SCOTT BARRETT: The rotation, how often you are going back to different plots.

CHARLIE FISHER: It would be good if it was five to 10 years. We would be having a very different discussion. No. The predominant resource that we are going back to harvest now is from the 1980s. At least 40 years. There were thinning operations that would be conducted after 20 or 30 years. Five or 10 years, that is not even in a plantation estate. We have our own hardwood plantations that we are harvesting generally at age 15 years. There is certainly nowhere around, in native forestry, that you are conducting a commercial operation at that age.

Mr JUSTIN FIELD: Sorry, gentlemen, that I could not be there yesterday. I would have loved to have come down. I am just at Milton. I will have to make the trip down later this month if I can find the time to have a look at your site. Thank you for your evidence today. Am I right in saying that you are currently in force majeure with your hardwood contracts with Forestry Corporation?

CHARLIE FISHER: I do not believe we are, but I would have to take that on notice.

Mr JUSTIN FIELD: I think the evidence that we heard at budget estimates just last month was that all the hardwood contracts are still in force majeure. My question was what percentage of your contracted volumes are you currently receiving from Forestry Corporation? I am interested primarily in the native regrowth.

CHARLIE FISHER: Last year, 2021, was around about 30 per cent. This year it would be approximately 60 per cent, year to date.

Mr JUSTIN FIELD: Are you supplementing that at all with private native forestry or with imports from Victoria?

CHARLIE FISHER: They are not imports from Victoria.

Mr JUSTIN FIELD: You know what I mean. I am not trying to be funny about it, but you are bringing timber in from another jurisdiction, right?

CHARLIE FISHER: At our mill we run a range of operations. So we take supply from softwood plantations, our own hardwood plantations, New South Wales, Victoria, private property, and we take sawmill residues as well.

Mr JUSTIN FIELD: Have you had to increase the volumes that you have purchased from other sources to try to offset, or have you just seen a downturn in your business as a result of the reduced supplies?

CHARLIE FISHER: There is not a simple answer there, really. We have seen parts of our business increase as a result of the fires. So from softwood plantations—

Mr JUSTIN FIELD: I fully appreciate the complexity there, but I am really interested in talking exclusively about the native regrowth, the public native forest logging.

CHARLIE FISHER: So each year, with what timber is available to us, we look at what we can market and then what opportunities there are to get other timber at the site.

Mr JUSTIN FIELD: But you have seen a downturn as a result of the reduced supply on your contracts from Forestry Corporation.

CHARLIE FISHER: Yes.

Mr JUSTIN FIELD: The Natural Resources Commission was tasked to do a study of post-fire logging. I am sure you have seen it discussed publicly. They forecast on the South Coast a reduction in high-quality logs of 84 per cent for the South Coast subregion and 93 per cent for the Eden subregion as a result of the fires. That is going to have some medium and long—

CHARLIE FISHER: It is not a result of the fires; it is a result of what was made available after the fires. In the first year that was the reduction.

Mr JUSTIN FIELD: That may well be the truth. You must have some forecasts on whether or not you are going to be able to get back to those contracted levels or what the medium-term impact of that wood supply impact—

CHARLIE FISHER: Yes. Within the Eden management area I think the report from Forestry Corp indicates that they are going to be able to meet our wood supply agreement obligations in Eden.

Mr JUSTIN FIELD: In actual fact they forecast a 30 per cent impact on wood supply.

CHARLIE FISHER: They forecast that under the prescriptions in the Natural Resource Commission report.

Mr JUSTIN FIELD: No, that is from their sustainable yield review post-fires.

CHARLIE FISHER: I have not seen that.

Mr JUSTIN FIELD: The fact that you are retooling your business to be able to handle 15 centimetre logs, does that not point to an over-cutting and a decrease in wood supply, and an ongoing reduction in the size and the volume available?

CHARLIE FISHER: No, it is a response to the change in the resource in the Eden management area, which has been forecast for a number of years. It is not a shock or something that has come recently; it has moved from the multi-age forest resource, which was previously harvested, to now harvesting in the 1970s regrowth. That is the result. It is a very fire-prone landscape right across the Eden management area and East Gippsland. That is the majority of the resource that is there available for harvesting now.

Mr JUSTIN FIELD: Sure, but you are taking not just from Eden but also from the South Coast.

CHARLIE FISHER: The majority of our wood is from Eden and the East Gippsland area and we take some supply from the South Coast as well, yes.

Mr JUSTIN FIELD: Mr Rutherford, who are your members? How many members do you have?

PETER RUTHERFORD: We have 102 members at the moment.

Mr JUSTIN FIELD: Are they individuals or are they businesses?

PETER RUTHERFORD: Individuals. Members must be individuals if you are a member of an association in New South Wales.

Mr JUSTIN FIELD: Are they New South Wales specific, those 102 members?

PETER RUTHERFORD: We have some Victorian members. I think maybe 10 or 15.

Mr JUSTIN FIELD: But your organisation is essentially funded from the $10 a year membership fee. Is that right?

PETER RUTHERFORD: Yes, and we undertake some activities—Eden Whale Festival works, where we get some woodcarvings which we sell.

Mr JUSTIN FIELD: Do you get any corporate funding?

PETER RUTHERFORD: No.

Mr JUSTIN FIELD: None at all? Sorry, I was handed some materials that were passed around from yesterday. I was interested in some of the images and I was also reading your submission that talks about the green ideology as it relates to forests. Can you explain to me what your view of the green ideology as it relates to forests is?

PETER RUTHERFORD: With the people I have met during my working time in Victoria and New South Wales, they are opposed to any form of native forest harvesting, they have a very strong support for a wilderness management framework and a 100 per cent national parks public land base rather than the current 80 per cent that we have in New South Wales of parks and reserves and 20 per cent State forest.

Mr JUSTIN FIELD: For instance, if we were transitioning out of native forest logging in New South Wales, but those State forests were not going into national park but were being maintained as recreational reserves—obviously there would be ecological and carbon benefits from the regrowing of forests—you would not have a problem with that? Your concern is around the management of them.

PETER RUTHERFORD: Provided they were managed sustainably, and provided there was ongoing public access for things like domestic firewood because a lot of country people cannot afford to electrically heat their house. They do not have access to renewable natural gas, which was an investment made by the Victorian Government after closures to the industry back in the early 2000s. They claimed to be putting renewable natural gas pipelines in to make up for the firewood shortfall. So as long as that does not happen and the State forest can be used for a whole range of recreational uses as they are used for now.

Mr JUSTIN FIELD: So as long as you can get some firewood out of them and they are managed for recreational use, you are okay with them being managed in that sort of environment?

PETER RUTHERFORD: The view of our association is our stated view, which is that we want to see a range of activities being available, including ongoing timber production for the likes of Pentarch.

The CHAIR: Thank you very much not only for your time today but also for the time you spent with us yesterday. It was very much appreciated. You may have taken some questions on notice. The Committee secretariat will be in touch. You will have 21 days to provide your answers.

(The witnesses withdrew.)

The Committee adjourned at 14:45.