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Dear Sir

An assessment of the findings of the House of Representatives Standing Committee Inquiry into the future of the Australian Forestry Industry.

Preamble

The public native forestry industry in NSW is regulated under the Integrated Forests Operations Approval (IFOA), and Threatened Species Licence. One of the under-pinning principles is Ecologically Sustainable Forest Management (ESFM), officially defined as follows:

“Ecologically Sustainable Forest Management is defined as the management of forests so that they are sustained in perpetuity for the benefit of society, by ensuring that the values of forests are not lost or degraded for current and future generations.”

Stakeholder views

Nobody, it seems, really believes that what is currently occurring in the state's forests is ecologically sustainable. That admission has even been made in private conversations with Forests NSW's officers, and the Clarence Environment Centre's film production team filmed interviews with timber workers who were concerned for their jobs because of the unsustainable nature of their work.

In that respect, the following official statements are significant:

1. The Institute of Foresters of Australia – Letter to Rob Oakeshott, 2009:

*“In NSW the adopted forest strategy is to **unsustainably cut** the available public native forest through to 2023 at which point hardwood plantations are proposed to be available to make up the very significant shortfall in logs. Unfortunately, the species mix and rate of plantation development in NSW post 2000 makes this unachievable”. This claim is confirmed by:-*

2. Dailan Pugh, RFA negotiator, July 2011.

“Timber volumes were intentionally committed above the estimated sustainable yields in north-east NSW by both the FAs and RFA.

The fact that Forests NSW appear to have drastically overestimated the available timber volumes, is simply compounding the problems now being faced.

3. The Environmental Defenders Office – Executive Summary, of its report - **“COMPLIANCE FAILURES IN THE PUBLIC FORESTS OF NEW SOUTH WALES”**, July 2011.

“It is clear that native forests are not being managed in a way that complies with the principles of Ecologically Sustainable Forest Management (ESFM) and the conservation of biodiversity.”

4. The Victorian Department of Primary Industries - “Economic Policy Settings in the Forest and Timber Industry – An inter-jurisdictional comparison”, May 2008.

“There is concern that Forests NSW will not be able to meet commitments in Wood Supply Agreements with the current forest areas allocated for commercial forest production. This is evidenced through the fact that Forests NSW is purchasing private native forest resources to meet current commitments.”

5. The NSW Auditor General - “2009 Performance Audit”:

a) *To meet wood supply commitments, the native forest managed by Forests NSW on the north coast is being cut faster than it is growing back.*

b) *The North Coast region has been unable to meet its species commitment since 2004 for blackbutt (the North Coast's most logged species, at 24%).*

c) *current yield from native forests in the north coast is not sustainable in the long term.*

Forests NSW's largest customer, Boral, had already received on \$500,000 compensation for non supply of contracted timber, and is currently in court demanding more compensation which, it is rumored, will cost taxpayers hundreds of millions of dollars.

There is no doubt that pressure to meet the unrealistic wood supply contracts, to companies such as Boral, has led to Forests NSW breaching its Licence conditions by illegally logging Endangered Ecological Communities, virtual clear-felling of forests, and ignoring threatened species prescriptions.

Illegally harvested wood

Faced with a decade of frustration, over the failure of regulatory authorities to properly investigate reports of breaches and illegal logging by Forests NSW, north coast environment groups combined to fund independent audits of logging operations. Between mid 2009 and August 2010, we randomly audited four State Forests. The results were shocking. We discovered widespread and systemic breaching of the IFOA, the threatened Species Licence prescriptions, and requirements under the Fisheries Act. In terms of illegal logging we reported the following:

- i. Rainforest was illegally logged at Yabbra State Forest. Subsequent investigations by the then Department of Environment, Climate Change, and Water (DECCW) confirmed the findings and issued a PIN fine of \$400.
- ii. At Doubleduke State Forest, several areas of endangered Subtropical Coastal Floodplain Forest was illegally logged, along with some illegal logging of endangered Coastal Floodplain Freshwater Forest. Again this was confirmed by DECCW which intends to prosecute Forests NSW in the new year.

- iii. At Grange State Forest, some 15 hectares of endangered Lowland Rainforest was illegally logged, some 5 hectares of which was old-growth. Forests NSW had mapped the rainforest as Scribbly Gum – Blackbutt forest despite neither species occurring. Again, the DECCW investigators confirmed our findings in relation to one 5,000 square metre area, and fined Forests NSW \$3,000.
- iv. At Girard State Forest a significant area of previously mapped old-growth forest which had been recommended for conservation, was logged. Several pin notices and warning have been imposed.
- v. And now we have Wedding Bells State Forest, where once again rainforest has been destroyed, and is still under investigation.
- vi. The past practice of virtual clear-felling to create a 'stand restart', followed by silviculture thinning to encourage the regeneration of a monoculture of merchantable species, is still widespread. Currently, this is being achieved by logging only half of a compartment, and using the remaining net harvest area as an “offset”, thus complying with the single tree selection prescription that requires logging rates to be no greater than a 40% average across the net harvest area.

This happened at Clouds Creek State Forest, where Forests NSW logged in excess of 70% of basal volume of half the harvest area in 2009, claiming that the average take was an acceptable average of 40%. However, just 18 months later they returned and are currently logging the remainder, claiming it is a separate logging operation.

The House of Representatives Standing Committee Inquiry into the future of the Australian Forestry Industry.

The Clarence Environment Centre believes the Report by the House of Representatives Standing Committee Inquiry into the future of the Australian Forestry Industry entitled, *“Seeing the Forest through the trees”*, is fundamentally flawed, and contains much that would be an affront to any reputable forest ecologist.

There is widespread agreement that logging in NSW is unsustainable, with trees being cut down quicker than they are growing back.

The chronic shortage of timber is seeing increasing cases of illegal logging of protected forest communities, virtual clear-felling in many state forests, and a criminal disregard for threatened species prescriptions. At Boambee, and Wedding Bells State Forests near Coffs Harbour, core Koala habitat has been heavily logged this year, and Orara East State Forest, another key Koala habitat area, will be logged in the coming year.

All these problems were spelled out in great detail to the Inquiry, both written and oral, but the Inquiry's Committee has disregarded those issues by stating (page 2, section 1.6.) that views from *“submissions that have simply criticised the industry and called for an end to particular kinds of forestry have not been included in the report.”* As a result, unsustainable logging practices, supply shortages, illegal logging activity, and dieback resulting from over-logging and a lack of post logging management, get no mention in the Report, which then goes on to recommend the forest agreements be extended even further.

The Report explains that its title is designed to show that *“you are focussing on details too much and can't see the 'big picture'.”* Clearly though, the Report views the 'big picture', not as the protection and enhancement of biodiversity, upon which the future of mankind on this planet depends, but something it sees as far more important, the short term future of the timber industry!

The Report is flawed at the very outset because its terms of reference do not require the investigation of any environmental considerations other than the impact of plantation development on ground water.

Most of us know that forests foster biodiversity, and that biodiversity is the key to human survival on this planet. We also know that biodiversity is in serious decline in Australia, a fact identified in biodiversity management plans and strategies at levels of Government, including: “**Australia’s Biodiversity Conservation Strategy, 2010–2020**”, which acknowledges (page 5) of its Executive Summary, that: “***Despite efforts to manage threats, biodiversity in Australia is still in decline***”.

Despite this fact, and the acknowledgment (page 8, section 2.12, of the Report) that one objective of the Regional Forest Agreements was: “***To manage all native forests in an ecologically sustainable way***”, the Chairman sets the tone of the report in his introduction when stating, “... *the idea of keeping an individual tree because it represents “bio diversity” or is a “home for animals”, is wrong*”. The rationale being that the tree will eventually die anyway.

Only a single page of the report is devoted to biodiversity (page 52), and also features a photograph of committee members standing in front of a 'regrowth forest' holding a photograph of a ploughed landscape with a huge tree stump (apparently too big to remove) in the foreground, which we assume was the the same area before the regrowth forest was reestablished.

This is followed by a paragraph (section 4.81) devoted to an excellent definition of biodiversity from the 1992 National Forest Policy Statement, explaining that biodiversity: “***is the variety of all life forms — the plants, animals and microorganisms — the genes they constitute, and the ecosystems they inhabit***”.

The original forest that was cleared to provide for the pictured 'regrowth forest', would have contained such an ecosystem, catering for that variety of all life forms. The very fact that the regrowth forest has no hollow-bearing trees, immediately discounts its value in terms of biodiversity, probably by as much as 50%. Under the Integrated Forest Operations approval (IFOA), a forest defined as regrowth is exempted from all the requirements for the retention of hollow-bearing trees. Even if recruitment habitat trees was retained, it would take upwards of 200 years for those trees to develop hollows sufficiently large to cater for the variety of all life forms that would have previously inhabited that forest.

It is clear that the Committee has no understanding of biodiversity or how it works. However, it admits (section 4.80) that: “*The management of forest biodiversity is another heavily debated topic, and the Committee received copious evidence about the best ways to protect and improve biodiversity*”.

This apparent mass of evidence has seemingly overwhelmed the Committee, which ignores it all, explaining: “*Rather than provide a survey of the evidence about the impact of forest management on biodiversity, the Committee wishes to report on a possible mechanism to encourage private forest managers to manage biodiversity in their own forests*”.

That mechanism was put to the Committee by its 'Guru', Southern Cross University's Professor Vanclay (widely quoted throughout the Report on a whole range of issues), is an excellent idea and one that has been promoted by environmentalists for decades, the provision of stewardship payments to landowners to manage their forests for biodiversity. However, Professor Vanclay is also linked with a suggestion that national parks should be logged, so the fine details of his understanding of “managing forests for biodiversity” needs to be closely scrutinised.

The Committee, then makes the 'comment' (section 4.85) that: *“In relation to fires, the Committee believes that there is a pressing need for more information about how fire regimes affect different kinds of forests, as well as the risk that fire poses to forests”*. This is surprising as there is a wealth of information already available, including a recent report by Professor David Lindenmayer, which roundly condemns the current logging and fire management in NSW state forests. Clearly however, these reports, because they are critical of the industry, do not fit with the Committee's aspirations.

However, the Committee, whose terms of reference are restricted to the future of the timber industry, then makes the the extraordinary comment that: *“This should include further research into the fire risks in National Parks, and the multiple ways to prevent fires or ease their impact”*. This connection between the timber industry and national parks is expanded on further (section 4.73) with the statement that: *“Further evidence suggested that logging in National Parks may assist in reducing the risk of fires therein”*. This supposed '**evidence**' is referenced, not to a forest ecologist, or fire management expert, but from Kyogle Councillor, and timber industry representative, Lindsay Passfield.

So much for the Inquiry's attention to the copious evidence received on the impacts of forest management on biodiversity. It has to be said that environmentalists and forest ecologists across New South Wales, with the exception of Southern Cross University which is widely quoted in the Report, are unanimous in their condemnation of the unsustainable destruction that is currently occurring in state forests. However, any ecologists voicing their concerns were no doubt deemed to have been critical of the timber industry, and their concerns were not considered by the Inquiry.

We are also told: *“The Committee believes that bioenergy from the forestry industry is a promising opportunity for the industry. As well as providing help to deal with climate change”*.

This latter claim shows how far removed the Inquiry is from reality. While wood-fired power production may be a renewable energy source, the scary fact is that a 30 MW wood-fired power station would consume around 470,000 tonnes of fuel annually, which is more than the total combined annual saw log production from the NSW Upper North East region.

We understand wood-fired power generation emits more than 5 times the greenhouse gas of coal fired power, and CO² is not all they emit, there are dioxins, furans and toxic metals, formaldehyde, phenols, benzene, naphthalene, chlorine, and several other poisonous substances, and particulate matter which impacts on human respiratory systems. Toxic sludge recovered from the scrubbers is another byproduct that has to be safely disposed of.

All that bioenergy will achieve is massive additional impacts on native forests, additional atmospheric pollution, and divert the focus away from green renewable energy production.

The Report ignores all criticism of the status quo, and fails to address any of the the ecological problems that have to be addressed, such as dieback, weed invasion, and biodiversity loss. Therefore we urge the Ministers to accept the Inquiry's report for what it is, a one-eyed, self serving, and politically motivated waste of taxpayers' money.

Yours sincerely

John Edwards
Honorary Secretary.