



## **CLARENCE ENVIRONMENT CENTRE**

29-31 Skinner Street

South Grafton 2460

Phone/ Fax: 02 6643 1863

Web site: [www.cec.org.au](http://www.cec.org.au)

E-mail: [admin@cec.org.au](mailto:admin@cec.org.au)

# **Submission**

to

## **Soil Association's assessment**

[info@fscaustralia.org](mailto:info@fscaustralia.org)

on

## **Boral's Controlled Wood application through FSC forest certification program.**

Compiled for Clarence Environment Centre  
by John Edwards  
(Honorary Secretary)  
Scientific licence - No 11209

## **Submission on Boral's Controlled Wood application**

### **Introduction**

The Clarence Environment Centre has operated a shop front in Grafton for the past 22 years and has a proud record of advocacy for the environment, particularly relating to native forest conservation.

The signing of the historic forest agreements in 1999, which was supposed to result in Ecologically Sustainable Forest Management (ESFM), promised a new era of protection for the biodiversity values of state forests.

Within four years however, it was clear that something was seriously wrong. In northern NSW the then Forestry Commission had preempted the protection of old-growth forests, and the transfer of other forests into the national parks estate, and aggressively logged many of those areas in the latter half of the 1990s, to a point where it will take many decades for those forests to recover, if indeed they ever will. There are prime examples of this in the forests of the Dorrigo Plateau.

By 2005 we were seeing forests being massively over-logged across the entire forest estate, removing an average of 40% of basal volume, in many cases just 10 years after these forests were last logged. Action was needed, but the only agency in a position to act, the then Department of Environment and Conservation (DEC), and later the Department of Environment, Climate Change and Water (DECCW), to the present Office of Environment and Heritage, failed to do so.

This has forced the Clarence Environment Centre to resort to an appeal to the Australian Competition and Consumer Commission (ACCC), alleging fraudulent claims by Forests NSW (FNSW) that their native forestry operations are ecologically sustainable, and provide a long term sustainable timber supply to the economic benefit to the people of NSW.

We will make the same arguments in this submission.

### **False claims.**

Typical examples of FNSW' claims in relation to their native forest operations are listed below, with references (Appendix 1). The claims are underpinned by the Integrated Forest Operations Approval (IFOA), with its associated Threatened Species Licence, which flowed from the Regional Forests Agreements. These approvals require adherence to ESFM, which in turn allowed FNSW's to claim:

1. It uses an internationally recognised standard, such as the Australian Forestry Standard.
2. FNSW runs a profitable business for the people of NSW.
3. FNSW manages forests sustainably, to provide a supply of timber today and into the future.
4. FNSW manages forests to maintain ecological principles and biodiversity.
5. That by meeting the demand from NSW for timber from local sources, we are positively contributing to the sustainability of the world's forests.

Before progressing further, we believe it is important to remind the current assessment panel of the official definition of ESFM, as written in the IFOA. -

**“ESFM 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.”**

### Claim 1.

Let us deal with the initial claim that FNSW uses the “internationally recognised Australian Forests Standards certification. This claim is clearly false, and is **precisely why Boral is initiating this application for ASC Controlled Wood certification, because many of it's customers, locally and overseas, do not recognise the AFS certification.**

-----

### Claim 2.

FNSW runs a profitable business for the people of NSW is another claim that is **patently incorrect**, with losses posted for the last 3 years. The NSW Auditor General, in announcing “*Native forest operations ran at loss of \$14.4 million in 2007-08*”, warns that “*Given that native forest operations ran at loss, this raises concerns about how much worse this financial burden may get*”.

-----

### Claim 3.

FNSW's claim that it manages forests to provide a sustainable supply of timber today and into the future, is contradicted by the NSW Auditor General who makes the following points (Performance Audit, 2009):

- 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, providing 24% of total State production).*
- c) *current yield from native forests in the north coast is not sustainable in the long term; that is, beyond the term of the current contracts.*

Even the industry knows that current logging rates are not sustainable, as is evidenced by the following extract from a presentation made to state and federal government representatives, Robert Oakeshott and Peter Besseling at Port Macquarie in December 2010 by the **The Institute of Foresters of Australia** which states: “*In NSW the adopted forest strategy is to unsustainably cut the available public native forest through to 2019/2023 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*”.

If further evidence is needed to prove that FNSW's operations are unsustainable when it comes to timber production, the following report to the Department of Primary Industries “Economic Policy Settings in the Forest and Timber Industry – An inter-jurisdictional comparison”, should suffice. That report advises (page 29) that: “*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.*”

-----

### Claim 4.

The claim that FNSW “*manages forests to maintain ecological principles and biodiversity*”, cannot be supported. While some baseline flora and fauna studies (very basic) were undertaken in the 1990s as part of the Regional Forests Agreement, there is no mechanism in place to measure ongoing trends.

These conclusions are detailed in the findings of a review panel headed by ANU's, Professor Allan Hawke, and commissioned by the then Federal Environment Minister, Peter Garrett (“**Report of the Independent Review of the 'Environment Protection and Biodiversity Protection Act 1999'** ” - October 2009).

Hawke's highly critical report identified that **the Agreements have done little to protect the environment from logging, were unaccountable, hard to measure and almost impossible to enforce, claiming** (page 22, Section 158) that: “... *there is significant community concern that the environmental outcomes from RFAs are not being delivered. Public submissions to the Review were critical of the content and administration of the RFAs, as well as the limited mechanisms to ensure RFA forestry operations are compliant and best practice. The public lacks confidence that the RFAs are meeting the objectives, both environmental and economic, they were designed to achieve*”.

Section 161) expands on the fact that: “*Like other sectors, retaining the social licence to operate often requires not only doing the right thing, but proving it. The issue of concern to the review is that the current process for review and auditing RFAs is neither independent nor transparent, and more importantly, in most cases, required reviews are not being undertaken. Long-term sustainability of the forests and forest industry require this to be rectified.*”

These findings prompted the Australian Greens' leader, Senator Bob Brown, to echo the feelings of most independent ecologists and conservationists when he described the RFAs as, “**a licence to slaughter endangered species which would see other operators put in jail.**”

That “licence to slaughter endangered species” is no other than the Threatened Species Licence granted to Forests NSW by the then National Parks and Wildlife Service, which allows the destruction of up to 10% of a range of threatened species, including some listed as endangered, explaining “*Where there are few individuals within the compartment and the individuals are widely dispersed within the compartment, at least 90% of individuals must be protected from specified forestry activities*” (“Terms of Licence Under the Threatened Species Conservation Act, 1995, Upper North East Region”, electronic pages 45 and 80).

Under the Licence this destruction of up to 10% is allowed each time an area is logged, currently as frequently as 10 yearly intervals (**Example: Clouds Creek State Forest was heavily logged in 1999, and again in 2009-10**). Not only does Forests NSW regularly achieve this 10% quota, but it has requested the NSW Scientific Committee to reverse the threatened species listing of some threatened species. The 2010 request to de-list the endangered *Macrozamia johnsonii*, a magnificent Cycad that only occurs at and near Chaelundi south of Grafton is a case in point, with the only reason being to allow unrestricted access to timber where the Cycads occur.

The following are additional incontrovertible facts relating to state forest biodiversity management,

- a) **Weed infestations** are worsening across the region, with little or no weed control occurring in State forests beyond road verges. These infestations are facilitated by excessive removal of basal volumes of timber.
- b) **Vertebrate pests** are likewise increasing across the landscape including in state forests.
- c) Forests NSW routinely **challenges any threatened species nominations** that are presented to the NSW Scientific Committee.
- d) In late 2009, the NSW Scientific Committee determined the dieback disease, **Bell Miner Associated Dieback (BMAD)**, is a Key Threatening Process. A major finding of the Committee was that the disease is triggered by forest canopy reduction in excess of 35%.  
With Forests NSW routinely logging an average 40% it is no surprise that the dieback is following the logging operations across the landscape of northern NSW.

Forests NSW however, is in denial and refusing to reduce logging rates. **More than 4 million hectares of wet sclerophyll forests are now at risk.** (NSW Scientific Committee. KTP determination, 2009).

- e) 33% of all threatened terrestrial fauna are tree-hollow dependent, with loss of habitat identified as the main cause of their decline. **Habitat trees**, that can take well over 100 years to develop hollows, are routinely removed during logging (they are seen by many foresters as impediments to the development of younger trees), taking advantage of the following,
  - i) **An ineffectual regulatory agency** that has failed time and again to take action when breaches of the Threatened Species Licence occur, such as a failure to retain sufficient numbers of habitat trees.
  - ii) Using the excuse of **Occupational Health and Safety** laws.
  - iii) **“Accidental” damage** by machinery, and destruction during post harvest burning, and
  - iv) by 'strategic' alignment of **roads and snig tracks**.
- f) Allowing the basal volume removal of 40% to be averaged across a net harvest area results in some parts of the harvest area being subjected to basal volume removal of up to, and frequently exceeding, 70%. This over-logging will almost always result in the structure of those forests being changed forever.
  - i) Wet sclerophyll forests will **become more fire prone** as a result of the changed mix of species.
  - ii) Faster growing eucalypt species will tend to reestablish to the detriment of slower growing species. Also, the high density of regrowth following excessive logging, requires thinning to be undertaken. These operations see undesirable tree species (in terms of timber value) removed. Which results in a **virtual monoculture plantation** of even-aged trees. This was the aim of the now disallowed “Timber Stand Improvement” program of the 1980s, which some foresters still support, but which had proved to be disastrous in terms of biodiversity loss.

**The claim that current logging strategies in the Upper North East region of NSW is ecologically sustainable, i.e. ensuring that the values of forests are not lost or degraded for current and future generations, is patently false.**

-----

### **Claim 5.**

The argument that by meeting local timber demand Forests NSW is positively contributing to the sustainability of the world’s forests, is trotted out so frequently, their officers are clearly starting to believe their own spin.

There is no mention of the millions of hectares of forest clear-felled in southeastern Asia each year, not to produce timber, but to plant palms to fill a demand for oil from rich economies such as Australia. Much of the timber from those forests is burned. South America's Amazon forests are likewise being replaced with soy beans to feed cattle for beef production and also for biofuel, must have commodities for more affluent societies.

-----

## **Boral's Risk Assessment.**

We read that Boral Timber Fibre Exports Pty Ltd has conducted a risk assessment to evaluate risk for each of the five controlled wood categories that are designed to eliminate, including:

1. Illegally harvested wood.
2. Wood harvested in forests in which high conservation values are threatened by management activities

Boral's self-assessment of risk determined that No 1 is considered a low risk, while they determine there is an "unspecified" risk attached to No. 2, suggesting there is some risk of wood being harvested in forests where high conservation values are threatened by their management activities.

The assessment of low risk of illegal logging (#1) is so far from reality that we need to detail the results of 4 professional independent logging audits undertaken on the upper north east since mid 2009, which will also help the Assessment Panel to understand the full risk of illegal logging, and the logging of high conservation value forests.

## **The reality:**

### **Yabbra State Forest.**

In mid 2009, a professional audit by the North East Forest Alliance (NEFA), revealed illegal logging of rainforest, and multiple breaches of the IFOA at Yabbra State Forest. The subsequent investigation by the Department of Environment, Climate Change and Water (DECCW) found FNSW – **GUILTY**.

### **Doubleduke State Forest.**

In the previous 6 years the Clarence Environment Centre (CEC) had alleged breaches in forests across the Clarence Valley, including Chaelundi, Boundary Creek, Clouds Creek, Marengo, Newfoundland and Pine Brush State Forests, and not once had DECCW supported our assertions.

Encouraged by the Yabbra outcome, despite the pathetic \$1,200 penalty that was imposed, the CEC and the North Coast Environment Council funded an independent assessment of logging operations at Doubleduke State Forest where we believed an Endangered Ecological Community had been illegally logged.

FNSW however, had already announced publicly that internal investigations of our allegations had found no breaches, and our claims were described as frivolous and unfounded. However, by mid 2010, faced with two independent professional reports confirming our allegations, and the involvement of the Environmental Defenders Office, DECCW was forced to take our allegations seriously. Incredibly, DECCW now admits that their forestry investigators **do no have the expertise to recognise EECs**, and had to employ its own independent expert, who also confirmed that an endangered sub-tropical coastal floodplain forest community had been logged.

NEFA separately audited Doubleduke State Forest and found multiple breaches across the board, and other instances of illegal EEC logging. **We are told the Environment Protection and Regulation section of OEHL will recommend prosecution over the Doubleduke operation.**

### **Grange State Forest.**

In August 2010 The CEC reported the illegal logging of some 15 hectares of Lowland Rainforest (another EEC), some of it old-growth, at Grange State Forest. With the Doubleduke fiasco still fresh, DECCW acted quickly and again employed an independent ecologist to investigate. Again our allegations were confirmed.

The illegal logging at Grange was so blatant, we believe criminal charges should be brought against those responsible. The rainforest was mapped on the Harvest Plan as “Scribbly Gum – Blackbutt forest, but neither species occur there. The mapping may well have been a simple matter of incompetent misinterpretation of satellite images. However, the ecological assessors doing their pre-harvest surveys, the foresters marking up the compartment, the logging contractors and transport workers, and likely the mill owners that received those 1.5 metre diameter logs, would have known the operation was illegal.

**Again we are told the Environment Protection and Regulation section of OEH intends to recommend prosecution over the Grange operation.**

### **Girrad State Forest**

In late 2010, NEFA undertook an audit of logging operations in Girrad State Forest and again identified the usual suite of blatant breaching of the IFOA, Threatened Species, and Fisheries Licences. proving that these breaches are systemic and deliberate.

As well as a failure to adequately mark up exclusion zones, retain the required numbers of habitat trees, or protect drainage lines from logging, NEFA found that a large tract of forest, identified as having high conservation value, and was to have been assessed for protection, had been logged.

**The Environment Protection and Regulation section of OEH is still investigating Girrad.**

### **Clouds Creek State Forest**

A recent field day (February 2011) at Clouds Creek with DECCW investigators, looked at a 5 hectare patch of logged forest in Compartment 79 and found.

- At least 70% of basal volume had been taken, 30% above the allowable average, but this was excused by the investigators because another part of the forest had yet to be logged, thus lowering the average basal removal.
- Unmapped drainage lines had been logged but was again excused because FNSW had opted not to take out a pollution licence. We are still trying to get an explanation of how that could be allowed.
- No Koala feed trees had been marked for retention, nor had any feed trees for Yellow-bellied Gliders been marked up. OEH is now investigating.
- Only 3 habitat trees had been marked up and left while at least 30 large trees that were “**reaching their economic endpoint**” (description from harvest plan), had been logged.

The IFOA's unambiguous prescription in relation to habitat and recruitment tree retention requires: ***“A minimum of ten hollow-bearing trees to be retained per two hectares of net logging area.”*** And: ***“Where this density is not available then those hollow-bearing trees present within the net logging area must be retained”***, with the added instruction that: ***“Hollow-bearing trees must be scattered throughout the net logging area”***.

In response to our official complaint, OEH claims (Gary Whytcross, Director South) that the prescription ***“is open to interpretation”***. OEH interprets it to allow the number of habitat trees to be averaged across the entire harvest area.

Taken to extreme, this could see all the required habitat and recruitment trees tucked away in one corner. This is clearly contrary, not only to the wording, but also the intent of the prescription, which is to provide habitat linkages across the environment.

**Breaches of Koala and Yellow-bellied Glider prescriptions at Clouds Creek are currently under investigation.** We have also challenged OEH to find the required 960 habitat and recruitment trees that should have been left in the 98 hectare net harvest area in Compartment 79. They won't find them; hollow-bearing trees are being deliberately destroyed across the forest estate.

## **Logging on Private Property.**

We note that Boral Timber Fibre Exports Pty Ltd is also requesting FSC certification for timber sourced from private property, which is regulated by OEH under the Private Native Forestry (PNF) Code of Practice.

The PNF Code claims that logging under the Code ensures that overall ecological values are “maintained or improved”. As with the State Forest logging however, there is no mechanism in place to measure trends in ecological values. Not only that, **but under the Code there is no requirement to undertake any pre-logging flora and fauna assessment, and operators need only consider those threatened species that are mapped as occurring on the property.** Few rural properties have ever been surveyed for flora and fauna, so threatened species records on rural properties are rare. Also, there has been no mapping of Endangered Ecological Communities.

**We have already established that OEH staff do not have the expertise to recognise EECs or many threatened species.** As a result of this, we have identified private properties in our region where the PNF Unit has approved the logging of these endangered communities (those details are still being compiled and researched).

As explained above, the regulatory body for PNF is again the OEH. However, recent revelations have shown that OEH's PNF unit has likewise been “interpreting” the Code to facilitate logging. In Northern NSW it has been revealed that:

- More than 8,000 hectares of mapped High Conservation Value Old Growth forest have been reclassified by the Unit to allow their logging.
- Thousands of hectares of mapped core Koala habitat had been approved for logging in the Coffs Harbour LGA, in breach of Council's Koala Plan of Management. DECCW repeatedly claimed in the media that it was not aware of any advice from the council that logging approvals it had issued may have been illegal, claims that were later proved to be false.

Letters clearly show that Coffs Harbour Council had been raising concerns about approval of logging in core koala habitat for 16 months, and were ignored.

As well, The State Government has relaxed laws pertaining to PNF which:

- Allows logging to occur in Endangered Ecological Communities, and
- Allows unrestricted logging on steep hillsides which were previously mapped as “Protected Land” where logging was restricted.

**In conclusion, there is no way that logging on private property under the PNF Code of Practice, is ecologically sustainable. Many approvals allow the logging of the entire property, so the claim that such logging approvals maintain or improve ecological values is a lie.**

## **The Wrap-up**

With five audits, all revealing widespread breaching of the IFOA, with illegal logging of EECs and high conservation value forests in four of them, it is clear Boral's Risk Assessment has been poorly researched, in fact it is almost as though Forests NSW has prepared the Assessment for them.

**The fact is that all of the audits carried out in 2009-10, revealed systemic breaching of the IFOA and Threatened Species and Fisheries Licences. That all of the literally thousands of breaches that have already been confirmed were reported, not by the OEH investigators, but by concerned conservationists, is a serious indictment of OEH and of the system generally.**

**The audit results clearly show there is currently:**

1. Illegal harvesting of wood, and
2. wood being harvested in forests in which high conservation values are threatened by management activities,

**and it is happening on a massive scale.**

Our audits, designed to reveal the truth about what is going on in State Forests everywhere, were undertaken at considerable financial cost to individuals and voluntary organisations.

### **In conclusion.**

Having dealt with Forests NSW for over 6 years, we believe many of it's officers are 'stuck in the past', and simply cannot be trusted to take environmental issues seriously. To them a forest is simply a wood resource, were biodiversity has no place and is simply an impediment to production.

**Therefore without widespread changes across the board, we cannot accept Boral's application, simply because it is underpinned by a lie, which is that FNSW operates under laws ensuring it practices Ecologically sustainable Forest Management.**

We thank you for the opportunity to comment, and sincerely hope our detailed concerns lead to a better outcome for our native forests. God knows they need it.

Yours sincerely  
John Edwards  
(Honorary Secretary).

# Appendix 1

## Contentious claims by Forests NSW

1. - <http://www.dpi.nsw.gov.au/forests/about-forests-nsw>  
Forests NSW sustainably manages more than 2 million hectares of native and planted forests for a wide range of economic, environmental and social values to internationally recognised standards.
2. . - <http://www.dpi.nsw.gov.au/forests/about-forests-nsw>  
Forests NSW works to protect biodiversity in state forests, achieve other environmental benefits and provide community amenities - all within the framework of running a profitable business for the people of NSW.
3. - <http://www.dpi.nsw.gov.au/forests/management>  
State forests in NSW are managed sustainably to provide a supply of timber today and into the future, to protect the environmental values of the forest.
4. Ecologically sustainable forest management (ESFM) is our guiding philosophy. ESFM is about managing forests to maintain ecological principles and biodiversity while optimising the benefits to the community from all uses of the forest - all within the framework of running a profitable business for the people of NSW.
5. - Forests NSW – growing homes for wildlife and people. Forestry in NSW is regulated in many ways. Timber harvested from NSW forests is done sustainably. So by meeting the demand from NSW for timber from local sources, we are positively contributing to the sustainability of the world’s forests.
6. Primefact 618 – [http://www.dpi.nsw.gov.au/\\_\\_\\_data/assets/pdf\\_file/0008/144836/Forest-managementcertification.pdf](http://www.dpi.nsw.gov.au/___data/assets/pdf_file/0008/144836/Forest-managementcertification.pdf)  
Forest management certification using an internationally recognised standard, such as the Australian Forestry Standard (AFS), independently assures the consumer that the certified timber products they purchase have been produced in a socially, ecologically and economically sustainable manner.
7. Primefact 687 [http://www.dpi.nsw.gov.au/\\_\\_\\_data/assets/pdf\\_file/0016/231091/Forests-and-forestryin-NSW.pdf](http://www.dpi.nsw.gov.au/___data/assets/pdf_file/0016/231091/Forests-and-forestryin-NSW.pdf)  
State forests in NSW are managed in such a way as to conserve the forests, preserving unique flora and fauna species and their habitats, and also ensuring the continued supply of timber and other products.
8. - [NSW Forests Annual Report 2009/10](#)  
We are pleased to report that Forests NSW certification to ISO 14001 and Australian Forestry Standard was again reaffirmed by third party independent audits. This provides assurance to the community that environmental values of State forests are preserved and sustained for future generations. – page 3
9. - <http://www.dpi.nsw.gov.au/forests/management/certification> and <http://www.dpi.nsw.gov.au/forests/management>  
Forests NSW has voluntarily elected to have its management of state forests certified to the strict Australian Forestry Standard - AS 4708:2007 (AFS). The environmental conformity, social benefit and economical viability of the AFS is recognised worldwide, through the Programme for Endorsement of Certification Scheme (PEFC).  
Forest management certification standards recognised by the PEFC, such as the AFS, are used in many leading countries as a critical indicator of the sustainability of a timber source in purchasing and procurement policies of many governments and companies. Such certification standards and procurement policies help to ensure that the origins of timber-based products are managed sustainably, that unregulated or illegal logging is prevented.

10. - Forests NSW timber has passed the global sustainability test. This internationally recognised standard provides independent assurance that our forest management is consistent with the principles of sustainable forest management. Certification allows our customers to mark the timber they purchase from us with a logo, which assures customers that the timber is certified as having been legally and sustainably grown.
11. - [ESFM UNE Forest Management of State Forests. \(Plan 2005\)](#)  
Since 1995 the Government has supported a regional assessments process as a means of creating a comprehensive, adequate and representative (CAR) reserve system. ESFM UNE - page 4
12. - The type and level of protection mechanisms for ecosystems (as surrogates for biodiversity) and other forest values have been identified and the ecologically sustainable level of forest based activities, including timber production, has been determined. ESFM UNE - page 6
13. - Forests NSW will manage the State forested lands of Upper North East (UNE) Region in an ecologically sustainable manner to deliver benefits to the community from all uses of the forest both now and for future generations while maintaining ecological processes and biodiversity. ESFM UNE - page 6
14. - <http://www.dpi.nsw.gov.au/forests/management/regulations>  
External regulatory agencies and our own internal audits are conducted on a regular basis to ensure compliance with appropriate licences and codes. Forests NSW not only meets but actually exceeds regulatory requirements.
15. - Primefact 693 - [http://www.dpi.nsw.gov.au/data/assets/pdf\\_file/0006/257901/timber-harvesting-innative-state-forests.pdf](http://www.dpi.nsw.gov.au/data/assets/pdf_file/0006/257901/timber-harvesting-innative-state-forests.pdf)