

# **POLICY E4: FOREST POLICY 2011 Submitted by the Executive**

## **Introduction**

The native forests of New South Wales are home to a remarkable diversity of native animals and plants, including many species now threatened with extinction. Our forests provide us with vital ecosystem services, including clean air and fresh water, soil protection and storage of enormous amounts of carbon. Protection of native forests is one of our best opportunities for rapidly reducing Australia's contribution to climate change.

Recognising the urgent need for action to reduce carbon emissions, the broad and growing public support for an end to native forest logging and recent developments in other states – most notably in Tasmania – the 2010 Annual Conference adopted an interim forest policy and resolved to prepare a full forest policy for debate and adoption during the 2011 International Year of Forests.

This policy replaces the 1991 *Forest Policy*. The preparation of this policy was informed by input from member societies and forest campaigners from across the state. Its content is influenced by the outcomes of a series of regional, state and national forest meetings held over the last year, and is informed by independent research commissioned by the Nature Conservation Council of NSW.

This policy sets out a positive vision for New South Wales, in which our native forests are protected for their diverse natural, social and cultural values, with wood products sourced from sustainably managed plantations by a competitive, productive timber industry.

# Key policy positions

In this, the 2011 International Year of Forests, the Nature Conservation Council of NSW calls on government, civil society and the private sector to take urgent action to:

1. protect and restore native forests for biodiversity, climate, water and natural beauty;
2. immediately protect high conservation value forests;
3. implement a rapid transition policy to end industrial logging of native forests and develop a plantation-based timber industry;
4. immediately end native forest wood chipping;
5. ensure that all native forests are managed in an environmentally responsible manner pending transition to a plantation based industry;
6. support the development of plantations, as necessary, on an ecologically sustainable and socially acceptable basis;
7. end market distortions which lead to unfair competition and unsustainable forest management;
8. provide structural adjustment support for industries and communities dependent on native forest logging;
9. ensure public access to information about forest management and timber supply;
10. take immediate action to end unlawful logging in public and private forests; and
11. support measures to end international trade in unlawful and unsustainable forest products.

These policies are outlined in detail below.

## **Protect native forests for biodiversity, climate, water and natural beauty**

Our native forests provide essential habitat for native plants and wildlife, provide clean air and fresh water, protect our soil and store enormous amounts of carbon.

Current logging activities in our native forests are fundamentally unsustainable.

Over-allocation of timber resources from our native forests has resulted in timber being harvested faster than it can grow, and has limited opportunities for implementation of ecologically sustainable forest management.

This ongoing degradation of our native forests is primarily driven by the production of large volumes of woodchips and other low value timber products. Our forests are worth more standing, as wildlife habitat, water catchments, carbon stores and places of great natural beauty.

There is strong public support for forest protection. In 2010, a national poll found that 90% support protection of high conservation value forests in national parks, while 77% support an end to native forest logging.<sup>1</sup>

There is an urgent need to protect our native forests for their diverse environmental, social and cultural values. Lasting protection for our native forests requires a coordinated national response, including:

- federal funding for the protection and restoration of carbon rich native forests;
- a national strategy for protecting native forests and making a rapid transition to a plantation-based timber industry;
- a ban on the production, use and export of native forest biomass for heating or electricity generation; and
- national carbon accounts and climate change policies that recognise and value the critical role of native forest protection in reducing carbon emissions.

## **Take immediate action to protect high conservation value forests**

All remaining native forest, including regrowth, has very significant conservation value, especially considering the threat of climate change and biodiversity loss.

Within these remaining forests there are priority areas of high conservation value that require urgent protection.

There is an urgent need for an independent assessment of forest values, with a view to identifying high conservation value forests for immediate protection as a first step in the transition to a plantation-based industry.

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<sup>1</sup> Poll conducted by Galaxy research in May 2010. The sample was 1,100 respondents distributed throughout Australia.

Criteria to be considered when identifying high conservation value forests may include:

- ecological connectivity;
- ecosystem function and process;
- sound reserve design outcomes;
- native species richness;
- rare and threatened species;
- endangered ecological communities;
- high levels of endemism and refugia;
- wilderness, rainforests and old-growth;
- world or national heritage values;
- wild river catchments;
- drinking water catchments;
- significant carbon stores; and
- community or cultural significance.

The independent assessment and associated protection should be completed within a year of commencement of the assessment. Independent regional assessments will be based on nominations from community conservation groups and state and federal conservation agencies.

High conservation value forests on public land should be declared as national park, nature reserve or wilderness. High conservation value forests on privately owned land may be purchased on a voluntary basis, protected using conservation covenants or zoned for conservation in a local environmental plan.

Protection of remaining areas of native forest should be implemented over a period consistent with a rapid transition to a plantation-based industry.

### **Implement a transition policy to end industrial logging of native forests and develop a plantation-based timber industry**

Protection of native forests is one of our best opportunities for rapidly reducing Australia's contribution to climate change. Recognising the urgent need for action to reduce carbon emissions, and the cumulative loss of biodiversity as a result of native forest logging, there is an urgent need to implement a rapid transition to a plantation-based timber industry in the shortest possible timeframe.

Since the 1970s, there has been an ongoing decline in the native timber industry in NSW, with a corresponding increase in plantation timber. More than 70% of all timber produced in NSW is currently sourced from plantations.

Extensive plantations have been established in NSW in recent years. The NSW plantation estate now covers nearly 400,000 hectares, presenting a real opportunity for a transition to a plantation based timber industry.

Independent analysis commissioned by NCC concluded that current levels of native forest logging are unsustainable and that a transition to a plantation-based industry is feasible.

In the south-east, native forests are being logged at unsustainable and declining levels to supply a pulpwood dominated industry, with the Eden export woodchip mill as the primary customer. Large increases in softwood timber supply mean that it is possible to immediately replace native timber supply to the woodchip mill with an equivalent volume of softwood.

Increased supply of softwood sawlogs means that it is possible to implement a transition to a plantation-based sawmill industry in the region without causing a net loss in economic value or employment, although structural adjustment support for hardwood sawmills may be appropriate.

In the north-east, timber yield estimates have been unreliable and unrealistic, resulting in sustained over-cutting of public native forests and an impending timber supply crisis. There is an urgent need to reduce committed timber volumes and facilitate a rapid transition to a plantation-based industry.

New South Wales must seize this opportunity for a rapid transition to a sustainable, competitive timber industry based on plantation timber sources and limited interim harvesting of high value speciality timbers from native forests.

The harvesting of speciality timbers must be in limited volumes and phased out as plantation timber or market alternatives become available.

### **Immediately end native forest wood chipping**

Native forest wood chipping started in Eden more than 40 years ago on the pretext that it would allow an economic use of waste timber that could not be used for sawlogs. Since that time, wood chipping has been the real driver for most native forest logging, resulting in immense, unchecked damage to biodiversity, water resources and the natural beauty of our forests. It is estimated that more than 30 million tonnes of woodchips have been exported from the Eden woodchip mill alone over the last four decades.

Destruction of our native forests for woodchips is unsustainable and unacceptable, and must end immediately.

### **Take immediate measures to ensure that all native forests are managed in an environmentally responsible manner**

Forest management practices in NSW have been oriented primarily towards wood production, resulting in a sustained decline in ecological values. In many areas, destructive wood chipping and logging practices have resulted in biodiversity loss, soil erosion, reduced water quality and increased vulnerability to weeds and disease.

Our native forests must be managed in a manner that is more environmentally responsible, pending a rapid transition to a plantation-based industry.

Recognising that the timing of a transition to plantation-sourced timber may vary between regions, and across tenures, new measures must be introduced immediately to ensure that harvesting of timber and other forest products is undertaken on a more environmentally responsible basis.

Forestry operation approvals should be strengthened to improve protection for wildlife, water and other environmental values, reduce logging intensity and improve post-harvest control of weeds and disease.

Sustained yield estimates for sawlogs should be guided by a robust, independent assessment methodology.

Private native forestry has expanded enormously in recent years, and presents a significant threat to our forests. There is an urgent need to review and strengthen the private native forestry code. In particular, the regulations should require:

- mandatory pre-harvest flora and fauna surveys by independent , professional assessors;
- independent review and approval of harvest plans prior to logging; and
- improved protection for forest structure, stream buffers, steeply sloping land and wildlife habitat.

As a minimum, pending transition to plantations, all logging on private forest land should meet the environmental protection standards imposed by government for public forest land.

Forestry certification standards have an important role to play in improving forest management practices. Logging operations across all tenures should be required to meet Forest Stewardship Council (FSC) certification standards, or an equivalent certification system supported by the environment movement. Civil society should participate actively in the development and application of certification standards to maintain the integrity of these standards.

All native forests, including protected areas, should be managed in a manner that maintains and restores their ecological values. In particular, there is an urgent need to more effectively manage pests and diseases and to ensure fire management results in positive biodiversity outcomes.

Extensive areas of native forests are suffering from dieback, a situation that is expected to rapidly worsen due to climate change. Despite this, little effort has been made to rehabilitate affected stands and they continue to be logged. Forests affected by dieback should be excluded from logging and actively rehabilitated.

### **Support development of plantations, as necessary, on an ecologically sustainable and socially acceptable basis**

New South Wales' existing plantation estate, which now covers nearly 400,000 hectares, will play a critical role in the transition away from unsustainable native forest logging.

Plantation timber offers significant economic advantages over native forest timbers:

- the building industry makes extensive use of plantation sourced timber products in construction for its low cost, workability, stability and lightness;
- plantation wood fibre is superior to native forest wood fibre in paper production;
- sawmillers can process plantation timber more efficiently as it has a much higher degree of uniformity than native timbers.

However, plantations can cause significant environmental problems. It is essential that plantations are established and managed in a manner that is ecologically sustainable and socially acceptable. In particular:

- establishment of plantations must not result in the destruction or conversion of natural ecosystems (including forests) or prime agricultural land;
- emphasis should be placed on the establishment of diverse plantings of native species; and

- management of plantations must be undertaken in a manner that minimises chemical pollution, soil erosion and unsustainable water use.

Plantation management practices should meet Forest Stewardship Council (FSC) certification standards, or an equivalent certification system supported by the environment movement. Public funding should be provided for research into value adding, sustainable plantation management and the use of local native tree species.

### **End market distortions which lead to unfair competition and unsustainable forest management**

Independent expert analysis has revealed a number of serious economic failures in public forest management in NSW, including:

- cross-subsidisation of public native forest operations from public plantation profits;
- administered, rather than competitive, pricing mechanisms which lead to lower prices for native timber;
- excessively lengthy wood supply contracts which inhibit innovation and investment and create barriers to diversification and competition in the industry; and
- conflation of operational, regulatory and policy responsibilities in a single forestry agency, leading to conflicts between short-term commercial imperatives and long-term management goals.<sup>2</sup>

Combined with substantial direct subsidies over the last two decades, these factors have led to severe market distortions, with cheap timber from public native forests suppressing investment in private hardwood plantations.

To end unfair competition and promote the growth of a competitive hardwood plantation sector, the NSW Government should:

- end direct and indirect subsidies for native forestry operations;
- separate plantations from native forests for resource allocation and reporting;
- implement a competitive pricing system to encourage replacement of native timber with plantation sourced timber;
- renegotiate timber supply agreements to promote a transition to a competitive, plantation-based timber industry; and
- ensure that long-term management goals, including sustained yields, are set by an independent agency.

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<sup>2</sup> URS (2008) *Economic Policy Settings in the Forest and Timber Industry: An Inter-jurisdictional Comparison*. Prepared for the Department of Primary Industries. Victoria.

## **Provide structural adjustment support for local communities and industries dependent on native forest logging**

Local communities, workers, contractors and businesses which are dependent on native forest logging may require support, including financial assistance, compensation, retraining or local economic development measures.

Government should assist some mills and mill workers to voluntarily exit the industry, and work with the forestry industry to prepare and implement industry development plans. These plans should focus on downstream value adding and opportunities presented by a competitive plantation industry.

Local communities should be actively involved in the preparation and implementation of regional economic development plans, aimed at building a diverse, resilient economic base, including nature based tourism.

## **Ensure public access to information about forest management and timber supply**

Lack of transparency in relation to forestry operations and timber supply arrangements creates considerable public mistrust and results in forest management decisions being made without appropriate public scrutiny.

It is in the public interest for information about forest management and timber supply to be made freely available to the public on the internet, including:

- resource assessments;
- sustained yield estimates;
- timber supply and pricing arrangements;
- digital map layers for native forests;
- digital map layers for plantations;
- licences, permits and harvest plans;
- property vegetation plans; and
- breach reports and compliance responses.

Forest management and timber supply decisions should be made in an open and transparent manner, with opportunities for informed public participation.

## **Take immediate action to end unlawful logging in public and private forests**

Community audits have revealed a pattern of systemic non-compliance with environmental laws in public and private native forests. The extent of non-compliance was highlighted by the Land and Environment Court in June 2011, when it found that Forests NSW had shown ‘a reckless attitude towards compliance with its environmental obligations’.<sup>3</sup>

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<sup>3</sup> *Department of Environment, Climate Change and Water v Forestry Commission of NSW*, Justice R A Pepper, Land and Environment Court, 8 June 2011.

To deter further breaches, the maximum penalties available under relevant legislation should be strengthened, in line with modern environmental legislation. Based on existing legislation, penalties of up to \$1.1 million and terms of imprisonment would be appropriate.

To prevent unlawful logging, the following operational measures should be implemented:

- improve training and supervision for logging contractors;
- review harvest operation plans for public and private forestry operations before logging operations commence; and
- increase the use of audits, penalty notices and criminal prosecution.

The *Forestry and National Park Estate Act 1998* should be amended to allow third parties to bring proceedings to remedy or restrain breaches of environmental legislation during logging operations.

The *Environment Protection and Biodiversity Conservation Act 1999* should be amended to require federal environmental assessment of logging operations that are likely to have a significant impact on matters of national environmental significance and to allow third parties to commence proceedings to remedy or restrain unauthorised logging activities.

## **Support measures to end international trade in unlawful and unsustainable forest products**

Illegal logging has a devastating impact on the world's forests. Its environmental effects include deforestation, loss of biodiversity, loss of carbon sinks and degradation of water catchments. Illegal logging contributes to social conflict and human rights abuses, exacerbates poverty encourages corruption and undermines the rule of law.

Large volumes of illegal timber are traded on global markets, depressing the price of wood products and leading to unfair competition with legitimate timber enterprises. The World Bank has estimated that illegal logging costs developing country governments more than US\$15 billion per annum in lost revenue, assets, taxes and royalties.

The federal government must take urgent action to stop illegal timber imports by introducing legislation to require verification of the legality of forest product imports. This legislative measure should be complemented by strong support for international, regional and bilateral efforts to combat illegal logging.

Chain of custody rules should be introduced for importers, wholesalers and retailers to ensure that the source of timber products is known, legal and traceable.

To promote more sustainable forest management practices, government and the private sector should commit to procurement policies that require timber and paper products to be sourced from forestry operations that meet Forest Stewardship Council (FSC) certification standards, or an equivalent certification system supported by the environment movement

To maintain and improve the integrity of international forest certification schemes, civil society organisations should participate actively in the development, review and application of forestry certification standards.

## DEFINITIONS

*Forest*: an area, incorporating all living and non living components, that is dominated by trees having usually a single stem and a mature or potentially mature stand height exceeding 5 metres, and with existing or potential projective cover of overstorey strata about equal to or greater than 30 per cent. This definition includes areas of trees that are sometimes described as woodlands.<sup>4</sup>

*Native forest*: any local indigenous community the dominant species of which are trees and containing throughout its growth the complement of native species and habitats normally associated with that forest type or having the potential to develop these characteristics. It includes forests with these characteristics that have been regenerated with human assistance following disturbance. It excludes plantations of native species and previously logged native forest that has been regenerated with non-endemic native species.

*High value specialty timber*: timber harvested for high value end uses that cannot readily be substituted with plantation sourced timbers (for example, timber used in cabinet making, boat building or specialty crafts).

*Ecosystem services*: the 'conditions and processes through which natural ecosystems, and the species that make them up, sustain and fulfil human life' (Daily, 1997).<sup>5</sup>

## ENDNOTES

<sup>1</sup> Climate Commission (2011) *The Critical Decade: Climate Science, Risks and Responses*, Commonwealth of Australia, pp.57-8.

<sup>ii</sup> Poll conducted by Galaxy research in May 2010. The sample was 1,100 respondents distributed throughout Australia.

<sup>iii</sup> URS (2008) *Economic Policy Settings in the Forest and Timber Industry: An Inter-jurisdictional Comparison*. Prepared for the Department of Primary Industries. Victoria.

<sup>4</sup> *Department of Environment, Climate Change and Water v Forestry Commission of NSW*, Justice R A Pepper, Land and Environment Court, 8 June 2011.

<sup>5</sup> Commonwealth of Australia (1992) *National Forest Policy Statement*.

<sup>1</sup> Daily, G (1997) *Nature's Services: societal dependence of natural ecosystems*. Island Press, Washington.

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<sup>4</sup> Commonwealth of Australia (1992) *National Forest Policy Statement*.

<sup>5</sup> Daily, G (1997) *Nature's Services: societal dependence of natural ecosystems*. Island Press, Washington.