



South East Region Conservation Alliance

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Submission on Coastal IFOAs Discussion Paper

SERCA is pleased that the NSW Government has now acknowledged that the IFOA system is not working. However SERCA considers that the discussion paper does not address either the root cause of the problems or changed circumstances that require a more economically and environmentally rational resetting of forest and forestry policies. The NSW Government has better options than are envisaged in this discussion paper – better for the forestry industry, for the forest environments, and for the State's finances.

Can the Environment Protection Authority (EPA) and the Forestry Corporation of NSW (FCNSW) seriously expect us to believe that if FCNSW doubles the areas of forest logged over the life of its harvest plans the environment will be no worse off?

Especially when that comes on top of 15 years of RFA sanctioned over-logging, and 45 years of over-logging for export woodchips that has seen multi-aged forest almost wiped out, along with the traditional sawlog industry that relied on high quality logs?

Yet this is what the discussion paper would have us believe.

Doubling logged areas means habitat (and thus wildlife) loss on a much larger scale, without pre-logging surveys in most cases, more soil loss and siltation of waterways, especially if very steep slopes are to be logged; and water-hungry regrowth and more fire-prone dominant species in regrowth areas, often on the edge of residential areas.

To oversight this nonsense the agencies propose a landscape scale outcomes assessment each year of progress (or regression?), without a comprehensive base line assessment of the current state of forest environments, and with no assessment of the current productivity of native forests and the logging intentions revealed in the Harvest Plans released by FCNSW.

Note also that the new regime is not to start remedying damage from past logging; the aim is only not to make the environment worse. Yet it seems impossible that even that unambitious goal could be achievable.

Wood supply to be maintained; environment protection costs to be reduced

In calling for a new regime for native forestry the NSW Government put two requirements on the exercise: wood supply was to be maintained, and costs of environment protection were to be reduced (from a fairly modest \$7 million). FCNSW loses money on its native forest logging (\$15 million in 2013, and expected to rise), and has been introducing cost-cutting measures like staff cuts.

The IFOAs remake discussion paper provides no detail of how its proposals could reduce costs or work more effectively. There are many reasons why FCNSW's costs in its native forest sector cannot be contained, and are likely to worsen. (See attached Briefing Paper, Appendix 1.)

Maintaining wood supply means much worse forest productivity and environmental damage

In 2013, 4027 hectares were logged and thinned, and the productivity of the logged forest was 85 cubic metres per hectare (IFOA annual reports). In FCNSW's harvest plans for future logging the average productivity based on their own figures will drop to 45 cubic metres per hectare. If wood supply is to be maintained the forests will have to be logged more intensively (if that is possible, and environmental damage is surely guaranteed to increase) or the average area of forest logged annually will have to double, or a combination of both. A doubling of the logged area would put it up to nearly 3% of the total area available, an implied rotation period of 33 years (Briefing Paper, Appendix 2). The price of maintaining wood supplies is both a considerable worsening of forest productivity and more widespread loss of environmental values.

If, as is now being tested, logging on much steeper slopes is to be introduced, it is hard to believe that environmental damage can be avoided, especially when logging is in rainforest or moist eucalypt gullies. The technology being tested is very expensive to use, and will be all the more so if employed over large areas of low productivity forest. There seems to be no requirement for the trial to assess costs.

There is no proof that the forests will grow again as before under existing or proposed management, but many indications that they will not: loss of soils from the slopes, loss of habitat for species and microorganisms that make trees healthy, loss of rain making capacity, siltation of waterways, plus climate change stresses; loss of most multi-aged forest; dominance of *E. seiberi* which are poor sawlogs, and casuarina, in highly flammable dense regrowth, often right to the edge of settlement (Briefing Paper, Appendix 3).

The existing prescriptions are certainly not meeting their ecologically sustainable forest management goals. But they do put some brake on unfettered logging, and serve at least that limited purpose. The proposed regime would remove most of those brakes, keep the exemption of RFA area logging from operation of the Commonwealth's EPBC Act, remove requirements to advise Aboriginal groups of intended logging and consult on heritage issues before logging, and maintain the current prohibition on community legal action against logging breaches.

Native forest logging is seriously inefficient and expensive

Native forest logging is a seriously inefficient and expensive way of producing wood, especially when almost all of it goes to low grade products like woodchips and pallets. Compare 45 cubic metres a hectare with the productivity of a mature plantation – 480 cubic metres, over ten times that volume. In NSW the total plantation area is only 22% of the size of the total area of available native forest; in 2012-13 it produced 3.2 times the amount of sawlogs and 3.7 times the amount of pulplogs.

NSW has the biggest and best plantation based processing industry in Australia and, unlike the native forestry sector, FCNSW's plantation sector is profitable. If FCNSW was solely a plantation wood business, freed by the NSW Government of its loss-making native forest operations, its before tax profits would have been 80% higher in 2012-13. A more financially robust FCNSW would be better able to support plantation improvements and the plantation processing sector and rural wealth and jobs in and around Oberon, Bathurst, Tumbarumba, Tumut and Bombala) through growing quality wood at cost competitive prices.

The native forestry sector has been in long term structural decline for many years. It is producing products out of favour with markets. It employs few workers in logging and milling – in the Southern Region probably now well under 200 from Nowra to the Victorian border, including FCNSW staff and 42 at the Eden export chipmill. By comparison the newly upgraded softwood plantation based mill at Bombala has 300 workers. The Bombala mill is in commuting distance of the south coast. The social argument for subsidising native forest logging in the south east is weak.

Global restructuring after the GFC saw areas logged in SE NSW drop markedly, FCNSW and South East Fibre Exports (SEFE - the Eden export chipmill) chasing new markets, largely unsuccessfully because the native forestry sector is uncompetitive with domestic and overseas plantation suppliers.

Now, responding to some vested interests, and in anticipation of federal Government subsidies, the NSW Government has approved burning native forests for electricity generation. The NSW Government intends that the baseline will be set to the last full year before the commencement of the regulation (2012/13).

NSW has far better options available to it

FCNSW argues that no consideration should be given to the purposes to which the logs are put, even though, if wood is burned, this brings it into conflict with its questionable claim that carbon stored in solid wood products makes the industry carbon positive. SERCA considers that the options for alternative uses of the forests should be given serious consideration. There are excellent financial, industry, environmental and climate reasons why the Government should reverse its decision to open the door to large scale electricity generation from burning native forest wood.

The south of Australia faces a hotter and drier climate in the future and far higher costs for the NSW Government and the community from more extreme bushfires, drought and storm events. Logging native forests is one of the causative factors, and certainly a major influence on regional climates. The RFA regime and the IFOAs remake offer a totally inadequate framework for dealing with current and future situations and supporting a viable forestry industry.

Compounding the tragedy of all this is that NSW could benefit financially and environmentally if it stopped logging native forests, and concentrated on its profitable and far more productive plantation sector, while other States are in a position to provide plantation woodchips for paper-makers. New Zealand went down the plantation-only path a decade or more ago, operates a very profitable forestry industry, and is competitive in Australian timber markets.

It is time now to reset forest and forestry policies in a more fundamental way, and end industrialised and unprofitable native forest logging.

Attached is a SERCA briefing paper, Forests and Forestry policies for an Age of Uncertainty, prepared for discussions with the Minister for Finance on 6 March 2014. The paper and especially its appendices, give more detail on these matters.

6 April 2014