

## State of Public Management of NSW Native Forests October 2011

The NSW forestry industry is in an economic and environmental crisis driven by the unsustainable Timber Supply Agreement with BORAL.

### ECONOMIC/RESOURCE CRISIS

In 2004 the NSW Government issued new Wood Supply Agreements for north-east NSW, entrenching unsustainable logging for a further five years until 2023. The Government removed a clause that allowed for reductions in commitments in line with yield reviews. Since then Forests NSW have been unable to satisfy the commitments for quota sawlogs in any year, and the situation is declining. In 2006 FNSW paid \$500,000 compensation to Boral for their failure to supply for the previous 2 years. Boral once again have Forests NSW (hereinafter FNSW) in court for failure to meet commitments every year since then.

Logging of public native forests in NSW doesn't generate revenue. Losses reported by state government trading enterprise FNSW: \$14.4 million in 2007-08, \$4.67 million 2008-9, \$4.11 million 2009-10 (pre-tax) **but after tax loss of \$233.38 million**, (including the reversal of a tax asset relating to pre-1994 plantation establishment costs).<sup>1</sup>

With rapidly escalating costs and yield in decline, FNSW is effectively subsidising the devastation of NSW's forests. To limit immediate liability FNSW) is jeopardising the resource it should be protecting by removing even the smallest of sawlogs (what would have been the large sawlogs of the future) and by promoting plantation-style regrowth.<sup>2</sup> Industry experts estimate a collapse of the saw log industry for at least 50 years (maybe 100) depriving the people of NSW of access to domestic hardwood.

Auditor General's report, April 2009 '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.... Forests NSW continue to look for new sources of hardwood timber to meet existing commitments including private property and leasehold land. As timber haulage distances increase and yields decrease, the overall cost of production will rise. These additional costs will have to be borne by both Forest NSW and the industry. Given that native forest operations already run at loss and increasing compensation payouts, this raises concerns about how much worse this financial burden may get.'<sup>3</sup>

**How has FNSW addressed this?** Instead of renegotiating yield when there was a chance it has dismantled its research division, is in the process of dismantling the ecological management division (ecologists and harvesting supervisors).<sup>4</sup>

Through illegal logging much of the native forests resources of northern NSW is undergoing conversion into a same age, single species dominated landscape with Blackbutt promoted as principal species north of the Central Coast. Challenged by community concern FNSW is lying to the NSW public maintaining that these forests require human intervention by way of a massive cut to retain the Blackbutt dominance.<sup>5</sup> Contrary to the warnings of Australia's leading forestry economist, FNSW is promoting a plantation approach to the native forests of NSW.<sup>6</sup> This resource plan is ignoring the economic and environmental realities of the present, and sabotaging the potential of future forestry in NSW.<sup>7</sup>

### ENVIRONMENTAL/ LEGAL/GOVERNANCE CRISIS

FNSW is contributing most to the worst factors threatening NSW environmental health, i.e. biodiversity loss and weed invasion. *'NSW native forest logging is accelerating rapidly the impact of clearing and*

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<sup>1</sup> The Australian, February 19<sup>th</sup>, 2011 "Big Timber Not Yet Out of the Woods"

<sup>2</sup> North East Forest Alliance submission to Inquiry into the Australian forestry industry Dailan Pugh, North East Forest Alliance, March 2011

<sup>3</sup> Auditor General Report, 2009 etc

<sup>4</sup> Ibid, and also put articles job losses

<sup>5</sup> Justin Williams, FNSW Central Region Planning Officer, numerous publications, harvest plans, media comments

<sup>6</sup> Dr Judith Adjani

<sup>7</sup> The Climate Commission *The Critical Decade Climate Science, Risks and Responses*, Section 3.3, p.58, © Commonwealth of Australia (Department of Climate Change and Energy Efficiency) 2011

*disturbance of native vegetation and the introduction of invasive species these being the highest two identified pressures on biodiversity the former affecting 87% of threatened species and the latter (70%).*<sup>8</sup>

The method of logging is also severely undermining future native forest potential for carbon sequestration. But these impacts are interconnected; they compound and magnify. **FNSW practices now are lethal to the NSW environment** and those impacts extend beyond this state. In 2009 a comprehensive study by Australian scientists reported that *the 6th greatest extinction crisis of Earth's history is centred in our region, Oceania, with 70% of Australian forests already ecologically degraded by logging being a major factor.*<sup>9</sup>

**Illegality, lack of regulation and corruption of governance:** Un lawful practice and strained interpretation of environmental guidelines is exacerbating the horrendous onslaught on NSW native forests. **An arbitrary application of the concept of offset areas verges on corruption – of the intent and spirit of the Regional Forest Agreements and Integrated Forest Operations Approval legislation,** at least. It appears that FNSW is exploiting an unclear definition of the *relevant tract of land* in a harvesting operation to attempt justification of removal of sometimes 95% - 99% basal wood, instead of the maximum 40% allowable when employing Single Tree Selection. This is probably one of the greatest contraventions of sustainable forest policy. It needs to stop immediately but remains unchallenged. See Appendix 2 for explanation.

*Justice R A Pepper, 'In my view, the number of convictions suggests either a pattern of continuing disobedience in respect of environmental laws generally or, at the very least, a cavalier attitude to compliance with such laws.'* NSW Land and Environment Court, 8 June 2011.<sup>10</sup>

*'It is clear that native forests are not being managed in a way that complies with the principles of ESFM and the conservation of biodiversity.'* The Environmental Defenders' Office in joint report with the Nature conservation Council of NSW<sup>11</sup>

**Removal of 3<sup>rd</sup> party prosecution rights:**<sup>12</sup> This means that citizens are deprived of the right to challenge the legality of FNSW's operations in court. Only through the intensive unpaid work of environmental scientists working with communities has the Office of Environment and Heritage, (OEH) been compelled, in the wake of media pressure, to invoke its capacity to issue fines. But instead of applying fines proportionate to seriousness of the impact of an illegal action, OEH is virtually making a mockery of its office.

- **South Coast \$300** - for Forests NSW failure to undertake Koala surveys in accordance with Condition 8.8.12 of the Threatened Species Licence (TSL) prior to the commencement of harvesting operations in compartments 1375, 1376 and 1377 of Cathcart State Forest - **when the maximum fine for an infringement of this nature is \$110,000** or one year imprisonment or both, and also a possible \$5,500 per koala feed tree destroyed. (This is taking place while a national review is underway to protect Koalas now identified as far more vulnerable to extinction than previously thought)
- **North Coast \$1000 (in total)** for numerous breaches involving the logging and burning of stream banks including that of habitat of endangered eastern freshwater cod in Yabbra Forest, **when Under Section 123 of the Protection of the Environment Operations Act 1997 (NSW) for the protection of waterways from pollution, the maximum penalty for a corporation is \$1,000,000 and \$250,000 for an individual, with, in the case of a continuing offence, the maximum penalty being \$120,000 for a corporation and \$60,000 for an individual for each day the offence continues.** FNSW should have been fined heavily under relevant legislation for each breach but was cautioned only for 'marking, recording and harvesting' within wetland exclusion zones.

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<sup>8</sup> Statutory Review of the Noxious Weeds Act 1993, Submission by: Invasive Species Council, Nature Conservation Council of NSW, The Wilderness Society, National Parks Association of NSW, Total Environment Centre, North Coast Environment Council Inc., Blue Mountains Conservation Society, Colong Foundation for Wilderness

<sup>9</sup> Richard Kingsford et al "Major Conservation Policy Issues for Biodiversity in Oceania" (2009) 23; 4 Conservation Biology 834.

<sup>10</sup> 'In my view, the number of convictions suggests either a pattern of continuing disobedience in respect of environmental laws generally or, at the very least, a cavalier attitude to compliance with such laws.' Justice R A Pepper, NSW Land and Environment Court, 8 June 2011 Department of Environment, Climate Change and Water v Forestry Commission of NSW

<sup>11</sup> Hammond-Deakin, N. and Higginson, S. (2011) If a tree falls: Compliance failures in the public forests of New South Wales, Environmental Defender's Office (NSW) Ltd, Sydney, Australia.

<sup>12</sup> Forestry Operations on public land (state forests) in NSW are governed by the Forestry and National Parks Estate Act 1998 which removed any 3<sup>rd</sup> party community rights to challenge the validity of logging operations that are the subject of the Act. <http://www.legislation.nsw.gov.au/maintop/view/inforce/act+163+1998+cd+0+N> The only intervention possible after the documented systematic failure of either FNSW to self – regulate or the so called regulator Office of Environment and Heritage to do so is through their respective Ministerial appointees.

Environmental breaches by FNSW are being documented by the community across NSW in an effort to stop wholesale destruction of the native forest estate.

**South Coast** – An 8 page table lists breaches in Appendix 1 of “Compliance failures in the public forests of New South Wales”, S.E.F.R. <sup>13</sup>

**Mid North Coast** – ‘A report on forestry operations in The Lower North East Forest Agreement Region of New South Wales’, Nativesrule, Citizen Action Group

**North Coast** – ‘Audit of Compliance of Forestry Operations in the Upper North East NSW Forest Agreement Region’, Dailan Pugh for the North East Forest Alliance, January 2011

Increasingly the media have been compelled to report:

Koala Colony to be logged <http://www.smh.com.au/environment/conservation/logging-plan-poses-threat-to-precious-koala-colony-20100124-msm7.html>

State forest breaches taken to parliament of NSW  
<http://www.parliament.nsw.gov.au/prod/PARLMENT/hansArt.nsf/V3Key/LC19951018025>

Kyogle northern NSW <http://abc.gov.au/news/stories/2010/01/14/2792254.htm?site=southeastsa>

Illegal logging in Riverina <http://www.theaustralian.com.au/news/state-accused-of-logging-wetlands/story-e6frg6o6-1111117634415>

General breaches everywhere <http://www.wilderness.org.au/campaigns/forests/greenpolice>

## **Destruction of the potential of NSW’s Carbon Sink: FNSW False Carbon Accounting**

**Forest Biomass and Carbon Pool** – Instead of reporting as required, on CO<sub>2</sub> storage by forest type, age class, and successional stages, FNSW is falsely reports its contribution to the state’s carbon emissions, neglecting to take into account emissions created by native forest logging. This misleading accounting is delivered to the community and government based on statistics from plantations alone.<sup>14</sup> Actively destroying the more valuable components of the state’s carbon sink - the older growth native and regrowth forests – are being actively destroyed. Huge emissions result from transporting heavy product from one end of the state to the other. Regional resource destruction means more need for resource transportation. FNSW can be charged with contributing to climate change impact when it should be doing all it can to mitigate it. Meanwhile the full potential of more mature forests to sequester carbon is being lost. Recent Climate Commission findings confirm this.<sup>15</sup>

*‘Although a fast-growing, mono-culture plantation forest may have a rapid rate of carbon uptake for the years of vigorous growth, it will store less carbon in the long term than an old growth forest or a secondary regrowth forest on the same site.... 2. Natural ecosystems tend to maximise carbon storage, that is, they store more carbon than the ecosystems that replace them after they are converted or actively managed for production. An observational study of temperate moist forests in southeast Australia identified the world’s most carbon dense forest and developed a framework for identifying the forests that are the most important for carbon storage....Recognition of the need to protect primary forests has helped to catalyse formulation of the REDD (Reduction of Emissions from Deforestation and forest Degradation) agenda item under the UNFCCC negotiations (<http://unfccc.int/methodsandscience/lulucf/items/4123.php> ).’*

## **Sabotage of potential outcomes from natural resources expenditure state wide**

**Catchment Management Expenditure** - The NSW state government has boasted of allocating \$380 million for Catchment Management Authorities and Crown Lands. <sup>16</sup> It neglected to mention that at least and probably more than 25% (probably more) of this funding (along with the concomitant effort of affiliated

<sup>13</sup> Ibid.

<sup>14</sup> FNSW media release 25<sup>th</sup> October 2011 – Appendix 4

<sup>15</sup> Extract: The Climate Commission *The Critical Decade Climate Science, Risks and Responses*, Section 3.3, p.58, © Commonwealth of Australia (Department of Climate Change and Energy Efficiency) 2011

<sup>16</sup> NSW Treasury Budget Papers

community organisations and countless volunteers across NSW) will be rendered void by the (immediate and delayed) impacts on catchments from industrialised logging practices, i.e. loss of water resource from evaporation of unmapped drainage lines in upper catchments, stream bank erosion and siltation due to the exposure of slopes of 30 degrees and other forest floors to bare earth, with loss of huge areas of native ground and understorey vegetation from machine damage. And this, despite the supposed priority given to the retention of native vegetation diversity in catchments.

The Audit of Forestry Operations in the Upper North East RFA area found “*that Forests NSW routinely breach prescriptions intended to protect water quality and fish habitat, most notably failing to adequately protect unmapped drainage lines, wetlands and drainage depressions, dropping trees into stream buffers, poorly constructing and failing to rehabilitate stream crossings, failing to establish adequate drainage on tracks and roads...Forests NSW are ignoring the requirement to remap and appropriately rezone streams delineated as FMZ 8 areas when preparing harvesting plans and are often logging them. It is of particular concern that Forests NSW refuse to turn on Environmental Protection Licences (EPLs) in over 90% of logged compartments in order to avoid external regulation. Their agenda is to be allowed to log unmapped drainage lines. Breaches are documented of the IFOA (s. 6, 8, 9) EPL (App4 s. 6, 15, 17, 19B, 20, 20C, 20J, 20R, 20S, 20T, 21, 22, 23, 30, 45, 46, 50, 51, 52, 53, 54, 56, 70, and App5 s. 37), FL (s. 7, 7.1, 7.2, 7.4, 7.5, 7.8, 7.9, 8.4), Harvesting Plan (s. 7.1), UNEFA (s. 2.2.2), –Forest Management Zoning in State Forests, and AFS (s. 4.1.4, 4.6.2, 4.6.4).*”<sup>17</sup>

### **Irreparable weed damage: FNSW operations sabotage *The NSW Invasive Species Plan***

FNSW is jeopardizing the effectiveness of the over \$55 million dollars of tax and rate-payer investment in weed control. \$11 million pledged to one state agency for weed control while another agency in the same Primary Industries portfolio sabotages its efforts. Despite Forestry and Invasive Species co-existing under the Department Primary Industries, FNSW practices directly contradict the objectives of the comprehensive plan formulated to address the state side weed crisis. FNSW is currently abetting weed invasion on a scale never before seen. This is happening as a consequence of industrialised logging methods, and FNSW are doing this, they say, deliberately. They maintain that vast areas of the NSW forest estate need to be exposed to bare earth to promote Blackbutt regeneration. The straightforward message of the *NSW No Space for Weeds Campaign* is that you **do not** leave ground bare; this will permit germination of any available weed seeds. Numerous written statements by FNSW purporting to justify this denudation explain that Blackbutt requires bare earth and its needs are being supplied (ignoring the over-riding need also for preservation of the biodiversity of ecosystems). Lantana and Camphor Laurel infestation, respectively a weed of national significance and one now identified as a biological pollutant of aquatic ecosystems. along with countless other invasive species, are being introduced ever deeper into the landscape by highly industrialised logging machinery working in proximity to infestations on cleared rural land. More critically it is damage that can never be undone. To clean up what FNSW are currently doing in terms of the promotion of weed invasion would consume more than the entire NSW NRM budget.

*‘Meanwhile the only indicator that NSW Forests uses in its sustainability reports for weed management is expenditure on weed control. They provide no information about the status of weed invasions and effectiveness of management. However, even the financial indicator suggests that NSW Forests assigns low priority to weed management. NSW Forests reported spending just \$1.1 million on weed management over 2.4 million hectares of forest in 2009-10, an average of \$0.46/ha. This is less than 20% of the estimated \$2.37/ha spent by NPWS for national parks. Weed management reporting by NSW Forests also compares unfavourably with that of NPWS, which has published status reports on its weed and pest management program in national parks. NSW Forests’ expenditure on weed management is 15% less than it was a decade ago.’*<sup>18</sup>

**Bell Miner Associated Dieback (BMAD) – this form of dieback** is recognised as a threat to thousands of hectares of forests in the Upper North East RFA region. As such it has been listed as a Key Threatening Process (KTP) and affects timber and water yields, as well as many plants and animals. It is associated with the invasion of forest understoreys by the weed Lantana (another KTP) and *Cissus antarcticus* following logging. 870,000 ha in NSW are currently impacted by dieback. The majority of this is Bell Miner

<sup>17</sup> ‘Audit of Compliance of Forestry Operations in the Upper North East NSW Forest Agreement Region’, Dailan Pugh for the North East Forest Alliance, January 2011

<sup>18</sup> **Statutory Review of the Noxious Weeds Act 1993**, Submission by: Invasive Species Council, Nature Conservation Council of NSW, The Wilderness Society, National Parks Association of NSW, Total Environment Centre, North Coast Environment Council Inc., Blue Mountains Conservation Society, Colong Foundation for Wilderness

Associated dieback. FNSW are a partner in Bell Miner Dieback studies and programmes yet their forestry practices are indisputably the major cause of the problem. Independent scientific modelling indicates more than 2.2 million ha moist NSW coastal forest at risk of BMAD. There is now governmental and scientific consensus that dense weed understorey caused by logging, (understorey thickening) as a result of canopy removal, is the cause of BMAD. It so happens that the susceptible eucalypts are the widespread species Flooded Gum, Grey Gum, Ironbark, White Gum, all very productive sought after timbers.

Bell Miner dieback is most common and relevant in the most productive of forests which house these Eucalypt species. Logging causes Lantana invasion which causes BMAD.

**With BMAD NSW Forest Resources – not just their wildlife – are at risk of EXTINCTION NOW.**

**Biodiversity Impact:** The region's ecologists, (whether independent and some affiliated with FNSW), will attest (publically in the case of the former and only privately the latter), that FNSW operations as practised are quite likely to lead to local, if not more far reaching extinctions. Geoff Williams OAM, Research Associate, Australian Museum explains that this form of logging 'imposes a significant adverse impact on the ability of ecologically-specialized fauna (e.g., those with specialized host/food plant relationships, narrow habitat niches, flightless ground fauna with limited dispersal capabilities etc.) to persist in, or recolonise sites. They are usually replaced by generalist species that have wide habitat and ecological tolerances and readily disperse over greater distances.' And concludes that 'an extended forest regrowth cycle and the consequent formation of new ecological niches and an increase in floristic composition in older regrowth forests may allow occupation by some specialized fauna. This is dependent on the existence of populations in adjacent areas or viable residual populations. Some species however may become locally-extinct.'

FNSW is sabotaging the entire NSW budget on biodiversity protection. It is the success of measures aimed at implementing threatened species and endangered ecological system recovery. Industrialized logging is taking place regardless of the presence of threatened species. FNSW has even made incursions into endangered ecological communities. To behave this recklessly is to be complicit in the insanity that has already brought us to the 6<sup>th</sup> Greatest Extinction Crisis of this Planet. <sup>19</sup>

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<sup>19</sup> Kingsford et al "Major Conservation Policy Issues for Biodiversity in Oceania" (2009) 23; 4 Conservation Biology 834.