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From: [REDACTED]
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To: EPA RSD Forestry Strategic Regulation and Reform Mailbox
Subject: Submission to the review of the NSW Regional Forest Agreements
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Mr Ewan Waller
Independent Reviewer

Dear Mr Waller,

Thank you for the opportunity to comment on the combined second and third review of the operations of the NSW Regional Forest Agreements (RFAs).

My submission (below) is mostly in reference to the performance of the RFAs, their purpose and whether they should be renewed.

Yours faithfully,
Chris Maltby

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Introduction

At the outset it is important to note that Forestry NSW annually makes substantial financial losses from its operations in native forests as covered by these RFAs. The scale of these losses is very difficult to determine from the published annual reports (perhaps deliberately), but have been [assessed](#) to be around \$80m over the seven years to 2016. The native forest operations are cross-subsidised by the more profitable plantation forestry, mostly softwood.

Since the inception of these RFAs from 1999 the climate has changed dramatically for forests and forest industries both metaphorically and literally. RFAs were introduced as a political solution to the strident protest against the annual renewal of quotas for the export of native forest woodchips. There was a stable market for the chips and for paper made from them, and the agreements could (in theory) ensure supply of the raw material at an acceptable price. There was little public concern about greenhouse gas emissions, little awareness of the greenhouse emissions associated with clearing forested land, and no associated financial incentives to preserve carbon sinks in old growth forests or forests which had been selectively logged prior to extensive mechanisation and allowed to regenerate.

All of these factors have changed over the twenty year period of the RFAs.

There is a rapidly declining market for paper sourced from forests not certified as genuinely sustainable. Awareness and concern about carbon emissions and global temperature increases is at the forefront of public debate. There are a variety of financial incentives for the abatement of carbon emissions, and these are likely to increase in the short to medium term.

The protection of threatened species and biodiversity was then the principle environmental concern and this concern has intensified as a result of global temperature increases as well as ongoing clear-fell forestry operations, many of them poorly managed.

The Report

Inadequacy of report data

The NSW Environment Protection Authority's (EPA) Report on the second and third 5 yearly Review of the implementation of the three NSW RFAs covers the period July 2004 – June 2014. It represents a compilation of data on logging regimes and associated issues and the extent to which various targets have been met. It does not include any comment on alternatives to native forest logging as ways to achieve either the objectives of the RFAs or any change in policy affecting those objectives.

Further, the review's progress report frequently addresses indicators without providing any data. For example, no spatial data is provided to assess the change in forest growth stage over the life of the RFAs, no data is provided to assess the proportion of each forest ecosystem protected or impacts on species and no data is provided on the value of forest-based services.

The progress report for the RFA review fails to provide any data to support the assertions that logging is conforming to environmentally sustainable forest management. It ignores the plentiful evidence that forest wildlife is in decline, or the loss of carbon stores and water supplies. As at the inception of the RFAs, the majority of people still support protecting forests, but this is another omission.

As it is, the NSW Regional Forest Agreements Implementation Report 2004–2014 actually provides an overwhelming case for transition out of native forest logging to plantations. Plantations were not part of the first RFAs because of their original political purpose, and yet perhaps 70% of the Implementation Report is about plantations, including virtually all of the positive material.

During the 10 years of the Environment Protection Authority's review (2004-2014) period, they report over 4,000 non-compliances with Environment Protection and Threatened Species Legislation. This is likely to be a significant underestimate due to the limited capacity of the EPA to conduct audits or other compliance reviews. Indeed, the EPA has conducted only 187 audits for approximately 5,000 to 6,000 logging operations.

Threatened species

The report's treatment of threatened species is sloppy. For example, those missing for the Eden RFA area from lists in Table 67: Threatened species list – fauna (p. 295), include the Glossy black cockatoo, Barking owl, Olive whistler, Yellow-bellied Glider, Squirrel glider, Pink robin and White-footed Dunnart. It's hard to have much confidence in any findings relating to species loss or protection.

The number of threatened forest species has continued to rise during the RFAs, with iconic species like koalas and gliders now either absent or experiencing population crashes in many parts of NSW. Logging is identified as a key threat to many forest species, often because of the huge impact industrial logging has on key habitat features like hollow-bearing trees. It is inevitable that logging kills forest animals and is therefore an important animal welfare issue.

The State Forests are exempt from the provisions of the Environment Protection and Biodiversity Conservation Act. Given that it takes 100 to 200 years for habitat hollows to form in trees, the term 'sustainable logging' has contradictory connotations.

Climate change and carbon loss

Climate change was not adequately considered as part of the RFAs, but is now the largest social, economic and environmental challenge we face. It is reckless to continue logging when we know it reduces carbon stores of forests.

Carbon sequestration is considered in Criterion 5 Maintenance of forest contribution to global carbon cycles where they initially give national data then combined native forest and plantation data for NSW showing 4.2 megatonnes sequestered in the year ended 30 June 2014 - FC data. The EPA's following statement is almost fraudulent in its treatment of the issue: "*Sustainably managed forests play an important role in mitigating climate change by taking carbon out of the atmosphere and storing it as wood. Forests also produce timber, a natural and renewable resource that itself stores carbon for the life of wood products. Taking into account the energy required to transform raw materials into building products, timber has a smaller carbon footprint than concrete and steel, other popular building materials.*"

The statement makes no mention at all of massive carbon release through industrial clearfell logging; nor are comparison with alternative building products relevant when over 90% of the Eden and Southern forest log output is in the form of woodchips, which is definitely not a building material.

To make matters worse, it has even been proposed that surplus woodchips could be burned to generate "renewable" energy. Despite the loss of sequestered carbon, and the other emissions associated with logging, transport etc, this would amount to an even lower economic value for this timber than for paper making.

In the short to medium term, ending logging in the forests of the southern forest region would result in between 1.2 and 1.5 million tonnes of avoided emissions per year. According to the Australia Institute, at a conservative price for carbon of \$10 per tonne, there is the potential for these public forests of South East NSW to earn about \$20 million per annum as compared to the substantial financial losses presently be incurred by the present native forest logging operations.

Financial and other mismanagement

In addition to the ongoing financial losses mentioned above, I understand that Forestry Corporation has paid millions of dollars to a multi-national corporation to buy-back non-existent timber because it managed to over-estimate timber volumes. These are public funds that should be put to a better purpose. This is one of a series of subsidies that the logging industry receives.

Less than 10% of logs are milled for sawlogs. More than 90% of native trees logged in these regions goes to the chipmill and are exported to Asia at a substantial loss to taxpayers, and at the expense of the environment and iconic species. This can only be seen as wilful mismanagement of the timber resource - which is still touted as "sawlog driven" by Forestry Corporation and its backers.

Further, besides the value from carbon abatement, the native forest areas are an asset that can be used to generate economic activity and revenue for the NSW and Federal governments from tourism and related services. The protection and restoration of riparian flows due to a cessation or reduction in clear-fell logging are also a significant ecological and financial benefit for downstream rural and community uses.

The value of carbon, water and tourism from forests is already much greater than timber, and that protected areas are important for the economy. The Government must assess these trade-offs as part of a genuine review.

Social impacts

The industrial scale logging for woodchips in South East NSW is a long-term contested practice which disrespects Aboriginal culture and continues to incite social discord and it's associate financial and other costs. As a measure to disperse the political costs associated with this kind of logging, the RFAs are a manifest failure.

In relation to the contribution of native forest logging to employment, when combined, Agriculture, Forestry and Fishing is still only the 9th largest employer in the South East region. Forestry jobs are a small and shrinking

proportion of that total. Only some 30 to 40 people are employed at the Eden chipmill and fewer than 100 in total forestry operations. It is not difficult to imagine that the boost to tourism, agriculture etc would generate employment at this level or more.

The logging industry has become one of the most mechanised and remains the most dangerous for workers. The number of direct jobs in the industry has steadily declined and is estimated as fewer than 400 across all of NSW. It would be a better deal for the taxpayer to provide each logging worker with as much retraining and meet whatever relocation expenses they may have than to continue to subsidise this industry at the rate it presently does. Existing mature plantations can fully provide our domestic and export timber needs.

Conclusion

Given the manifest flaws in the report from the 2nd and 3rd five-yearly review of the NSW RFAs, and the unlikelihood that these can be addressed readily, I would recommend that you do not place much reliance on the report in your report.

I would strongly recommend that your report should give substantial weight to the seismic shifts in the forest industry and the environment in which it now finds itself. An impartial analysis of this policy and economic landscape will be vital to making informed and rational decisions about the future of the RFAs and forestry in general in NSW.

I strongly believe that this analysis can only result in the conclusion that the RFAs not be renewed and that industrial logging of the remaining native forest should cease.
