



**TIMBER NSW**

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Dear Mr Luxton,

**NATIVE FORESTRY IS AN ESSENTIAL PART OF THE CLARENCE VALLEY REGION**

We refer to your letter of 17 July 2023 to Timber NSW, sent in accordance with Council resolution (item 07.23.092 – 27 June 2023), seeking feedback on the *Call to Phase out Native Forest Logging on Public Land* report (the Report).

Since 1906 Timber NSW has been the representative organisation of the timber and forest products industry in NSW. Together, Timber NSW's members utilise over two thirds of the native hardwood and cypress timber produced on State Forest and private property within NSW. The production and manufacturing activities of our members generate economic activity valued at \$2.9B and support a diverse range of jobs in rural, regional and metropolitan NSW.

Together, government, industry and citizens must develop a shared vision for the management of the forests of NSW. Our mission is to work with our members, stakeholders and the broader industry to build an economically, environmentally and socially sustainable timber industry in NSW.

The Clarence Valley Regional Economic Development Strategy states that Forestry, Logging, Sawmilling and Wood Product Manufacturing are among the significant sub-industry specialisations that form the '*Engines of Growth*' in the region. Our submission confirms the vital role the timber industry plays in the Clarence Valley region. With more than 600 direct jobs in the Clarence Valley, any move to close operations will impact on the LGA. It also provides detailed scientific and economic feedback on the Report and its recommendation.

As a matter of priority, we urge the Clarence Valley Council to act on the numerous recommendations in this submission and to provide our industry with the support it deserves as a major contributor to the Clarence Valley community for hundreds of years.

We consent to this submission being made public and expect Council will make all submissions publicly available.

Yours faithfully,

Maree McCaskill  
Chief Executive Officer

**Timber NSW**

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**INDEX**

- 1. Executive Summary page 3**
- 2. Council's Biodiversity Advisory Committee Falls Short of Council Charter page 4**
- 3. Responding to the BAC Report: Addressing the Officer's Recommendations page 5**
  - 3.1 The Role of Forestry in the Clarence Valley Regional Economic Development Strategy 2018-2022 (+ 2023 Update) page 5**
  - 3.2 The Value of Forestry in Three Important Contexts page 7**
    - 3.2.1 The Regional Context: North Coast Hardwood Timber Production Facts page 7**
    - 3.2.2 The NSW Context: Economic Contribution Study of the NSW hardwood timber industry page 9**
    - 3.2.3 The National Context: Nation-Building Timber page 11**
  - 3.3 Specific Responses & Refutations to the BAC Report page 14**
- 4 Conclusions & Recommendations page 32**
- 5 List of Attachments page 34**

## 1. EXECUTIVE SUMMARY

Native forestry and the timber industry are at the heart of the Clarence Valley. Council's own *Regional Economic Development Plan 2018-22 and 2023 Update* acknowledge that native forestry and the timber industry are among the leading engines of growth in the region.

Our members and the Clarence Valley community have been the custodians of the forests across generations. There is in the local community a rich store of generational knowledge and forestry experience and a commitment to providing for the future.

The Clarence Valley cannot afford – socially, environmentally or economically - to lose an industry at the heart of its community. Regrettably, we watch as our colleagues in WA and Victoria suffer the catastrophic implications of a ban on native forestry. **The Clarence Valley community will not let this happen in NSW.**

Timber NSW and its members want to make both the implications of a ban and the huge opportunities in supporting native forestry very clear to Council. We reject the recommendation in the Biodiversity Advisory Committee's (BAC) Report in its entirety. It is based on a lack of consultation and a lack of scientific evidence. It fails to consider the full implications of a ban and it fails to take into account the Council's own Regional Economic Development Plan.

In our view the BAC has failed to live up to the standards set out in the Council Charter. Looking forward, we want to ensure that our industry has close, constructive relations with Council based on good faith, due process and timely consultation. We therefore propose:

- **SEPTEMBER 2023 SITE TOUR:** All Clarence Valley Councillors to attend a site tour of local timber industry operations, to be organised by Timber NSW in September 2023.
- **ESTABLISH NEW COUNCIL ADVISORY COMMITTEE:** Clarence Valley Council to establish an *Agriculture, Forestry and Fishing Advisory Committee* at its October 2023 meeting.
- **REVIEW COUNCIL ADVISORY COMMITTEE PROCESSES & OVERSIGHT:** Clarence Valley Council to review BAC and other committee processes and report back to the community.
- **WORK COLLABORATIVELY WITH STATE & FEDERAL COUNTERPARTS:** We ask Clarence Valley Council to work collaboratively with us in support of an environmentally, economically and socially sustainable timber industry in NSW.

## 2. COUNCIL'S BIODIVERSITY ADVISORY COMMITTEE FALLS SHORT OF COUNCIL CHARTER

In seeking to move this motion at Council the Biodiversity Advisory Committee (BAC) has failed to meet the standards of the Council's Charter on multiple fronts, as below.

The Council must ensure that there is due oversight of its Committees. We question the apparent lack of input by other relevant Council committees (Economic Development & Tourism Advisory Committee, Community & Cultural Advisory Committee, Climate Change Advisory Committee) into this Report and on the issue of native forestry in the region.

**We ask the Council to investigate the actions and processes of the BAC regarding this proposed motion and report back to the community at the October Council meeting.**

**We also ask the Council, going forward, to undertake the widespread scientific, industry and community consultation on this issue that has been sorely lacking to date and which is necessary to combat years of deliberate misinformation in relation to native forestry.**

**We ask the elected representatives on the Clarence Valley Council to listen to the voices of their community and to act in good faith and in the interests of the community it serves.**

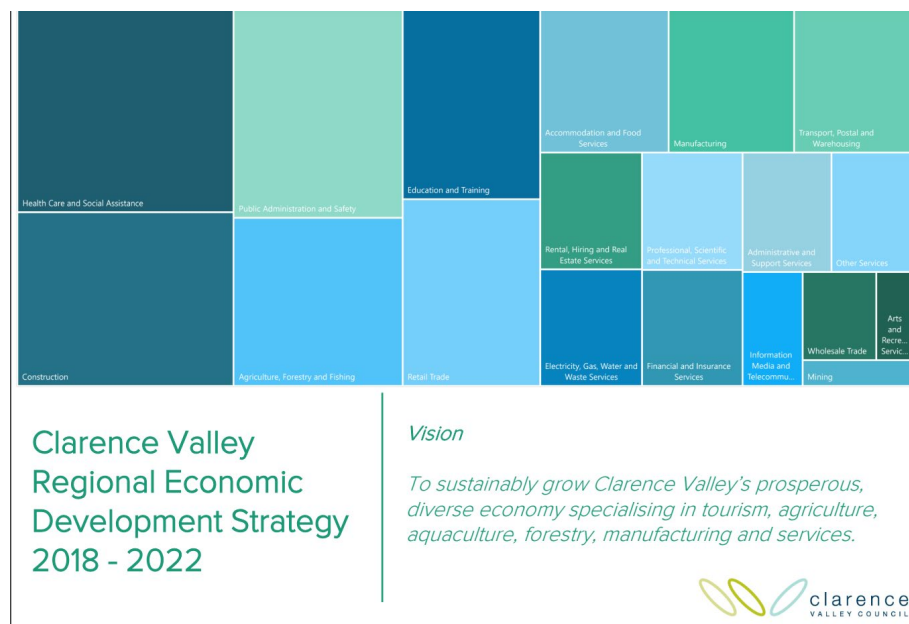
<a href="#">CLARENCE VALLEY COUNCIL CHARTER</a>	ITEM 07.23.092 CALL TO PHASE OUT NATIVE FOREST LOGGING ON PUBLIC LAND (MOTION FROM BAC)
<ul style="list-style-type: none"> <li>• To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed effectively and efficiently.</li> </ul>	Inadequate community consultation.
<ul style="list-style-type: none"> <li>• To exercise community leadership.</li> </ul>	Motion represents a failure of community leadership in favour of promoting vested interests.
<ul style="list-style-type: none"> <li>• To exercise its functions with due regard for the cultural and linguistic diversity of its community.</li> </ul>	
<ul style="list-style-type: none"> <li>• To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development.</li> </ul>	Failure to promote science-based, sustainable native forestry, as an identified engine of growth for the region.
<ul style="list-style-type: none"> <li>• To have regard to the long term and cumulative effects of its decisions.</li> </ul>	Failure to have regard to the long term effects and implications of this motion on a wide range of stakeholders.
<ul style="list-style-type: none"> <li>• To bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible.</li> </ul>	Failure to recognise that native forests are public assets with many stakeholders.
<ul style="list-style-type: none"> <li>• To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government.</li> </ul>	Failure to involve the timber industry, allied business, residents, employees in major proposed changes.
<ul style="list-style-type: none"> <li>• To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants.</li> </ul>	
<ul style="list-style-type: none"> <li>• To keep the local community and State government (and, through it, the wider community) informed about its activities.</li> </ul>	Failure to act in good faith to inform community about its proposed motion.
<ul style="list-style-type: none"> <li>• To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected.</li> </ul>	BAC motion is supported by one-sided scientific sources and developed without due consultation.
<ul style="list-style-type: none"> <li>• To be a responsible employer.</li> </ul>	

### 3. RESPONDING TO THE BAC REPORT: ADDRESSING THE OFFICER’S RECOMMENDATIONS

We object to the Report’s recommendation on numerous fronts. The first is that it stands in direct opposition to Council’s own clearly expressed strategic commitments.

#### 3.1 THE ROLE OF FORESTRY IN THE CLARENCE VALLEY REGIONAL ECONOMIC DEVELOPMENT STRATEGY 2018-2022 (+ 2023 UPDATE)

The BAC Officer’s recommendations appear to overlook the central role that forestry plays in the [Clarence Valley Regional Economic Development Strategy](#) and the regional vision it clearly sets out below.



The Preface of the Strategy describes it as ‘the first stage of a process that will assist those with an interest in the economic development of the Region, particularly councils, communities and local businesses, in planning their future economic activities. It provides a vehicle for engaging the community in a ‘conversation’ about regional needs and priorities, assists in bringing together key stakeholders and mobilising resources’.

The Strategy details a plan to further expand the ‘Engines of Growth....tourism, horticulture (blueberries, macadamias & sugar cane), aquaculture, forestry, marine manufacturing and logistics’, as well as growing the population of the region. Forestry is included as one of the ‘leading export industries’.

The combined sectors of Agriculture, Forestry and Fishing are clearly shown to be the region’s biggest business income generators and designated as ‘specialised, employment growth industries’. Notably, they are the only such industry grouping. The plan notes that ‘significant sub-industry specialisations include: 2. Forestry, Logging, Sawmilling and Wood Product Manufacturing.’

The [Clarence Valley Regional Economic Development Strategy – 2023 Update \(February 2023\)](#) seeks to ‘Foster innovation in ‘engines of growth’ for the region including agriculture, forestry and marine manufacturing industries’. It specifies:

“In addition to the core strategies articulated in the 2018 REDS, the 2020 Clarence Valley Bushfire Impact Addendum outlined a series of 18 additional short, medium, and long-term priorities focused on:

- *Recovery - overcoming direct and indirect damage sustained by the agriculture, forestry and tourism sectors.*
- *Resilience – Improving community and infrastructure resilience to future natural disasters and supporting new industry development to diversify local economy and strengthen workforce capacity.” (page 10)*

*“With the frequency and intensity of natural disasters anticipated to increase, there is a need to enhance environmental and economic resilience in the region. A key focus is needed on building community resilience alongside that of physical infrastructure, as part of achieving sustainable growth for the region.” (page 15)*

#### **Engine industries**

**Agriculture** (LQ of 4.15) is the region’s most significant specialisation, generating \$216 million in GVA to the local economy in 2020, having grown on average by 4.5% per year since 2011, despite significant impacts from flood, drought and bushfires. This specialisation is broad based, with fishing, hunting and trapping (LQ of 21), aquaculture (LQ of 18.4) and forestry and logging (LQ of 17.5) representing significant subsectors.

(page 24)

The 2023 Update notes that *‘The forestry sector in particular was significantly impacted by the 2019-2020 bushfires, with 81% of forestry land impacted and major damage done to a range of key infrastructure’.*

It concludes that *‘a continued focus on supporting the forestry industry’s recovery from the long-term impacts of the bushfires and securing ongoing supply will help ensure the sector and related manufacturing industries can continue to be significant contributors to the regional economy.’ (page 28)*

In light of the challenging fires and floods of recent years, the 2023 Update states that: *“Regional stakeholders noted that many of the 2018 strategies remained relevant to the Clarence Valley region but expressed a strong desire to update the strategies to reflect the current economic context faced by the region. Changes to the strategies have been made to...create a focus on fostering innovation in agriculture, forestry and manufacturing...”*

**In light of the above, Timber NSW objects to the Report’s recommendation in the strongest possible terms. The proposed motion is completely inconsistent with the Council’s identified strategic objectives.**

**Together, Council and the timber industry must ensure that the identified strategic objectives relating to forestry in the Clarence Valley Regional Economic Development Strategy and its 2023 Update are duly actioned. Therefore, Timber NSW seeks the establishment of an *Agriculture, Forestry and Fishing Advisory Committee* dedicated to the region’s ‘Engines of Growth’ at the Council’s October 2023 meeting.**

**Timber NSW and its Clarence Valley members look forward to advising and working with Council on this new Committee to realise the acknowledged promise of forestry in the Clarence Valley Region.**

### 3.2 THE VALUE OF FORESTRY IN THREE IMPORTANT CONTEXTS

We note that it is with the support of the NSW Government that the Clarence Valley Council has undertaken strategic planning that clearly identifies forestry as one of the ‘engines of growth’ in the region. The NSW Government clearly factors in the wider contribution the timber industry makes to the state.

**However, we believe that the BAC has completely overlooked the wider implications of its proposed motion: for the timber industry, for the sectors it supplies across Australia and for the NSW and Australian economies.**

In this section, we remind the Clarence Valley Council of the scope, scale and value of the timber industry – and native forestry in particular – to the Clarence Valley region. We also provide a clear evidence base showing the wider context and the value of the timber industry within NSW and Australia.

**Finally, we set out our policy priorities to guide how we work with our colleagues across all three levels of government in Australia.**

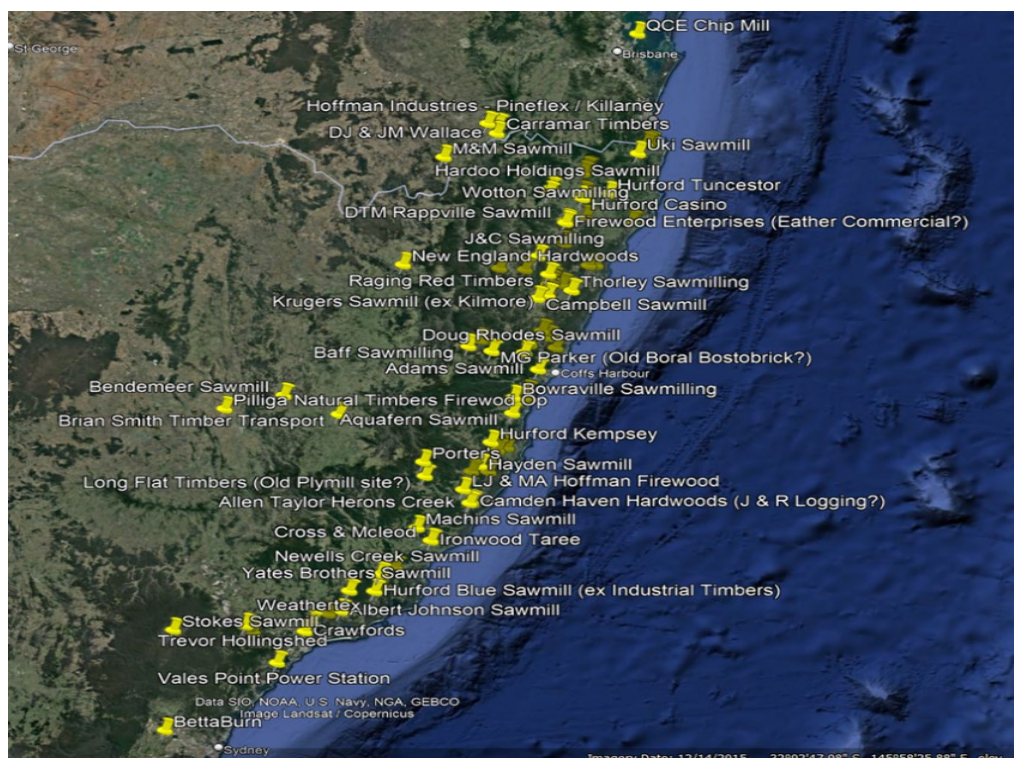
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#### 3.2.1 THE REGIONAL CONTEXT: North Coast Hardwood Timber Production Facts

As Council knows, the Clarence Valley region is the engine room of the NSW North Coast’s timber industry.

We **attach** to this submission a Background Briefing document prepared by Timber NSW entitled *North Coast Hardwood Timber Production Facts*. (Attachment 1)

The Background Briefing makes clear that the hardwood species are unique and highly valuable, with 73 per cent of North Coast Hardwood producing sawlogs across 100 different milling sites on the NSW North Coast (see map).



**This timber is sought after for its unique characteristics. It is not a commodity and cannot be replaced by imported timber. From power poles to bridge girders, from structural sawlogs and parquetry to plywood and decorative flooring, from pulp logs to firewood, the North Coast timber industry harvests, hauls, processes, manufactures and supplies the rest of the country with a full range of nation-building hardwood products.**

This Background Briefing also delineates North Coast working forests by ownership and forest type:

OWNERSHIP		FOREST TYPE		TOTAL	IMPLICATION
		Native	85%	60% (i.e. 85% of 70%)	<b>BAN</b>
PUBLIC	70%	Plantation	15%	10%	LEAVE
PRIVATE	30%	Native	90%	27%	<b>DE FACTO BAN</b>
		Plantation	10%	3%	LEAVE
<b>TOTAL</b>	<b>100%</b>			<b>100%</b>	<b>LEAVE = 13%</b>

**The BAC proposal effectively proposes to ban 60 per cent (i.e. 85% of 70%) of forestry in the North Coast region.**

It is also worth noting that if Council adopts the BAC’S current arguments, there is no reason to believe the Council will continue to support private native forestry (PNF) in the region. **One could expect that the BAC would also seek to ban any remaining (private) native forestry in the region in due course.**

We point out elsewhere in this submission how completely unrealistic the proposed transition to hardwood plantation forestry is.

**Therefore, the implication of the BAC’s proposed motion is the *additional closure* of a further 27 per cent (i.e. 90 per cent of 30 per cent) of private native forestry in the region, leaving just 13.5 per cent of current hardwood forestry operations.**



### 3.2.2 THE NSW CONTEXT: Economic Contribution Study of the NSW hardwood timber industry

It is important to understand the contribution of the hardwood timber industry to the state of New South Wales as a whole. We **attach** a February 2023 study conducted by Ernst & Young which details the economic contribution of the NSW hardwood timber industry. (Attachment 2)

Overall, the EY Study estimates that through direct and indirect effects the NSW hardwood timber industry contributes to the NSW economy:

- **Gross Revenue:** \$2.9 billion
- **Gross Value Add:** \$1.1 billion
- **Employment:** 8,900 FTE positions.

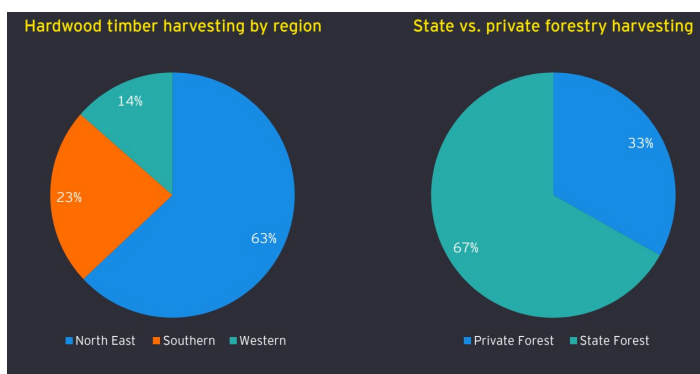
The EY Study also looks at the economic contributions by region, breaking down the NSW hardwood timber industry into North East, Southern, Greater Sydney and Western regions, as below.

**The estimated economic impact of the NSW hardwood timber industry by region**

NSW Region	Gross Revenue (\$ million)	Gross Value Add (\$ million)	Employment (FTE)
North East	\$1,840	\$700	5,700
Southern	\$720	\$270	2,230
Western	\$260	\$100	820
Greater Sydney	\$80	\$30	240

Based on the above, the North East NSW region is estimated to hold the largest regional hardwood timber industry, contributing an estimated \$1.8 billion in gross revenue to the NSW economy. It is also estimated to be the largest employer, more than double the next largest region.

As these pie charts show, the North East region of NSW produces the vast majority of hardwood timber in NSW, two thirds of which are harvested from NSW State Forests.

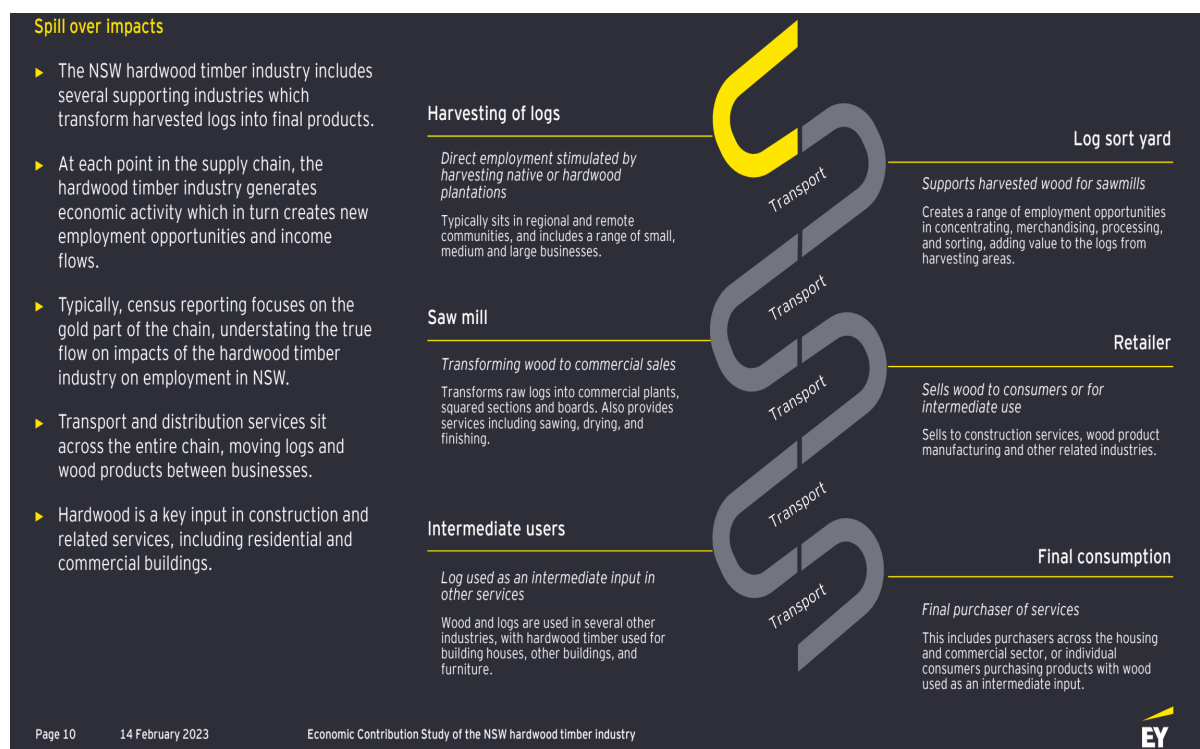


The EY Study explains that the hardwood timber industry provides upstream jobs to those in regional and remote NSW, as well as downstream job opportunities in regional towns and metropolitan centres.

It notes that:

*“For NSW, the hardwood timber industry provides a key source of income, economic activity and employment opportunities in some remote and regional communities, reflecting the location of native forests and plantations. The industry’s economic impact flows beyond direct harvesting activities, supplying and servicing several downstream sectors, including construction, transport and manufacturing.”*

The EY Study specifies the supporting industries which transform harvested logs into final products:



The EY Study shows that more than two-thirds of the Gross Revenue (77 per cent), Gross Value Add (68 per cent) and Employment (76 per cent) in the hardwood timber industry are driven by economic activity in the *timber processing industries* i.e. sawmilling and other wood product manufacturing.

**These timber processing business are the members of Timber NSW. They are the very same ‘engines of growth’ identified in the Council’s Regional Economic Development Strategy 2018 -2022 and 2023 Update. These are the businesses that have written letters to Council, supporting native forestry in the Clarence Valley LGA and endorsing this Timber NSW submission.**

### **3.2.3 THE NATIONAL CONTEXT: NATION BUILDING TIMBER**

In recent years Australia has been tested by catastrophic bushfires and a global pandemic that has weakened supply chain resilience and created a global timber shortage. Across all three levels of government, Australia requires 21st century policy settings which take a holistic perspective of land management to deliver economic, social and environmental opportunities.

The timber industry has important new roles to play in the 21st century. But it remains at the heart of our communities. For more than 100 years, Timber NSW has represented the timber and forest products industry in this state. Our members work shoulder to shoulder with the state-owned Forestry Corporation of NSW and private forest owners to meet the growing demand for our hardwoods and softwoods.

Each year every man, woman and child in Australia consumes the equivalent of one cubic metre of timber. When we build our homes, renovate our kitchens and fit-out our offices, we rely on timber. For key infrastructure like wharves, bridges, railway sleepers and telegraph poles, we rely on timber.

**Australia has a growing balance of trade deficit in forest products (currently more than \$4 billion annually) as local demand for timber and wood products is increasing. Australia's timber shortage is adding considerable cost of living pressures and driving up the cost of construction projects around the country.**

The timber and forest products industry in New South Wales is an important component of other industry sectors in Australia. In particular, the timber industry underpins vitally important supply and demand relationships with the Australian design, manufacturing, construction and property sectors:

- 75% of sawn timber produced is used in residential construction.
- 20% of timber consumed in Australia is used by the furniture industry
- 5% of timber usage is by the kitchen sector alone.

**Stable, affordable housing is critical to economic security, physical and mental wellbeing, and facilitates access to jobs and services. Consequently, housing is essential to support rising living standards, but this will be a significant challenge.**

**Australia has a once in a generation opportunity to meet the demand for building supplies through timber industry reform. The Clarence Valley region is home to three of NSW's most innovative hardwood timber manufacturing plants: the Big River Group, Marshall Notaras Hardwoods and Koppers. These enterprises all rely on hardwood timber harvested from State forests in northern NSW.**

#### **Regional & Indigenous Employment Opportunities**

The COVID-19 pandemic has highlighted the need to improve the resilience of regional communities to major shocks and stresses related to market dynamics, supply-chain disruptions and natural disasters.

Timber that is not produced in Australia must be imported from foreign jurisdictions, often far less environmentally regulated than Australia. As the sixth most forested nation on earth, Australia has the ability to meet and exceed its timber requirements. Yet a ban on native forestry would cede our sovereignty in this natural, renewable, recyclable resource to unreliable foreign powers at unknown cost.

One third of the NSW population lives in regional areas, where population growth will slow and age faster than in metropolitan locations. We need continued productivity growth to drive our regional economies. As Council identifies in its own Regional Economic Development Strategy, the right timber policy settings will contribute significantly to future prosperity. There are many important opportunities to lift productivity and create exciting new employment opportunities for regional and indigenous communities. Empowering and increasing the key role of Indigenous Australians in forest management must be significantly improved.

In the wake of COVID-19, the demand for timber has never been higher and the constraints of the supply of NSW timber have never been greater. COVID-19 has ushered in a new era of employment opportunities relating to forests, both direct and indirect.

### **Timber's Role in the Carbon Economy**

Australia recognises the opportunity of a circular economy, acknowledging both the international pressure mounting on Australia to commit to more substantial action on climate change and the once-in-a-generation social license granted by the COVID pandemic to spend strategically to 'build back better'.

In the carbon-constrained economy of the 21st century, timber is much more than a renewable, recyclable, sustainably produced resource. New South Wales' forests and parks must now be actively managed for a variety of values and outcomes.

Efforts to date aimed at adapting forest management to address climate change have been limited. We must recognise that forests and wood products are long term carbon stores, and forest residues are renewable energy substitutes for fossil fuels. We must take a wider perspective.

#### **Five Ways Timber Reduces Carbon Emissions**

1. Carbon sequestration in growing forests
2. A renewable substitute for emissions-intensive building materials like steel, aluminium and concrete
3. Bioenergy from wood waste replaces carbon-intensive fossil fuels such as coal, oil and gas
4. Long term carbon storage in wood products
5. Recyclable timber products extend carbon storage benefits.

The timber industry can play an important role in the carbon economy. To do so, our industry needs an environmentally and economically sustainable supply of timber and a supportive, stable policy environment. These will provide an important platform for attracting investment and creating jobs over the long term.

### **Realising the Potential of the NSW Timber Industry**

All levels of government, industry and citizens must now develop a shared vision for the management of the forests of NSW. Active and adaptive forest management is required as part of global efforts to 'manage the unavoidable and avoid the unmanageable' and will support Australia's transition to a more circular economy based on the use of renewable resources and reduced dependency on imported products.

All levels of government in Australia have a chance to realign land management practices in accordance with the criteria and indicators for forest conservation and sustainable management upon by Australia and the other members of the Working Group of the Montreal Process. **Many other highly regulated, advanced nations undertake integrated forest operations to meet their sustainable development objectives, including mitigating the impacts of climate change.**

This lack of alignment has created the two biggest risks for the forest estate and the industry in NSW:

- **sovereign risk** which radically reduces access to public forests for timber supply
- **the risk of catastrophic bushfires** and the loss of biodiversity, lives and livelihoods.

These risks must be managed as a matter of priority before opportunities can be seized. Then, through actively planning and managing our timber resources, NSW can:

- **Sustainable Supply:** engineer sustainable domestic timber supply to meet growing demand over the long term and move towards timber self-sufficiency and supply chain resilience.
- **Enhanced Forest Productivity:** enhance forest productivity through the use of technology and regulation which actively facilitates sustainable supply through the range of tenures: public & private native forests, plantations and forests integrated with agricultural land use.
- **Better Timber Utilisation:** develop domestic timber manufacturing skills and create greater value right along the supply chain through enhanced utilization of wood products through innovative new timber technology.
- **Manage Fire Risk/Utilise Forest Waste:** manage fire risk and embrace the circular economy through utilisation of secondary wood products - forest floor fuel loads and timber residues/waste - in new markets, such as bioenergy markets.
- **Support Regional Jobs & Communities/Partner with Indigenous Communities:** a holistic approach to NSW land management will create and fund critical regional jobs in land management, timber manufacturing, secondary wood markets and fire prevention. It will harness ancient Aboriginal land management skills and practices to prevent loss of forest life and livelihoods through catastrophic fires.

Working with the timber industry, all three levels of government must move beyond the era of conflict and develop more holistic approaches which encompass all forest values, such as water, biodiversity, tourism and forest products, across the landscape. More collaborative approaches are required to galvanise the resources, skills and knowledge that enables this shift in shared governance.

### Timber NSW Policy Priorities

With our colleagues across all three levels of government, Timber NSW seeks:

- **Plan for a renewable future:** recognition of the environmental and socioeconomic value of a vibrant timber and forest products industry.
- **Carbon economy:** a better regulatory environment and program of direct action to recognise carbon sequestration in multiple use production forests and wood products through payments for carbon storage.
- **Renewable energy:** policy settings which support a market for the use of biomass as a source of renewable energy, alongside wind and solar energy.
- **Tenure-neutral:** legislative reform to create a single public land management agency in New South Wales, focused on overarching management of our public native forests.
- **Building resource security:** capital investment in forestry infrastructure, new softwood plantations and fewer restrictions on access to regrowth forests to ensure sustainable timber supply.
- **Investment environment:** facilitation of investment comparable to other countries via reducing sovereign risk, transparent planning and investment incentives.
- **Infrastructure & R&D:** better infrastructure, skills promotion and increased funding of R&D in sustainable forest industries.

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**SPECIFIC RESPONSES AND REFUTATIONS TO THE BAC REPORT**

Here, Timber NSW responds directly to the BAC’s Motion and Supporting Notes, as submitted to the Clarence Valley Council meeting held on 27 June 2023.

**That Council:**

- 1. Notes the growing evidence that native forest logging by Forestry Corporation of NSW (FCNSW) in our State Forests is both economically and environmentally unsustainable;**

Forestry Corporation does not have a native forest logging division as referred to in the supporting notes. Forestry Corporation has a Hardwood Forests Division that is responsible for the sustainable management of 1.78 million hectares of native and plantation hardwood forest.

Timber supply is just one of the many values managed on this estate. The Division’s biggest management activity is environmental protection. One million hectares of State forest (55%) is set aside for this purpose, with the remaining estate managed for multiple-use activities including timber, recreation and other values in accordance with Ecologically Sustainable Forest Management (ESFM) principles.

Under normal operating conditions the Hardwood Forests Division breaks even or makes a small profit. Over the last eight reported years the Division has made a loss on two occasions (refer table below sourced from Forestry Corporation NSW Sustainability Report).

The years that the Division made a loss were exceptional and were directly connected to the 2019-20 Summer Bushfires and the 2021 and 2022 floods. During these years access to the forest was restricted to facilitate disaster recovery.

Divisional Summary (millions)

Organisational structure/Indicator	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Hardwood Forests Division</b>								
Normalised Earnings	\$2	\$1	\$5	\$4	\$1	\$0	-\$20	-\$9
Revenue	\$99	\$102	\$109	\$117	\$123	\$121	\$89	\$103

**It is inappropriate and unfair for the BAC to criticise the Division for being unprofitable when the *Hardwood Division* has clearly compromised its commercial objectives to give the environment time to recover following multiple natural disasters.**

**It is more relevant to compare the cost of the FCNSW Hardwood Division’s management of State forests with the cost of the National Parks & Wildlife Service (NPWS) management of NSW National parks and reserves.**

**While the NSW Government no longer makes NPWS’s costs public, reviewing past annual reports allows comparison. These show it costs about *ten times more* to manage a National park than it does to manage a hardwood State forest.**

**On this basis it may be concluded the Forestry Corporation’s Hardwood Division is providing the public with value for money.**

- 2. Notes that logging in our State Forests is incompatible with a. our region's investment in nature-based tourism enterprises, b. climate change mitigation, and Australia's international commitments to emissions reduction, c. the CVC's Biodiversity Management Strategy's aim to protect biodiversity. d. the CVC's responsibility to provide quality drinking water to its residents.**

**A. Nature-based tourism enterprises.**

Evidence that native forestry in State forests is *compatible* with nature-based tourism may be found on the [Forestry Corporation's website](#).

Firstly, in any given year timber harvesting occurs on 0.3 per cent of the NSW public forest estate.

Secondly, timber harvesting rarely constrains where natural based tourism activity can occur. The type of nature-based tourism that occurs on State forests complements the nature-based tourism that occurs on National Parks & Reserves. For example, on State forests you can go car camping with your pets. On National Parks, pets are not allowed and vehicle access is usually limited but there are better opportunities for remote self-contained bushwalkers.

Thirdly, research by the NSW Department of Environment on usage of National Parks and Reserves reveals that nearly all visitation is daily (not overnight) and occurs on a very small proportion of the estate, being concentrated where there are natural attractions such as a lookouts that have bitumen road access, parking and toilets.

An independent review of the University of Newcastle's report on the creation of the Great Koala National Park has been undertaken by Professor Oswin Maurer. Professor Maurer, an international tourism and tourism economic modelling expert, found that many of the University's key modelling assumptions were unsupported and, consequently, grossly overstated the economic benefits of a Great Koala National Park. We **attach** a copy of the review (Attachment 3).

**As such, we cannot replace the important economic returns from native forestry with nature-based tourism and we need not, because the two activities are highly compatible.**

**B. Climate change mitigation and Australia’s international commitments to emissions reduction**

The Council uses the two phrases without definition and it is therefore presumed that both are referring to carbon sequestration.

Regarding native forest harvesting, full carbon sequestration is important. An additional international commitment is the Paris Agreement 2015 regarding carbon organic soils which is relevant in some regard to the soils in native forests.

<b>Native forests</b>	We refer to two Government produced papers.
	<i>“Forests, Wood and Australian Carbon Balance” (Australian Government)</i>
	<p>The executive summary of the Australian Government publication states the following:</p> <p><i>“By removing carbon dioxide from the atmosphere, forests, forestry and the use of wood products are helping to mitigate climate change. They can help much more.”</i></p> <p><i>“Forests in Australia store an estimated 10.5 billion tonnes of carbon (excluding soil carbon). The carbon store has been built through the forest removing almost 38.5 billion tonnes of carbon dioxide from the atmosphere, about 70 times Australia’s annual net greenhouse gas emissions.”</i></p> <p>Australian plantations and commercial forests removed a net 43.7 million tonnes of carbon dioxide from the atmosphere in 2004.</p> <p>The accumulated storage in Australia’s forest plantations and wood products is about 323 million tonnes of carbon, of which the wood products store more than 230 million tonnes of carbon.</p> <p>Wood products typically require less energy to make than alternative materials. Because energy rating schemes and environmental assessments are typically not based on full-life-cycle assessments, the comparative environmental advantages of sustainably harvested wood are not fully recognised.</p>
	<i>‘Carbon Dynamics in native forests - a brief review’ by Fabiano Ximenes NSW DPI</i>
	<p>This second Report was published in September 2021.</p> <p>The paper provides a brief review of the status of the literature on the carbon dynamics in native forests. It looks at accounting frameworks and provides a summary of relevant statements issued by respected international organisations regarding the role of sustainably managed forests for the climate change mitigation.</p> <p>The Report notes that an incomplete assessment that fails to include all relevant action emissions and removals does not reflect that the atmosphere “sees”. Issues such as management practices are to be considered, particularly where annual harvest volumes are kept reasonably constant in line with sustainable management systems. It is quite apparent that critics of native forestry using</p>



	<p>climate change and carbon reasons as the cessation of the industry do not look at this data.</p> <p>Reports that place forest carbon numbers at unrealistically high levels, above a range of 130 to 145 tonnes carbon/hectare, are seeking to argue conservation of forests leads to superior outcomes. These reports are not based on the most reliable estimation methods, which includes weighing mature trees.</p> <p>Harvested wood products (HWP) provide the storage of carbon and provide a mitigation outcome and need to be included in forest carbon storage accounting methods. Continued storage of HWP in landfills is ignored or not fully accounted.</p> <p>Product substitution is mostly ignored. If a wood product replaced a non-wood product, it results in lower net GHG emissions. Product substitution impact for native sawn HWPs is in the order of 2 tonnes carbon/tonne of HWP for silver top ash forests and 1 tonne carbon/tonne of HWP for blackbutt forests.</p> <p>State native forests are native forests of regrowth timber. It is why they can be referred to as ‘working forests’. It is scientifically recognised that mature trees do not take up as much carbon sequestration as growing trees. The NSW DPI Report acknowledges this. Recent work out of the USA confirms the commentary in the 2021 DPI Report. The DPI Report notes that certain reports on native forest carbon sequestration cease carbon accounting at the point of harvesting. It is noted that the sequestered carbon does not cease at the point of harvesting but remains sequestered for the life cycle of the timber in a timber product. The hardwood chair or flooring is undergoing the retention of carbon as a person sits or stands on it. At the same moment a growing native forest tree is taking up more carbon to continue the carbon sequestration cycle.</p>
<p><b>Soil</b></p>	<p><i>“An additional carbon sequestration issue in climate mitigation is the central role of soil organic matter in soil fertility and carbon storage”</i> by Jorg Gerke, (Soil syst, 2022, 6, 33).</p> <p>The abstract of the paper notes that the storage of carbon, mainly in organic form, in soils is very important in the context of the emission of greenhouse gases. Worldwide, soils release about 10 times more greenhouse gases compared to fossil fuel combustion. Small increments in soil organic carbon worldwide will strongly affect the concentration of atmospheric CO<sub>2</sub>.</p> <p>The Paper at 3.3.1 discusses carbon dioxide emission sources. ‘In many western countries including the USA and Germany, the political focus towards greenhouse gases emissions is on the CO<sub>2</sub> released by fossil energy combustions. For the reduction of CO<sub>2</sub> emission from this source, strongly restrictive policies have been formulated and partly already applied. However, soil organic matter represents the greatest carbon pool, which is reported to be</p>

<p>between 2 and more than 3. Soils contain more carbon than the atmosphere and vegetation combined. Because soil carbon is by far the greatest C pool, consequently, changes in soil organic carbon will strongly affect CO<sub>2</sub> concentrations in the atmosphere.</p> <p>Twenty years ago, research revealed that the worldwide net release of CO<sub>2</sub> from soils is higher by a factor of 10 than CO<sub>2</sub> evolution from fossil fuel combustion.</p> <p>The Paris Agreement of 2015 a 4 per 1000 target was announced aiming for the storage of more carbon in soils worldwide. As Clarence Valley Council has raised Australia's international commitments to emissions reduction this target it is assumed is part of its policies.</p> <p>The soil carbon target issue is a public policy matter that warrants advocacy for research with an objective for the formulation of policies on biochar to introduce stable organic carbon into soils and soil humic substances to increase soil organic carbon. Native forestry in working forests is an important potential for feedstock for biochar. Comparative research into soil organic carbon in national parks and working native forests would be an important scientific step forward to meet Paris Agreement 2015 targets. Cool burning in working forests is an interesting case in point. Akin to the practice of cultural burning that is a traditional method in the Australian landscape to introduce carbon into the soil is one issue that is worthy of scientific investigation. Such investigatory work is a possibility in a working forest rather than a national park. Note that half the area of native forest managed by the Forestry Corporation is managed not as a working forest. Note also that infrequent selective harvesting opens the canopy which aids soil organic dynamics.</p> <p>Carbon sequestration in native forests and native timber products is a real CO<sub>2</sub> atmospheric migration process. The issue of soil carbon sequestration is occurring naturally in working forests, but further scientific study needs advocacy to ensure the potential of soil carbon sequestration is achieved.</p> <p>Both these matters are explicitly caught up in the phases 'climate change mitigation' and Australia's international commitments to emissions reduction.</p> <p>The Council puts forward its drinking water policy as a reason to cease native forestry in the area. Yet the Council fails to even raise the role of soil carbon in the importance of water run-off. The science of this is not raised and it is beyond the nature of this responding submission to discuss the matter.</p>
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**C. Biodiversity Management Strategy's aim to protect biodiversity**

Findings that biodiversity is declining and that the number of threatened species is increasing cannot be attributed to native forest harvesting or the management of State forests. Despite many decades of rigorous research there is no scientific evidence to support such a claim.

Research on Koalas, Glossy Black Cockatoos, Greater Glider, Yellow Belly Glider and Spotted-tailed Quoll populations reveals that all these species are performing well on State forests with a long history of timber harvesting.

See more detailed responses in supporting note No.6 below.

**D. Responsibility to provide quality drinking water to its residents.**

See detailed response in supporting note No. 7 and No. 8 below.

**3. Advocates to the NSW State government for the urgent development of a plan for the just transition of the native forest timber industry, operating in state-owned forests, to an ecologically sustainable plantation base.**

If the industry were to be 'justly' transitioned out of native State forests into hardwood plantations it would come at a very substantial cost and take at least fifty years to achieve.

**Very Substantial Cost**

- Currently, around one million cubic metres of timber is being sustainably produced by native State forests.
- A minimum of 100,000 hectares of hardwood plantation would be required to replace this quantity of timber.
- The cleared land on which hardwood plantations grow costs around \$20,000 per hectare to purchase.
- A commercial hardwood plantation conservatively costs about \$10,000 per hectare to establish and maintain.

Therefore, to establish 100,000 hectares a minimum investment of \$3 billion dollars would be needed, assuming no real increase in land values.

**At Least Fifty Years to Achieve**

- The wood produced in native NSW State forests is predominantly hardwood eucalypt timber with some Cypress pine (softwood) produced in western NSW.
- To grow good eucalypt plantations requires good quality agricultural land, good technical knowledge and high-quality growing stock.
- Most native eucalypt timber comes from trees that are at least 60 to 80 years old.
- To avoid repeating the mistakes of the past, there should be at least 5 years of planning, development, and consultation before commencing a major works.
- Without such planning it may be assumed that the conversion of cleared land to plantation forest would be vigorously contested by the agricultural sector and other stakeholders.

Therefore, if the transition began in 2025 it would be 2070 before the first plantations begin yielding sawlogs of *comparable size* to what is currently being produced. To produce timber of *comparable quality* would take several decades more.

The timber which is harvested is manufactured into a diverse range of specialty timber products including: bridge timbers, power poles, marine piles, structural timber, flooring, decking, cladding, panel products, face veneer, mining timbers, pallets, sleepers, firewood and green energy. Given that this is nation-building timber, during the transition Australia would need to import hardwood timber for these purposes, during which time existing local timber processing skills and infrastructure would erode irreparably.

**Council must act in accordance with its own Regional Economic Development Strategy. Rather than shutting down a successful regional Engine of Growth, support native forestry so that the Clarence Valley region can grow and flourish in accordance with Ecologically Sustainable Forest Management (ESFM) principles.**

**4. Notes that both the Western Australian and Victorian State Governments have announced such transitions and have provided end dates for native forest logging.**

The closure of the native forestry industry in WA and Victoria represents a major miscalculation of both the funds required to compensate business and employees as well as the potential for transition to plantations.

As above, the transition to plantations is completely unworkable. The availability of suitable land and soils to grow hardwood plantations in Australia is limited and very challenging. Most land is already utilised by broader agriculture on commodities that provide a much shorter return on investment such as grazing, cropping and horticulture. Plantations require a large upfront investment with no return for a least ten years. For hardwood plantations the main return comes after 40 years.

**The Victorian government established a fund in its previous term to establish plantations. None of this money has been spent.**

**In Western Australia, the native State forests previously harvested are now able to be bulldozed for mining extraction and exploration but not timber harvesting. This is hardly a better outcome for biodiversity. It is a disgrace.**

Since the closure in WA and the impending closure at the end of 2023 in Victoria, customers have automatically contacted Tasmania and NSW mills looking for supply. Power poles, girders, bridging and wharfing timbers, railway sleepers will be sourced from Tasmania and NSW – which have a sustainable timber industry – but these states are already short supplied.

**5. Notes the Shoalhaven Council's motion, to which CVC's Deputy Mayor spoke in support, that was passed at the Local Government NSW Conference in November, Motion 100 - Shoalhaven City Council - Logging in NSW native forests - "That Local Government NSW advocates for the ending of logging in NSW (public) Native Forests".**

The technical aspects of forestry are not well understood in the general community. Forestry is a science and there are professionals who manage the forest estate.

We are seeing across Australia the exploitation of this relative lack of forestry knowledge to fuel miscommunications and falsehoods via slogans and campaigns that express anti-forestry sentiment. However well-intentioned, anti-forestry sentiment is misguided.

Neither Shoalhaven Council nor the Local Government Association of NSW made any attempt to ask for submissions/opinions from the relevant impacted stakeholders, residents or FCNSW. There was no attempt to consult widely so councillors/delegates could make an informed opinion.

**As local government professionals, there is a reasonable expectation in the community that Councils and the LGA NSW will seek professional advice where necessary and will consult their communities on decisions which impact them.**

**We believe this has not happened in a number of Councils in NSW. Clarence Valley Council must seek professional advice and consult properly and in good faith with its community.**

**6. Notes also that Eurobodalla and Bellingen Shire Councils have already passed motions asking the state government to phase out logging in state forests in their respective shires.**

As per our response to statement 5 above.

**7. Acknowledges the calls from the North East Forest Alliance, the North Coast Environment Council, the NSW Nature Conservation Council, the National Parks Association, the Clarence Environment Centre and other NGO's, that have long advocated for an end to logging in publicly owned State Forests and the creation of the Great Koala National Park.**

If the Clarence Valley Council acknowledges the campaigns from the various ENGOs it must also seek and acknowledge advice from scientists and forestry professionals and understand best practice forestry from around the world.

We refer Council to the significant scientific evidence in support of native forestry provided by the NSW government through its agencies such as FCNSW and NRC, as well as the industry and businesses in the region.

**8. Acknowledge the serious threats posed by climate change, and the urgent need for carbon sequestration, and to protect threatened species habitat.**

**To quote the Intergovernmental Panel on Climate Change (IPCC)**

“• Some of ecological and climate risks arise from droughts, fires, insect outbreaks, diseases, erosion, and other disturbances. Sustainable forest management can help to manage some of these risks, while in some cases it can increase and maintain forest sinks through harvest, transfer of carbon to wood products, and their use to store carbon and substitute emissions-intensive construction materials. Forest genomics techniques can increase the success of both reforestation and conservation initiatives, accelerating breeding for tree health and productivity. Secondary forest regrowth and restoration of degraded forests and non-forest ecosystems can play a large role in carbon sequestration (high confidence) with high resilience to disturbances and additional benefits such as enhanced biodiversity .”

**9. Advocate that the NSW State government enact plans to manage our State Forests, in partnership with all north coast communities and local councils, for their nature-based tourism assets, recreational opportunities, biodiversity values and for carbon sequestration.**

As per our response in above, the current systems operating in NSW State forests *already* cater for nature-based tourism, recreation and biodiversity values and carbon sequestration. In contrast, most National parks and reserves do not allow recreational activities such as mountain bike riding, car rallies, camping etc.

The whole point is that our forests can and must be managed for *multiple uses*.

Our mission is to work with our members, stakeholders and the broader industry to build an economically, environmentally and socially sustainable timber industry in NSW.

Together, government, industry and citizens must develop a *shared vision* for the management of the forests of NSW.

The information provided to No.2 of this motion covers carbon sequestration.

**10. Write to the NSW Premier Dominic Perrottet, the Minister for Agriculture Dugald Saunders, and the shareholder Ministers for FCNSW the Treasurer and Minister for Energy Matt Kean, and the Minister for Finance and Employee Relations Damien Tudehope, along with the relevant Shadow Ministers, in accordance with item 3.**

The change of government and Ministerial portfolios in March 2023 which makes the names in this part of the motion irrelevant.

NSW Premier Minns and Ministers for Agriculture (Moriarty), Environment (Sharpe) and Natural Resources/Finance (Houssos) have already stated that there will be no closure of the native forest industry and no moratorium on harvesting.

The science does not support the Council motion in No. 3.

**Supporting notes:**

- 1. Acknowledge the evidence provided Australian National University researchers (Lindenmayer et al) showing that logging of native forests makes them more flammable**  
**(<https://baysidebush.org.au/system/files/articles/2020%20Recent%20Australian%20wildfires%20made%20worse%20by%20logging%20and%20associated%20forest%20management%20- NatureEcolEvol.pdf>)**

There are four major studies which have found that logging of native forests does not make them more flammable.

- A 2020 NSW DPI report on the 2019-20 bushfires found that fire severity was much the same regardless of tenure. If anything, it was slightly higher in national parks.  
[https://www.dpi.nsw.gov.au/\\_data/assets/pdf\\_file/0020/1222391/fire-severity-in-harvested-areas.pdf](https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0020/1222391/fire-severity-in-harvested-areas.pdf)
- A 2016 study of over 1 million hectares burnt by wildfire in the 2003 fires in Victoria, showed that fire severity across the landscape was driven by weather conditions, slope aspect, fuel levels, atmospheric stability, and the scale of the fires. There was no discernible impact of timber harvesting on fire severity at the landscape scale. (DOI: 10.1080/00049158.2015.1127197)
- A landscape scale study of fire severity published in 2014 based on an analysis of over 2 million hectares burnt in Victoria in 2003 and 2007, shows that there is no significant difference between fire severity in Parks compared with Forests (including timber harvesting areas).  
(<https://doi.org/10.1111/conl.12062>)
- A 2022 study of forest areas treated with thinning and prescribed burning or high intensity prescribed burning did not ignite from the advancing front of the 2020 wildfire in eastern Australia, clearly supporting the effectiveness of fuel reduction management for reducing fire severity

under low-moderate fire danger weather conditions.  
([doi.org/10.1016/j.foreco.2021.119924](https://doi.org/10.1016/j.foreco.2021.119924))

Forestry Australia representing over 1,200 professional forest scientists has also made a public rebuttal of the claims that logging of native forests makes them more flammable:

- *Ecologists and conservationists, opposed to timber harvesting, are trying to use bushfire disasters as a lever to stop native forest harvesting.... They are basing their conclusions on selective, local-scale observations where the only variable being considered is the time since harvesting. This is poor science as it is well established that several factors lead to fire severity. Timber harvesting from native eucalypt forests in Australia comes from a very small percentage of the landscape. Harvesting from this small area supports a significant proportion of the bushfire fighting workforce and fire management resources. Closing down native forest timber harvesting is likely to have a much greater impact on increasing bushfire severity and extent across the landscape than the increase in local fire severity claimed by the opponents of timber harvesting. A holistic, long-term and professional view of forest and fire management is needed rather than short-termed, single-issue perspectives. (Tolhurst K. and Vanclay Prof J. Australian Forestry 2023).*

Where the objective is to better protect native forests from high intensity wildfires, transferring State forests to National Parks and Reserves will not result in better outcomes. Of the land managers in NSW the NSW National Parks has by far the poorest record when it comes to wildfire management (Figure 1).



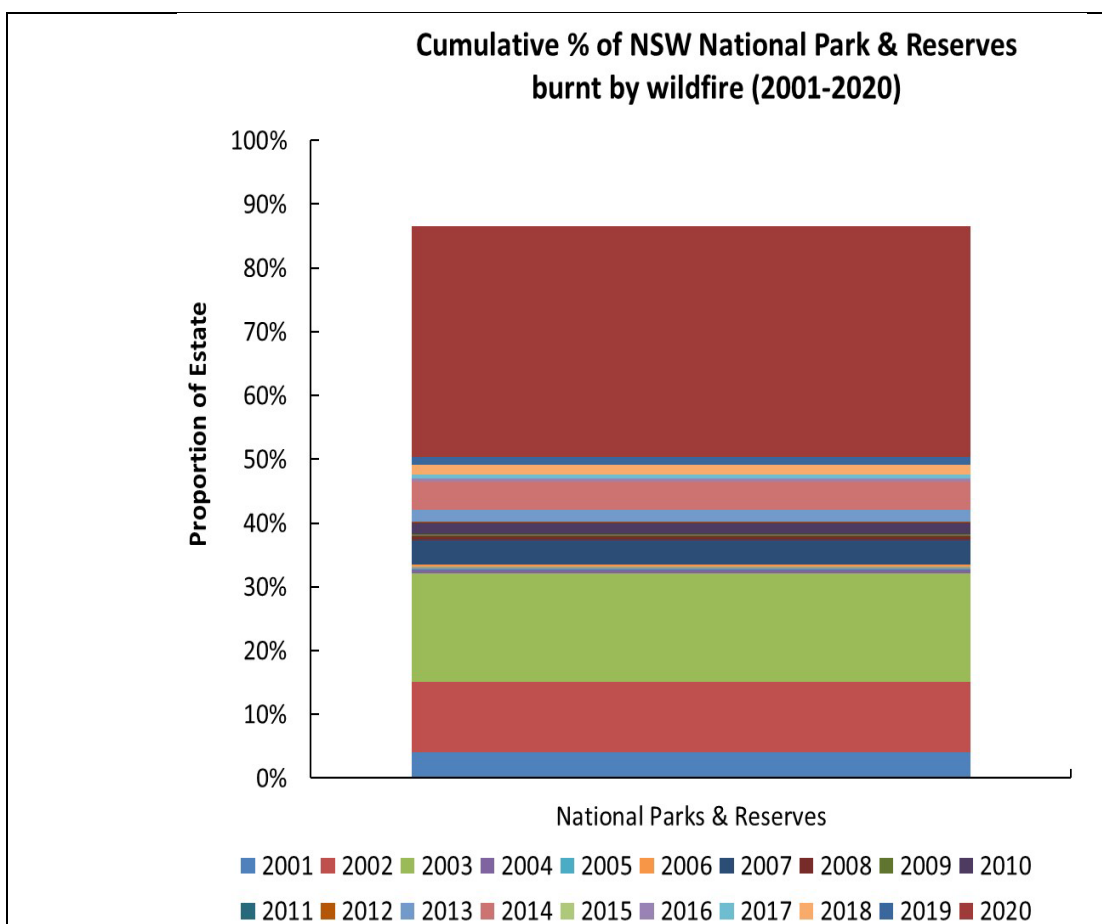


Figure 1 – Cumulative proportion of NSW National Parks & Reserves burnt by wildfire (2001-2020)

**2. Acknowledge the findings by the University of Newcastle that the creation of the Great Koala National Park would generate more than 9,800 extra full-time equivalent jobs across tourism, infrastructure, and science and education, and inject \$330 million in additional wages into the region, over the next 15 years. ([www.hrf.com.au/gknp](http://www.hrf.com.au/gknp))**

An independent review of the University of Newcastle’s report on the creation of the Great Koala National Park has been undertaken by Professor Oswin Maurer. Professor Maurer, an international tourism and tourism economic modelling expert, found that many of the University’s key modelling assumptions were unsupported and, consequently, grossly overstated the economic benefits of a Great Koala National Park. A copy of the review is Attachment 3.

**3. [Left intentionally blank as this note was not endorsed by the BAC]**

**4. Acknowledge the NSW Auditor General’s performance audit finding, May 2011, that native forest operations were unsustainable, essentially finding that trees were being cut down faster than they were growing back, with then Forests NSW introducing its “net harvest area modifier project” and setting up a “Private Property Timber Supplementation business unit”, to access private property timber resource to meet contract quotas.**  
**([https://www.forestrycorporation.com.au/data/assets/pdf\\_file/0004/439420/Performanceaudit-on-sustaining-native-forests-and-hardwood-plantations.pdf](https://www.forestrycorporation.com.au/data/assets/pdf_file/0004/439420/Performanceaudit-on-sustaining-native-forests-and-hardwood-plantations.pdf))**

The 2011 NSW Auditor General’s performance audit is now 12 years old. The issues raised in this report about sustainable yield were comprehensively addressed by the Forestry Corporation and the NSW Government many years ago. Key changes included the NSW Government’s Project 2023 North Coast Resources Review Decision which saw a 50,000 m3 per year reduction in sustained yield and a Forestry Corporation decision to cease sourcing wood from private property.

More relevant is the NSW Auditor General’s 2023 performance audit on the Regulation of public native forestry. This report found that Forestry Corporation is harvesting at levels well below its sustainable modelled yield (Exhibit 1).

**Exhibit 1: Modelled hardwood yield and harvested volumes per year (000s cubic metres)**

Region		2018–19	2019–20	2020–21	2021–22
Coastal IFOA total	Modelled yield	1,094	981	1,022	1,022
	Harvested	769	443	253	475
Western IFOAs total	Modelled yield	126	126	126	126
	Harvested	91	84	82	80

Note: Figures exclude volumes from hardwood plantations on the North Coast.  
 Source: FCNSW data.

The Auditor General’s figures reveal that Forestry Corporation has been acting conservatively following the 2019-20 bushfires and the 2021 floods. For more information on modelling and monitoring of sustainable log yield refer Annexure A.

**5. Acknowledge also the ongoing losses in Forestry Corporations native forest logging division, \$79m over the 7 years to 2015, while its plantation division made over \$300m. (<https://australiainstitute.org.au/wp-content/uploads/2020/12/P209-Money-doesnt-grow-ontreesNSW-Forestry-Final-Final.pdf>)**

Response as per point 1 above.

**6. Acknowledge the findings of the Australian State of the Environment Report 2021 that found “Our biodiversity is declining, and the number of threatened species is increasing”. Also noting the role of Local Government in addressing the decline of threatened species including as Koalas, Glossy Black Cockatoos, Greater Glider, Yellow Belly Glider and Spotted Quoll which are found in the forests contained with the Clarence Valley LGA including its obligations under the NSW Biodiversity Conservation Act 2016 and the Federal Environment Protection and Biodiversity Conservation Act 1999. (<https://soe.dccew.gov.au/biodiversity/key-findings>)**

Findings that biodiversity is declining and that the number of threatened species is increasing cannot be rationally blamed or attributed to native forest harvesting or the management of State forests. Despite many decades of rigorous research there is no scientific evidence to support such a claim. Research on Koalas, Glossy Black Cockatoos, Greater Glider, Yellow Belly Glider, and Spotted-tailed Quoll populations reveals that all these species are performing well on State forests with a long history of timber harvesting.

Across the forested landscape the footprint of native timber harvesting is extremely small. Only twelve percent of public native forest is available for timber supply with the balance (88 percent) set aside for environment protection. The proportion of public land that is annually subject to timber harvesting is even smaller being in the order of 0.3 percent.

Where native forest harvesting is permitted it is selective and subject to comprehensive environmental protection measures that mitigate the disturbance impacts, see <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/forestagreements/18p1177-coastal-ifoa-conditions.pdf>

Causes of biodiversity decline may more reasonably be attributed to major disturbance events like the Millenium drought and the 2019-20 wildfires where millions of animals perished and major damage to habitat was incurred. The other major threat is the control of introduced pests and weeds. The management of introduced pests and weeds in NSW forests remains poorly coordinated.

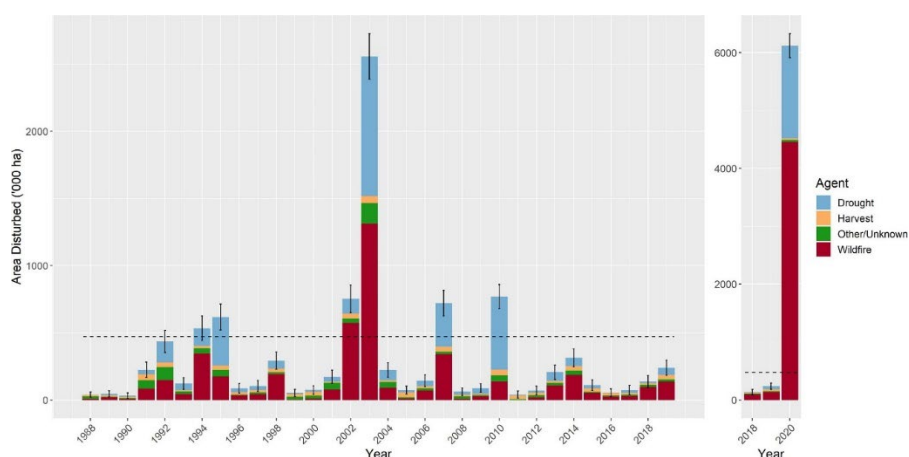


Figure 2 – Disturbance in NSW forests by type and year (source: Hislop et al. 2021)

**7. Acknowledge the NSW Government’s Natural Resources Commission’s report. “Insights for NSW forest outcomes and management” - November 2022, predicting the business-as usual management of state forests would lead to “sub-optimal outcomes at best, or ecosystem and industry collapse under worst case scenario”. <https://www.nrc.nsw.gov.au/news/62-insightsreport>. NRC’s Key findings included:**

- A detailed account of carbon stored in all NSW forests 1990 to the end of 2020 found that these forests are at risk of becoming net carbon emitters.
- Only 10 percent of forested vegetation in the NSW RFA areas are currently within their recommended fire frequency thresholds, with large areas at risk of a decline in plant biodiversity due to increased fire frequency.
- Catchment water flows have been declining in forested areas over the last 30 years, especially on the south coast of NSW. Almost half of the 90 catchments analysed showed statistically significant decreases in stream flows in this period.
- Total hardwood supply in the Coastal IFOA region declined between 2003-19 for both high and low-quality logs, with additional significant short-term reductions in hardwood supply and projected sustainable timber yields following the 2019-20 wildfires, particularly on the south coast.

The Natural Resources Commission’s (NRC) report, “Insights for NSW forest outcomes and management”, did not identify native forestry as a cause of biodiversity decline. It found that “NSW forests are under significant pressure from increasing shocks such as extended periods of drought and increasing fire frequency and severity coupled with ongoing threats such as pests and weeds.”

The NRC found that carbon losses were attributed to the 2019-20 wildfires which released around 90 million tonnes of forest biomass carbon. Much of this loss occurred in NSW National Parks and Reserves where fire intensity was the most severe and canopy loss the greatest (refer light green bar for the year 2020 in Figure 3).

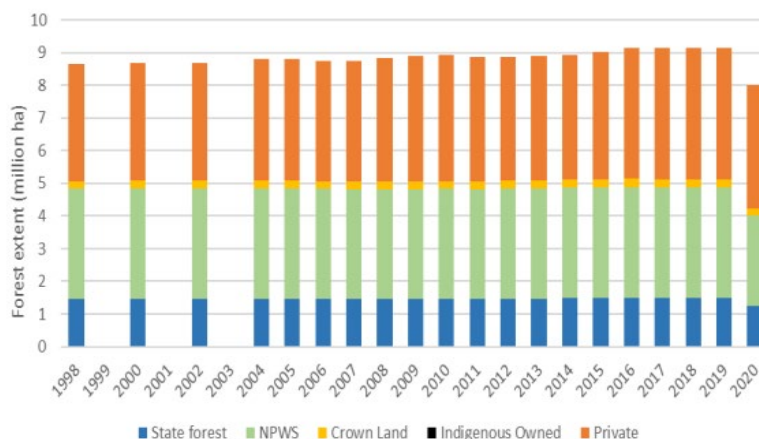


Figure 3 – Change in forest canopy cover extent by tenure in the Regional Forest Agreement area (1998-2020). (source: NRC 2022)

The NRC finding that only 10 percent of forested vegetation in the NSW RFA areas are currently within their recommended fire frequency thresholds was driven by the high number of wildfires in NSW National Parks and Reserves.

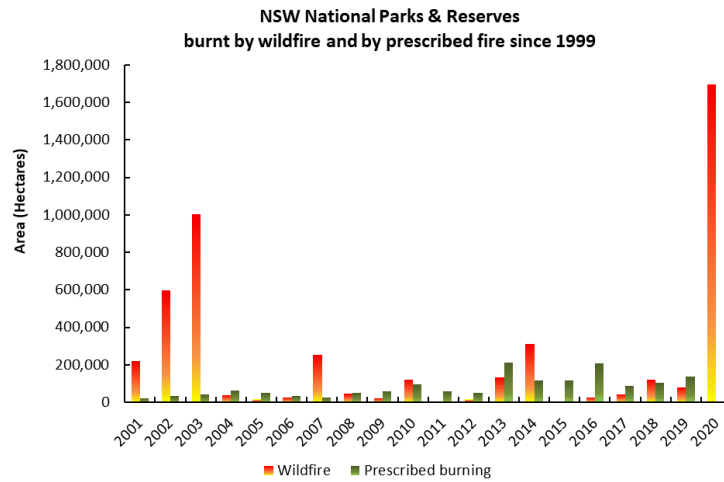


Figure 4 – Area of National Park & Reserve burnt by wildfires and prescribed burned (2001-2020). Source: DoE Annual Reports

The NRC found that declining catchment water flows in forested areas over the last 30 years were climate related. It should be remembered that the footprint of native timber harvesting over the last 30 years is tiny when compared to other disturbance agents (Figure 2 above).

The finding that total hardwood supply in the Coastal IFOA region declined was attributable to:

- Enhanced environmental protection associated with the introduction of Integrated Forestry Operation Approvals in 2010, and,
- A cyclical decline in the timber market, particularly for products made from low quality sawlog and pulpwood.

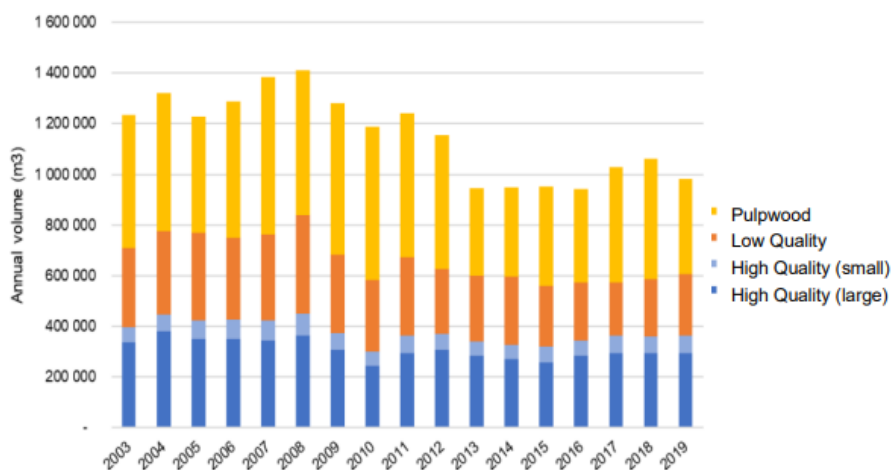


Figure 5: Hardwood supply from native forests and hardwood plantations in the Coastal IFOA region by type<sup>12</sup>

<p><b>8. Acknowledge the report given by CVC’s Water Cycle Manager to the November meeting of the Water Efficiency Advisory Committee stating that turbidity levels in the Nymboida River have been steadily rising in recent years.</b></p>
<p>There is no evidence that rising turbidity levels in the Nymboida River are related to native forest timber harvesting.</p> <p>The <u>CIFOA</u>, which regulates native timber harvesting operations on State forest land, contains comprehensive protection measures for waterways.</p> <p>These measures have been scientifically <u>reviewed</u> by independent experts and are considered best management practice. The measures are based on many decades of paired catchment research.</p>
<p><b>9. Finally, accepting all the threats that modern forestry poses to biodiversity, we should acknowledge “Australia’s Biodiversity Conservation Strategy 2010 – 2030” - 1.1 Mainstreaming Biodiversity - Industries that have direct impacts (both positive and negative) on biodiversity (e.g., forestry) need to incorporate consideration of biodiversity into their decision-making processes, management activities and reporting.</b>  <b>(<a href="https://www.planning.vic.gov.au/__data/assets/pdf_file/0021/213717/BackgroundDocumentsCommonwealth-Biodiversity-Conservation-Strategy-2010.pdf">https://www.planning.vic.gov.au/__data/assets/pdf_file/0021/213717/BackgroundDocumentsCommonwealth-Biodiversity-Conservation-Strategy-2010.pdf</a>)</b>  <b>That document opens with: “It is worth remembering that our survival is critically dependent on looking after our natural environments and their biodiversity”, pointing out that: “This web of life represents our store of natural capital and from it we get the things we take for granted each day: the clean air we breathe, the fresh water we drink and the variety of foods and fibres that we consume.”</b></p>
<p>The <u>regulatory system</u> under which modern native forestry operates provides comprehensive protection for biodiversity at the site, local landscape, management area, and regional scales.</p> <p>Modern native forestry harvesting as practiced on NSW State forests only occurs in native regrowth forests, is selective (no clear-felling – this is a practice only occurring in plantations) and very carefully <u>planned</u>. Sensitive and significant environmental features are always protected.</p> <p>The assertion that modern forestry poses a threat to biodiversity is not supported by evidence and we strongly refute this assertion.</p>
<p><b>Annexure A</b>  <b>Additional information: Sustainable Log Supply</b></p>
<p>In 2016 the NSW Government implemented the recommendations of Project 2023 North Coast Resources Review, reducing the sustainable log yield by 50,000 m3 to ensure the industry remained on sustainable footing beyond 2023.</p> <p><a href="https://www.dpi.nsw.gov.au/__data/assets/pdf_file/0013/520042/north-coast-timber-supply-summary-north-coast-forestry-resources-review.pdf">https://www.dpi.nsw.gov.au/__data/assets/pdf_file/0013/520042/north-coast-timber-supply-summary-north-coast-forestry-resources-review.pdf</a></p>

The following Forestry Corporation reports take account of the effects of the 2019-20 fires on wood supply and long-term sustainable yield.

[https://www.dpi.nsw.gov.au/\\_data/assets/pdf\\_file/0004/1299388/fcsw-sustainable-yield-report-2019-20-wildfires.pdf](https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0004/1299388/fcsw-sustainable-yield-report-2019-20-wildfires.pdf)

<https://www.forestrycorporation.com.au/sustainability/timber-volumes-and-modelling>

## CONCLUSIONS & RECOMMENDATIONS

Native forestry and the timber industry are at the heart of the Clarence Valley LGA.

Council's own Regional Economic Development Plan (2018-22) and 2023 Update express what we have known for hundreds of years: that native forestry and the timber industry are among the leading engines of growth in the region.

We encourage Council to review carefully the submissions made by timber businesses in opposition to the BAC's Report and proposed motion. A number of these submissions we excerpt below.

[The Big River Group](#), a timber manufacturing business spanning 100 years, three generations and 27 locations Australia-wide, expresses the sentiment of the entire community:

*"Big River has a long history of providing social and economic benefits to the local community and region. The common thread running through our LGA is that we all care about our forests, work hard to ensure they are sustainable for future generations and have comfort that our Forestry Industry has some of the best forestry harvesting practices in the world...we strongly encourage the Clarence Valley Council NOT to vote in favour of ending native forest logging and instead openly support the Timber Industry, which has provided the backbone for regional development experienced to date and can continue to do so well into the future."*

Our members and the Clarence Valley community have been the custodians of the forests across generations. There is in the local community a rich store of generational knowledge and experience and a commitment to providing for the next generations.

Our members are quite literally the pillars of this community. The submissions to Council show a commitment to giving back, whether through sponsorships of local sporting clubs, schools or Men's Sheds, or in supplying the knowhow, equipment and firefighters to battle bushfires. Many of our members have extensive experience in forest and fire management as well as valuable equipment for fighting fires.

The Clarence Valley cannot afford – socially, environmentally or economically - to lose an industry at the heart of its community.

Regrettably, we have the examples of WA and Victoria to demonstrate the catastrophic implications of banning native forestry. The situation is being monitored across the media and all Councillors should view the [recent Landline episodes on 13, 20 & 27 August](#) on the 'fallout from Victoria's ban on native timber harvesting' and the outlook for native forestry in NSW.

**The Clarence Valley community will not let this happen in NSW.**

**We submit that the Clarence Valley Council must not make the Report's recommended submission to NSW Government Ministers. We reject the recommendation in the Report in its entirety. It is based on a lack of consultation and a lack of scientific evidence. It fails to consider the full implications of a ban on native forestry and it fails to take into account the Council's own Regional Economic Development Plan.**

**Timber NSW and its members want to make both the implications of a ban and the opportunities in support for native forestry very clear to Council. In our view, with this Report and proposed motion, the BAC has failed to live up to the standards set out in the Council Charter. Looking forward we want to ensure that our industry has close ongoing relations with Council based on good faith, due process and timely consultation.**



We therefore submit:

- **SEPTEMBER SITE TOUR:** All Clarence Valley Councillors should attend a site tour of local timber industry operations, to be organised by Timber NSW and undertaken before the Clarence Valley Council meeting in October 2023.
- **ESTABLISH NEW COUNCIL ADVISORY COMMITTEE:** Clarence Valley Council should at the October 2023 Council Meeting establish an *Agriculture, Forestry and Fishing Advisory Committee* to ensure that the commitments made in relation to these ‘engines of growth’ in the Council’s *Regional Economic Development Plan* are implemented, following consultation and input from the relevant industry and community stakeholders.
- **REVIEW COUNCIL ADVISORY COMMITTEE PROCESSES & OVERSIGHT:** The Clarence Valley Council should review the BAC and other committee processes and oversight and report back to the community at the November 2023 Council Meeting.
- **WORK COLLABORATIVELY WITH STATE & FEDERAL COUNTERPARTS:** We ask Clarence Valley Council to recognise its aligned interests with the NSW timber industry and to work collaboratively in support of an environmentally, economically and socially sustainable timber industry in NSW, as encapsulated in the following Timber NSW Policy Priorities:

<b>Plan for a Renewable Future</b>	Recognition of the environmental and socioeconomic value of a vibrant timber and forest products industry.
<b>Carbon Economy</b>	A better regulatory environment and program of direct action to recognise carbon sequestration in multiple use production forests and wood products through payments for carbon storage.
<b>Renewable Energy</b>	Policy settings which support a market for the use of biomass as a source of renewable energy, alongside wind and solar energy.
<b>Tenure-Neutral</b>	Legislative reform to create a single public land management agency in New South Wales, focused on overarching management of our public native forests.
<b>Building Resource Security</b>	Capital investment in forestry infrastructure, new softwood plantations and fewer restrictions on access to regrowth forests to ensure sustainable timber supply.
<b>Investment Environment</b>	Facilitation of investment comparable to other countries via reducing sovereign risk, transparent planning and investment incentives.
<b>Infrastructure &amp; R&amp;D</b>	Better infrastructure, skills promotion and increased funding of R&D in sustainable forest industries.

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**ATTACHMENTS**

**Please see attached as separate PDF documents the following:**

1. BACKGROUND BRIEFING: North Coast Hardwood Timber Production Facts
2. ERNST & YOUNG REPORT: Economic Contribution Study of the NSW hardwood timber industry (14 February 2023)
3. PROFESSOR OSWIN MAURER: Review and Analysis of the University of Newcastle Great Koala National Park Economic impact analysis and environmental benefit assessment April 2023
4. EXCERPTS FROM LETTERS OF SUPPORT FROM CLARENCE VALLEY BUSINESSES (see below).

**ATTACHMENT 4: EXCERPTS FROM LETTERS OF SUPPORT FROM CLARENCE VALLEY BUSINESSES**

**AMES AUSTRALASIA WRITES:**

*"We own a Hardwood Timber Handle Manufacturer, making Cyclone Tools, a trusted brand of Ames Australasia. We are a signatory of UNGC, APCO who are committed to the sustainability of the environment with its ACNC registered charity 'Plantfulness'.*

*Cyclone Tools has been in operation since 1920 - 103 years - and our South Grafton site has been in operation since 1980, 43 years now.*

*We employ 18 team members at Grafton and another 17 in Wonthaggi with 2 casuals at Grafton and 5 casuals at Wonthaggi. The Cyclone range is a major component of our iconic brands which employ over 500 employees through the parent company Ames Australasia. All our team members are skilled machine operators at Grafton. These skills are specific to garden tool making and are not transferable skills.*

*We supply gardening tools throughout Australia. We're a retail supplier with Bunnings as our biggest customer and various Independents such as Mitre 10.*

*We are the biggest garden tool manufacturer in Australia and our products have been on the market for more than 100 years. We have a very good name in the market and the biggest reason for this is our high-quality Australia Hardwood Handles. The Clarence Valley Council should be encouraging commercialisation of native forests by enlarging the footprint and creating better collaborative sustainability practices. Otherwise introduced species and unregulated overseas foresting will take place, which will have more destructive impact on the environment."*

**KOPPERS WOOD PRODUCTS WRITES:**

*"We are the largest supplier in Australia of preservative treated timber poles for critical infrastructure. We contribute 60 per cent of power poles for the electricity distribution network in Australia and have been operating for well over 50 years.*

*The Grafton Plant employs 32 FTE's with a wide variety of valuable skills including forestry, manufacturing, accounting, procurement, administrative, management and milling. Koppers Wood Products supply utility companies (such as Essential Energy) with their timber pole requirements to maintain existing powerline networks; we will most likely supply their timber pole needs for expansion projects, including the NSW Government's renewable energy targets.*

*The Grafton Plant also supplies other utility networks across Australia and Pacific Island nations.*

*Timber poles are the preferred product for utility companies for several reasons. These include cost, longevity, weight, ease of installation, insulating benefits, carbon friendly, sustainably sourced, readily available and of course - renewable.*

*Plantation hardwood is a future answer to many areas of the timber industry, but is not a like-for-like replacement for power poles. The other materials that can replace this valuable renewable resource are steel, concrete and composites poles. None of these are natural resources, they are energy hungry to produce and a poor choice for the future when considering the environment."*

**BROWN AND HURLEY – THE ‘BIG TRUCK PEOPLE’ WRITES:**

*“We supply heavy vehicles and equipment to the timber industry. Our operations reach from Port Macquarie out to Tamworth to the tip of Cape York. We’ve been operating for 77 years across three generations.*

*We have around 600 employees in various roles including qualified technicians, salespeople, parts staff and admin. We supply heavy vehicles, equipment, parts and service Australia wide.”*

**M&M TIMBERS WRITES:**

*“We are a Native Harvest Contractor in Bostobrick. Our Director is a third generation timber industry worker involved in the timber industry for 33 years in the area of Clarence and Bellingen LGA. He established his own family company 12 years ago.*

*We employ 5 fulltime employees and 2 casual employees. We’re a Selective Native Harvest contractor to ForestCorp NSW, supplying local timber mills with a graded product.*

*We want Council to know that as a Native Harvest crew contracted solely to ForestCorp NSW, M&M Timbers selectively falls, snigs, grades and loads timber from Native State Forests in all areas between Macksville and Grafton. We strictly adhere to the protocols set in the Coastal Integrated Forest Operations Agreement.*

*We encourage all members of council to meet and ask the questions of how our sustainable operation is undertaken.”*

**MANILDRA HARWOOD SUGARS WRITES:**

*“Harwood Sugar Mill was established on the Clarence River at Harwood in 1874, Broadwater Sugar Mill was established on the Richmond River at Broadwater in 1881 and the Condong Sugar Mill on the Tweed River at Condong in 1880. Across our sites Manildra Harwood Sugars directly employees c.400 people in occupations that include agricultural inspectors, logistics and transport, quality control, packaging and warehousing, engineering and operations, trades and generally labour.*

*The NSW sugar industry is supported by more than 500 farming families across a farming footprint that covers some 34,000 hectares. Up to 2.4 million tonnes of cane is harvested each year. Our business directly supports numerous external contract companies in the region in the transport, engineering, construction and waste disposable industry.*

*The timber industry contributes to the operation of our plant through coordinated delivery of waste material, such as offcuts and sawdust, which are combusted to provide steam and power for our factories and renewable energy to the NSW power grid.*

*Across Australia we supply packaged retail sugar to all major domestic grocery retailers, as well as Industrial and Bulk sugars, liquid sugar and specialty syrups to food and beverage production and other industries. We also supply by-products such as molasses to feedstock and feedlot companies, distillers and water treatment plants.*

*We want Council to know that the timber industry is a significant contributor to the operational success of Manildra Harwood Sugars and the prosperity of the NSW north coast region.”*