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Submission

to

The House of Representatives Agriculture, Resources, Fisheries and Forestry Committee Parliamentary Inquiry into Forestry

**Compiled March 2011
for Clarence Environment Centre
by John Edwards
Honorary Secretary**

Parliamentary Inquiry into Forestry

Introduction

The Clarence Environment Centre has operated a shop front in Grafton for the past 22 years and has a proud record of advocacy for the environment, particularly in relation to the conservation of native forests, specifically high conservation value old growth and rainforest.

The signing of the historic forest agreements in 1999, which was supposed to result in Ecologically Sustainable Forest Management (ESFM), promised a new era of protection for the biodiversity values of state forests.

Within four years however, it was clear that something was seriously wrong. In northern NSW the then Forestry Commission had preempted the protection of old-growth forests, and the transfer of other forests into the national parks estate, and aggressively logged many of those areas in the latter half of the 1990s, to a point where it will take many decades for those forests to recover. There are prime examples of this in the forests of the Dorrigo - Clouds Creek area.

By 2005 we were seeing forests being massively over-logged across the entire forest estate, removing an average of 40% of basal volume, in many cases just 10 years after these forests were last logged. Action was needed, but the only agency in a position to act, the then Department of Environment and Conservation (DEC), now the Department of Environment, Climate Change and Water (DECCW), failed to do so.

Overview

Even though Australia is well endowed with a large native forest resource the Australian forest industry is probably the worst managed industry in Australia.

In NSW the industry appears to be in a perpetual state of crisis and has become dependent on bail out packages euphemistically called industry assistance. The forest timber industry consistently squanders these generous taxpayer funded opportunities Private mills are still subsidised with a supply of logs at less than cost. The industry has an appalling record of investment and refuses to take any responsibility for its own resource supply now or in the future.

Most of the jobs in the industry are low paid and dangerous. The industry has an unenviable safety record. Workers have little future and industry training is poor. The Government owned corporation Forests NSW is badly managed, loses money and acts as if it is accountable to no one with the possible exception of Boral. Forests NSW consistently gets its harvest yield estimates wrong and lags by years on a lot of the requirements of the Regional Forest Agreement.

The Federal Government seems unwilling to bring the NSW Government and FNSW into line.

The general public thinks the timber industry has no credibility and it is held in very low esteem.

Sustainability

The foundation of a viable forest logging industry is Ecological Sustainability. In the NSW upper north-east, forests are being logged at unsustainable levels. This is the result of the NSW Government entering into long-term wood supply agreements that ignore the requirements of the CAR reserve system that were meant to provide the basis for ecologically sustainable forest management. (ESFM) Under the Regional Forest Agreement (RFA), Forests NSW were supposed to supplement the supply of native forest logs with the purchase of properties that had good timber supplies and also establish more hardwood plantations. It's no surprise that Forests NSW have failed to meet these requirements.

Wood Supply Agreements

The long term Wood Supply Agreements that FNSW has entered into with private mills are distorting the wood market in the upper north-east. The contracts are too long – up to 20 years. The mill owners only need about a 7 –10 year wood supply guarantee to allow them to make decisions regarding investment in new plant etc. Small timber millers complain that the system favours the biggest industry player, Boral.

Unlike Victoria that has an open and transparent bidding system for logs, the contracts in NSW are not made public so they lack transparency and fairness. The anecdotal evidence suggests that logs in Victoria sell for double the price of logs in NSW. This market distortion has many effects. The taxpayer via NSW Forests is subsidising the destruction of it's own forest resource. Low log prices stifle private investment in plantations because investors have to compete with subsidised native forest logs. Low prices encourage the over cutting of forests.

The NSW Government needs to urgently establish a proper wood market.

Private Native Forestry (PNF)

Originally under the RFA, private native forestry was meant to be subject to the same principles as Crown native forestry. That hasn't happened. Again the NSW government squirmed out of its responsibilities and probably never had any intention to properly regulate PNF. The PNF regulations are very loose and cowboy logging operators seem to have little problem getting around what was meant to be a properly regulated activity. Recent revelations relating to the reclassification of old-growth forest and ignoring of Coffs Harbour's Koala Plan of Management, suggest that the PNF section of DECCW do not the best interests of the environment at heart. Regular anecdotal reports that PNF staff have exacerbated the issue by coaching landowners on how to circumvent the threatened species legislation, suggests the PNF regulations need to be tightened.

Regulation

One of most disturbing characteristics of the NSW forest industry is the lack of meaningful regulation. Many critics complain that the regulator, DECCW suffers from regulatory capture. The Clarence Environment Centre is still awaiting the results of a complaint made to DECCW in February 2010. The complaint is about Forests NSW logging operation in Doubleduke State Forest.

On two occasions our complaints were ignored. We had to resort to contacting the Environment Minister, Frank Sartor to get some action. We know that the departments Forest Inspection Unit staff are not properly qualified to identify any flora let alone threatened species. The FIU staff are functionally blind when they enter a forest coupe.

When DECCW do make a determination about a breach of the Integrated Forest Operations Agreement it often just issues Forests NSW with a warning or at most a small fine. The fines are not working as a deterrent. We know this because we have found significant breaches of the IFOA in every harvesting operation we have audited in the last 3 years. The value of the illegally harvested trees far outweighs the small fines imposed by DECCW.

To have any credibility the regulatory regime needs to be seen to be effective.

Community action

As a result of the failure by DEC to enforce compliance, the Clarence Environment Centre began a series of investigations at logging sites starting with Chaelundi State Forest in 2006. At that forest we identified numerous breaches of the Integrated Forest Operations Approval (IFOA), and the Threatened Species (TS) Licence, all of which were reported to DEC. Some details of that investigation and others are as follows:

Chaelundi State Forest, 2006. We reported a sizable group of endangered cycads had been bulldozed to construct a log dump. DEC responded saying it estimated the numbers destroyed were less than the allowable 10% (the IFOA requires 90% to be protected in each compartment). This completely ignored the Clause that explains that where the cycads occur in groups, the entire group must be protected. When we pointed this out to the Investigation Unit, we received no further response.

Subsequently FNSW and DECCW has compiled a poorly researched paper (Binns and Meeks) reporting apparent signs of the species' recovery, and presented it to the NSW Scientific Committee requesting the cycads be delisted. When initially listing the species as endangered, logging was identified as a primary threat and now, after some 15 years of protection from logging, FNSW is seeking the removal of that protection and reinstate this major threat that was driving the species to extinction in the first place. This move is all to do with opening up gully heads, where the Cycads proliferate, to logging. On principle it seems, FNSW traditionally opposes any threatened species nomination that has the potential to impact on logging.

Clouds Creek State Forest, 2008. In response to our complaint that surveys for microbats using ultrasonic sound detection equipment, was undertaken in daylight before 5pm (a fact recorded in the ecological survey report), DECCW excused this by explaining that in some very steep country, the sun might set before 5pm.

Endangered frog species had not been identified, courtesy of the survey being undertaken in one of the driest March months on record, even though the TS Licence recommends surveys be undertaken following rain. In this case, it was left to local residents to go out and photograph the frogs to provide proof of their occurrence.

Evidence we provided of large numbers of marked habitat trees being deliberately torched in post harvest burning (photos of burned trees with unburned surrounds), has never received a response, so we assume no action was taken.

Pine Brush State Forest, 2007. To our complaint that threatened Square-fruited Ironbark trees had been needlessly destroyed during forestry roadworks, DECCW was quick to point out that the destruction occurred outside the forest boundary, and there was no requirement to assess external access roads for threatened species (This could be true, but nevertheless the widening was excessive, and the damage could have been avoided). We also found the same threatened Ironbarks growing around a log dump where logging was in progress at the neighbouring **Newfoundland State Forest** but the species was not mentioned in the harvest plan. FNSW's failure to identify such an easily recognisable species was a worry to us, but not to the DECCW it seemed, who took no action.

Bellangry State Forest, 2010. Our complaint about the practice of virtual clear-felling (identical in many respects to the now disallowed Timber Stand Improvement program of the 1970-80s), received an explanation from the Investigation Unit that: *“Under Single Tree Selection, the IFOA does not permit more than 40% of the basal area of all trees existing immediately prior to logging within the net harvestable area to be removed from the tract. While FNSW has exceeded this limit in some logged areas in Bellangry SF, FNSW have met this requirement when retention rates are assessed across the whole tract, as permitted under the IFOA.”*

On checking, we found the IFOA does allow this, but we could find nothing to explain what constituted a “tract”. However, this activity is sheer madness from a biodiversity protection view point. What it does is allow chronic weed invasion, with potential for Bell Miner Associated Dieback (BMAD), a major reduction in biodiversity, and a high probability that the forest structure will be changed forever, often making it more fire-prone (BMAD is discussed in detail below).

These are just a few cases reported. However, numerous other reports were made including the allowing of grazing by cattle within the Coffs – Clarence regional water supply catchment, with no fences to exclude them from waterways. Not once did DECCW support our claims and in the few cases where we received a response, DECCW acted as an apologist for Forests NSW (FNSW). It was clear that our auditing of logging operations needed to be raised to a new level.

Forest audits.

The idea of professional auditing was a suggestion by the North East Forest Alliance (NEFA), which organisation undertook an audit of logging at Yabbra State Forest in late 2009, using professional botanists and ecologists. They found widespread breaches, including the destruction of several hectares of rainforest which subsequent investigations by DECCW confirmed. The subsequent issuing of infringement notices and a total fine of \$1,200, was a ridiculously inadequate response.

Doubleduke State Forest.

The Clarence Environment Centre (CEC) first inspected logging at Doubleduke in early 2010, and determined that an Endangered Ecological Community (EEC) had been illegally logged. Attempts to contact DECCW's forestry unit failed to get any response, so a letter, detailing a range of breaches was sent to the Minister. At the same time, the CEC sought assistance from the North Coast Environment Council (NCEC) that funded two independent surveys which confirmed that an EEC had been logged. These breaches occurred despite FNSW being fully aware that we were monitoring their operations, making it clear that they felt immune from any possible repercussions.

Independently, NEFA also employed a professional team to audit Doubleduke, finding even more breaches of the IFOA, and their Fisheries and Threatened Species Licences. Faced with 3 professional reports, DECCW also brought in a consultant that agreed with all allegations. That was more than 6 months ago, and the only response we have had from DECCW since then is that the investigation is “on-going”. In the mean time however, Minister Whan has told parliament that no EECs were logged in Doubleduke State Forest. What is going on?

Grange State Forest

An inspection by CEC of logging in the Grange State Forest in mid 2010 found an appalling case of old-growth rainforest logging, the logging of drainage lines, and logging within exclusion zones. Of greatest concern was the fact that the area in question had been mapped in the harvest plan as Scribbly Gum – Blackbutt forest, when neither species occurred there.

Because that destruction was still under way, we did not have the luxury of time to employ independent professionals to confirm our assessment, so we reported the incident to DECCW in the hope of saving what rainforest was left.

Again we received no immediate response, so we went public in the media which resulted in an extremely aggressive response from the timber industry, and denials from DECCW. However, DECCW's subsequent investigation confirmed our allegation that rainforest had been logged, and again this was more than 6 months ago with, we are told, ongoing investigation.

Girrad State Forest

NEFA and the NCEC combined to undertake an audit of logging at Girrad in about August 2010. Again widespread breaches were identified, confirming there is a systemic problem which DECCW is either unable or unwilling to address. DECCW's investigation of these latest breaches is also ongoing.

Forest Investigation Unit's practices.

In February 2011, 3 officers from DECCW's investigation unit met with concerned members of the public at Clouds Creek to instruct participants on how the unit assesses a logging operation. The following are extracts from our notes on that event which were sent to the Unit's leader for comment. However, other than a comment that it appeared there were some misconceptions on our part, the Forestry Inspection Unit has not yet corrected our supposed misconceptions.

The following notes on how DECCW administers the TS Licence is a clear indication that the Investigation Unit is more about excusing breaches than it is about exposing or reporting them.

The Pollution Licence

If logging is planned in areas with steep slopes during the wet season, a pollution licence is required from DECCW's EP&A section. However, FNSW can opt out of this requirement

According to the inspectors, the ability to "switch off" the pollution licence requirement also has major implications for protection of unmapped drainage lines, with the investigators informing us that logging can only be prevented from within unmapped drainage lines/gullies, and even small creeks, if FNSW actually holds a licence.

Coupled with the fact that there is no water quality testing, either by DECCW, NSW Fisheries or FNSW, that could provide evidence of pollution, there is no incentive for FNSW to apply for a pollution licence that would restrict its policy of logging wherever it possibly can. We believe this is unacceptable. Unmapped drainage lines must be protected from logging, and where areas have been identified as too steep and/or fragile for logging during wet seasons, logging should be banned during those seasons. We point out that in 2009, when Compartment 79 was logged, the region experienced 5 major flood events, and Clouds Creek State Forest is one of those identified where logging should not be scheduled to occur during the wet season. FNSW did just that anyway, starting the logging operation on January 10.

Community consultation

Neighbouring landowners are seldom consulted prior to logging. Numerous examples are available. We were informed at the field day that following investigations there is a debriefing held with FNSW. We asked if a similar debriefing could be extended to any person/group who reports a breach in the first instance. No commitment was made on that request.

However, we point out that we often receive no feedback other than to acknowledge receipt of the complaint, and the responses we have received to our frequent complaints over the last 7 years, from both DECCW and FNSW, have never contained any admission that there has been a breach. This has been the experience of all others involved in the training day. It wasn't until NEFA undertook the very expensive scientifically-based audit at Yabba SF in 2009 that any action was taken against FNSW (resulting from a report from the public).

We were told that DECCW has a training manual but there was no way we could obtain a copy. As the field day was specifically called to instruct us on how to identify logging breaches, this seemed a bit odd, and there was no explanation as to why the manual is a classified document.

This simply added to the unfortunate level of skepticism about DECCW's true role as a forestry watch-dog. Post field day discussion resulted in one participant stating that it appeared DECCW was there simply deflect complaints from the public.

We are also concerned that the publicly available Breaches Register only contains breaches recorded by FNSW's own staff in, while breaches reported by third parties and DECCW are not entered.

The Monitoring Process

We twice asked that the investigators run through the step by step process they follow during the monitoring process, but never did get that explanation in full (more to do with the conversation being sidetracked, than any avoidance of the question). However, it seems that Operational Harvest Plans (OHP) are subjected to a desk-top assessment by the investigation team, but neither of the investigators could give any idea of the percentage of logging operations that receive on-site assessments. We do not know if those field assessments occur before and/or after logging commences, especially in relation to on-site assessment of 'marked up' forests before logging commences, one of the major problems we have identified over time, with recent evidence showing that the marking of habitat trees sometimes occurs **after** the logging has been completed.

We also learned that DECCW investigators are not adequately equipped to recognise threatened species or endangered ecological communities (EECs) in the field. We gave the example of Grange and Doubleduke where, in both cases, we were told it would have been unlikely that these illegal operations (logging of rainforest and an EEC) would have been picked up in a routine field inspection.

Field Assessment.

A corner of Compartment 79, at Clouds Creek SF, the field day site, comprises an area of approximately 5 hectares. It is surrounded by rainforest exclusion zones on two sides, private property on a third and compartment 78 on the other. Our previous assessment determined that:

- it been logged well in excess of the “average” 40% basal volume allowed, possibly over 60%. We highlighted the consequences of this in relation to Bell Miner Associated Dieback (BMAD). The removal of support had also seen numerous trees fall subsequent to the logging event.
- Only two marked habitat trees and one recruitment tree had been found in the entire 5 hectares, and there were no trees marked up for retention for gliders or Koalas.
- Trees had been routinely logged from unmapped drainage lines, and:
- No attempt at rehabilitation for regeneration had been made, with no signs of Eucalypt regeneration occurring.

The investigators' response to what we believed to be gross over-logging, and breaches of the IFOA, particularly in relation to habitat trees, was disappointing to say the least. There was a reluctance to admit that anything untoward had occurred. In fact one commented that it appeared to be a “better than the average” logging event. We don't dispute the last comment, because FNSW knew the operation was under close scrutiny. Nevertheless we make the following comments.

1. In response to our claim that far more than 40% of the basal volume had been taken, the investigators were unable to make a definitive determination without assessing the entire compartment as the 40% maximum 'take' applies to the entire Net Harvest Area.

However, there was an extremely disturbing observation by one investigator that, based on her hand-held satellite tracker, the mapped logging area extended almost 100 metres beyond where the logging had ceased, into what was clearly rainforest. On-ground observations and measurements appeared to support this.

That effectively meant that the unlogged component could be used to reduce the average basal volume overall. The real concern however, was that the 100 metre strip in question is clearly rainforest and not the Tallowood dominated sclerophyll forest that has been mapped on the OHP. **Once again it would appear that erroneous mapping is an issue, with at least one hectare of Rainforest Crafti being mapped as FMZ4, General Management.**

The issue of Bell Miner Associated Dieback (BMAD), and the consequences of removing in excess of 35% of the canopy which triggers the disease is dealt with below.

2. Our assertion that there should have been at least 23 marked habitat trees and an equal number of recruitment trees retained within the 5 hectare logged area was not accepted by the investigators who were emphatic that the calculation of habitat trees, like the basal volume removed, is averaged over the entire net harvest area.

We strongly disagree. The requirement is clearly set out in Section 5.6 of the TS Licence which states that: *“A minimum of ten hollow-bearing trees must be retained per two hectares of net logging area. Where this density is not available then those hollow-bearing trees present within the net logging area must be retained.”*

Further there is the requirement that *“Hollow-bearing trees must be scattered throughout the net logging area.”*

We have found evidence of widespread destruction of habitat trees, often using OH&S as an excuse, or by deliberately burning them post harvest. We have photographic evidence where debris has been stacked against the base of habitat trees to ensure the destruction of what many forest workers believe are an unwanted component.

Also in relation to habitat tree retention, we pointed out that the harvest plan identifies multiple Yellow-bellied Glider records along the full length of one boundary, with modified operational zones extending across part of the 5 hectares of logged forest in question. Clearly this is core Yellow-bellied Glider habitat, and the removal of at least 30 large trees measuring to 1m dbh, most of which would have been hollow-bearing, makes this alleged breach even more significant. The Inspector however, determined that an adjoining riparian exclusion zone would contain habitat to offset losses in the logged area.

Mapped records of Koala within Compartment 79, and the fact that the harvest area is predominantly Tallowood, a primary feed species, and also that a conservative estimate shows a minimum 50% basal volume has been removed from that habitat, is also a concern. This unacceptable impact on Koalas is compounded by the fact that FNSW has logged at least 6 adjoining compartments, another breach of the IFOA that requires logging operations to be undertaken in a mosaic to reduce impacts. And all this we were told is “better than average”! It became clear that the inspectors were there to excuse these abuses.

3. We commented earlier, that trees had been routinely logged from unmapped drainage lines within the 5 hectare logged area. Because of deteriorating weather, time restrictions on the day, and the investigators' assurance that, as long as FNSW had chosen not to apply for a pollution licence, they were free to log any unmapped drainage line, we chose not to waste time looking at them on the day.

With access to logging sites denied to the public, with charges of trespass frequently following any attempt to enter, and no water quality testing taking place, any such breach is unlikely to be found.

We strongly believe the ability to switch off the pollution licence is a loophole that must be closed, particularly in forests such as Clouds Creek that lie within regional drinking water supply catchments.

4. No attempt at rehabilitation for regeneration was evident in the area we visited on the day, with no signs of Eucalypt regeneration occurring. This is pretty common in areas that are not easy to burn. It seems that if FNSW cannot solve the problem by dropping a match, a solution that works well in dry Blackbutt forests, there is little chance that any attempts will be made at rehabilitation.

Section 38 of the IFOA requires FNSW to undertake an assessment of regeneration levels by 2004. We have tried to find if this has occurred and if DECCW has any role in ensuring this occurs, but so far have not received a response.

Flora and Fauna assessment

We have already mentioned the failure of FNSW to identify endangered frogs occurring at Clouds Creek, which job was finally left to local residents who went into the forest and photographed them.

During a 3 hour survey at Doubleduke, our botanists found 2 threatened plant species that had never been recorded by Forests NSW, and there are probably more.

The incorrect mapping of vegetation communities at both Doubleduke and Grange State Forests, adds to the conclusion that there is a clear need for proper flora and fauna assessments to be undertaken. For example, how can it be determined if EFSM is in fact occurring, if there is inadequate or faulty baseline data?

Bell Miner Associated Dieback

The NSW Scientific Committee has determined BMAD to be a Key Threatening Process, and the outbreaks on the NSW north coast is a major concern to conservationists. The Scientific Committee's determination identifies the removal of more than 35% of canopy as being a trigger for the disease, but FNSW appears to be in complete denial with forests being routinely logged to an average 40% basal volume, which equates to an even greater percentage canopy loss.

It is estimated that more than 4 million hectares of forest in NSW is potentially under threat from the disease, and there is already a noticeable presence of Bell Miners throughout the Clouds Creek forest with dead and stressed trees already evident.

FNSW, despite being represented on the BMAD Working Group, are refusing to admit to the problem and will not even contemplate the simple task of having a box in their harvest plans that could be ticked if Bell Miners were present.

Certainly all current harvest plans allow for basal volume removal of an average 40%, regardless of the presence of Bell Miners. The canopy has an even greater percentage loss because of the collateral damage caused by logging, which is well above the level identified as a BMAD trigger (at Clouds Creek we calculated that the canopy had been reduced by more than 50% in most logged areas and up to 60% in some).

Certification

The forest industry has enthusiastically embraced the concept of forest certification. The industry believes that certification will enable its operations to be seen by the consumer and the general public as legitimate. The phrase the industry uses to describe this idea is “social contract.”

The thinking by industry goes something like this. Even though forest operations are regulated by government and are therefore legal and above board there is still a lot of suspicion in the public's mind that there's something shonky going on. But if we create a 3rd party certification body we can say that our operations are not only legal but meet the requirements of Ecologically Sustainable Forest Management. All sounds good in theory. All sounds too good to be true, and it is.

The supposed independent 3rd parties are the same people that are currently running the industry. It's a classic self-regulation prescription that will eventually be seen for what it really is.

There are three certification bodies in Australia; The Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC) and the Australian Forest Standard (AFS). The AFS is mutually recognised by the PEFC. Certification by any player in the industry is voluntary. Forest campaigners and environmentalists have highlighted problems with all three of these certification systems. The PEFC seems to be the worst. By definition that includes the AFS.

The problem with these types of certification systems is that they generally relate to 'system standards' not 'performance standards'. For example there may be a requirement to monitor biodiversity. That's a 'system standard.' A 'performance standard' would also require some action if biodiversity values were, for example, in decline.

The AFS is full of 'system standards' and little else. In the AFS literature there is a clause to say that the minimum requirement for AFS accreditation in NSW is the Integrated Forest Operations Agreement, an agreement our organisation and others have now shown to be subject to systemic breaching by FNSW.

So in fact the AFS is a nothing certification system. It has no teeth. Once consumers and the general public learn the truth about forest certification they will see it for what it is; basically a green-washing exercise. Eventually forest certification will go pear shaped in the biggest possible way. It will be the industries own fault for being so cynical and so dishonest about its green credentials.

Only a properly independent, internationally respected certification system should be used.

Energy Production

There has been a push by the timber industry in recent years, particularly in the face of decreased demand for wood-chip during the world economic crisis, to use native forest timber for electricity generation. Burning wood for power is an 18th century idea. That's where it should stay.

Australia is blessed with vast truly renewable, non-polluting, energy resources. There is no need to burn wood for electricity. The real problem is that the timber industry can't be bothered to think creatively about its waste stream. How can anyone claim that burning wood is renewable when forests across NSW are not sustainably managed?

The industry claims that only waste timber would be used. That was the argument used years ago to support wood-chipping. What happens in extended wet weather when logging can't proceed? The power station runs out of fuel because the mills aren't generating any waste. The power station will request that they be allowed to burn other forms of waste like garbage, agricultural and industrial

waste, with all the attendant pollution problems.

Burning wood is just a bad idea cooked up by an ailing industry.

In conclusion

From the evidence gathered by the Clarence Environment Centre, NEFA, and the NCEC, it is clear that Ecologically Sustainable Forest Management is not being practiced in any way or form. We doubt if logging can ever be truly sustainable in terms of maintaining biodiversity levels, and we also believe that FNSW simply cannot be trusted to continue the exploitation of these publicly owned forests.

Therefore we believe the only solution is to phase out logging of native forests altogether, and move to plantation grown timber to meet total demand.

We thank you for the opportunity to comment.

Yours sincerely

John Edwards
Honorary Secretary

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