We are now accepting email submissions. The form below must be filled out and attached in an email and sent to ifoa.remake@epa.nsw.gov.au If this form is not attached or incomplete the submission will be lodged as confidential and will not be published.

Make a submission – Contact Details

First Name*: Maree

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Country*: Australia

Stakeholder type (circle)*: Industry Group

Organisation name: Timber NSW

What is you preferred contact method (circle): Mobile

Would you like to receive further information and updates on IFOA and forestry matters? Yes

Can the EPA make your submission public* (circle)? Yes

Have you previously engaged with the EPA on forestry issues? Yes

1. **What parts of the draft Coastal IFOA are most important to you? Why?**

   Timber NSW (TNSW) is interested in entire draft Coastal IFOA and considers all parts to be important. As a regulatory instrument IFOAs are a critical determinant of the NSW timber industry's continuing commercial viability and its vital importance to regional economies in NSW. The way and extent to which native timber harvesting operations is regulated has an impact on the amount, type and quality of timber that comes to market and its price. All sectors within the NSW hardwood timber supply chain will in some way be affected by the IFOA remake.

2. **What parts of the draft Coastal IFOA do you think have a positive outcome on the management of environmental values or the production of sustainable timber? Why?**

   TNSW supports the need for an effective regulatory instrument that maintains forest values in accordance with ecologically sustainable forest management (ESFM) principles (Appendix 1). TNSW also recognises the value of operating rules which are transparent and easy to interpret. The consultation draft is much easier to read and interpret than the existing IFOAs. The new layout is also an improvement allowing detailed information to be more easily found. Splitting the instrument into Conditions and Protocols is supported

as it will enable prescriptive details to be more easily updated. In terms of enforceability there can be no doubt that the draft is water tight comprising almost 250 pages of detailed regulation.

3. **What parts of the draft Coastal IFOA do you think have a negative outcome on the management of environmental values or the production of sustainable timber? Why?**

The consultation draft introduces a raft of new conditions and protocols and additional layers of complexity. Of all the proposed changes the new individual tree retention prescriptions pose the greatest risk to sustainable timber supply, particularly those relating to koala habitat retention. The industry is totally committed to the protection of the koala and the recent research by Dr Brad Law indicates that the koala numbers are far higher than previously thought. So simple tree retention strategies will not necessarily improve the population of koalas.

TNSW accepts that the proposed changes are designed to improve accountability and transparency. What appears to have been overlooked is at what cost? Potentially the general increase in the number and type of regulatory obligations might manifest themselves in higher harvesting rates. Harvesting rates for high quality sawlog are borne by the industry (not the Forestry Corporation) and consequently its competitiveness.

It can be anticipated that the proposed changes will also likely impact on forest productivity, timber quality, quantity and species mix. If history is any guide, these impacts will subtly emerge over time (years). In the absences of any testing or trials we can only guess at their quantum and timing.

At a higher level, Timber NSW has major concerns with the EPA's overarching approach which seeks to regulate every minute aspect of the Forestry Corporation's core business. As the designated State forest managers responsible for environmental, public and industry values, they should be accorded the respect of high level stewardship for sustainable operational forests. We note however that the oppressive and often unnecessary regulatory control comes at the expense of operational flexibility and the Forestry Corporation's discretionary powers.

The separation of powers within government is an important and well understood principle. The Forestry Corporation, however, is a government-owned entity with a 100 year track record of effectively managing State forests and regulating timber harvesting activities. Given the Forestry Corporation's experience and knowledge we are perplexed by the extent to which its discretion and authority has been eroded. Being a corporation is reason enough. We note the formation of the corporation was touted as a way to improve the industry's commerciality. The approach taken in the consultation draft goes a good way to destroying this notion.

The extent and level to which the Forestry Corporation has been disempowered is perhaps best illustrated by condition 32 which removes the agency's discretion to determine the conditions of a domestic firewood collection permit.

The Forestry Corporation remains in control of the management of 2.2 million hectares of State forest land (less the parts which are subject to EPA licensing - 22,000 hectares per year). All State forest land is subject to a suite of threatening processes, namely; pests, weeds and altered fire regimes. These common threats are having a far greater impact on the environment than carefully planned operational activities.

It is difficult to reconcile that Forestry Corporation has direct responsibility for the management of common environmental threats with virtually no regulatory oversight and yet, at the same time it cannot be trusted with the management of domestic firewood collection.

Under the current IFOA arrangements a highly disproportionate number of the agency's staff are now engaged in satisfying the EPA's requirements. The new draft IFOA simply exacerbates this problem.

Excessive regulation of operational activities is also having a perverse effect on the culture and mindset of Forestry Corporation staff and the industry contractors that they employ. The Forestry Corporation's senior management are focussed on their compliance obligations when their skills and expertise should be used for the wider benefit of state forests, other forest tenures and improved forestry outcomes. This results in activities which are subject to minimal regulatory oversight now, being given minimal attention. Controlled burning, road and trail maintenance, pest and weed control and infrastructure maintenance have all become lower priority activities which are afforded minimal resources.

The effect on local Forestry Corporation staff and contractors, who are directly responsible for implementing the heavy regulation, is oppressive. These staff and contractors have been trained to apply the best scientific expertise and skills to ensure the long term health of the forests and surrounding ecology. Through subtle demonising of forestry expertise and science, environmental science and ecology is now seen as the only mechanism for managing forests. These disciplines must be used together with equal weighting if the true benefits for all tenures in NSW are to be seen.

Under the IFOA draft penalty changes, Forestry Corporation has acknowledged that its exposure to potential fines and prosecutions is greatly enhanced and that to mitigate this risk, the Corporation may shift responsibility to harvesting contractors. Shifting more of the regulatory burden onto contractors will have two effects; harvesting rates will rise and the commercial attractiveness of the activity will decline (as a consequence of the increased liability). TNSW remains to be convinced that the implications of a creating an unattractive work environment has been fully considered and the decision to avoid any consultation with forestry contractors over the IFOA draft's development phase underscores our concern

In summary, the excessive regulatory control model being proposed by the EPA will not deliver positive ESFM outcomes envisaged because of the lack of acknowledgment that forestry science has equal weighting with environmental science. These impacts are not in the overall public interest.

4. What are your views on the effectiveness of the combination of permanent environmental protections at the regional, landscape and operational scales (multi-scale protection)?

Timber NSW has consistently advocated for careful consideration of environmental protection at the regional, landscape and operational scale. Before the EPA was involved in the regulation of forest management the then Forestry Commission employed professional foresters who applied the multi-scale protection principle which achieved the same aim. This was undertaken without the need for excessive prescriptive regulation.

The benefit of the less regulated approach was that it gave the organisation flexibility and discretion to optimise the management of all forest values not just those considered important to the EPA whose charter is only focussed on environmental values.

5. In your opinion, would the draft Coastal IFOA be effective in managing environmental values and a sustainable timber industry? Why?

TNSW asserts that the consultation draft affords greater weight to addressing political sensitivities than it does to its stated purpose - which is to maintain forest values in accordance with the principles of ecologically sustainable forest management (ESFM) (Appendix 1).

Of the five ESFM principles, four have not been appropriately addressed. For principle (a) *maintaining forest values for future and present generations* TNSW considers the draft is unbalanced. Principle *(c) providing incentives for voluntary compliance and capacity building* appears to have been completely ignored. Limited provision has been made to accommodate principle (d) *applying best-available knowledge and adaptive management processes to deliver best-practice forest management*. Lastly, the draft gives undue emphasis to principle (e) *the precautionary principle.*

The source of concern about the IFOA regulatory approach is that it attempts to deliver an outcome to environmental critics rather than demonstrate that forestry can operate as a renewable and sustainable activity with improved environmental values. Ever increasing regulation appears to correlate with the politicisation of forestry operations in concert with the philosophy demonstrated by some government agencies that oppose in principle any forestry practices.

Additionally a major consequence of the draft IFOA's political focus is a lack of attention to the calculation of sustainable timber supply. There is no publicly available information about how the impact of the new operating conditions and protocols will affect sustained timber yield. The lack of accountability and transparency around this key issue is deeply concerning for the industry. It is unreasonable that the industry is expected to accept at face value that the proposed changes will have no effect on timber supply.

The demonstration of sustainable timber yield has many aspects and layers which go well beyond the issue of maintaining wood supply agreements. TNSW needs to be convinced that the Forestry Corporation's FRAMES model has the capacity to effectively model the changes and are concerned that there are a large number of inbuilt modelling

assumptions that remain untested. The risk of this approach is that the impacts on sustained yield will not become apparent for many years to come.

The importance of trialling and testing the effect of the proposed IFOA changes cannot be overstated, however this issue appears to have been ignored. In the absence of rigorous testing the industry can have no confidence that timber resources and forest productivity will not be impacted.

The proposal to ensure retained trees in permanently protected clumps is an example of a significant change whose effect has not been tested. TNSW acknowledges the practical benefits of clumping but are not convinced that such a rigid commitment to the concept has been fully considered. What is known is that the distribution our native forests trees (in terms of their age, species, condition and structure) is highly unpredictable. Trees with particular environmental values like hollows do not naturally occur in clumps, they are randomly spread across the landscape.

Similarly, the location of individual trees that are preferred browsing by koalas is unpredictable. Trying to clump trees for environmental protection purposes will not work if they are not distributed in this way. Large old trees which have good habitat value typically have no value for commercial timber. Where these and other trees - with special environmental value - occur in isolation it is unclear how they will be treated and how their influence on timber productivity and sustainable supply will be modelled.

The IFOA draft's focus on the identification and recording of trees for 'permanent retention' is of concern to the industry. Forests are dynamic ecosystems which are constantly changing. Trying to manage trees like they are artefacts in a museum is not good science.

The use of new mapping technology is presented as the answer to addressing an additional compliance burden and the growing complexity of environmental protection rules. The recording of the location of individual trees and important environmental features will undoubtedly increase transparency and will hopefully also reduce ambiguity. However, TNSW is given to understand that beneath the forest canopy GPS tracking technology is only accurate to within + or – 5 to 10 metres. With EPA policing its conditions to the nearest metre (after the canopy has been removed), this could become a compliance problem.

6. General comments

TNSW wishes to express our disappointment that there has been no opportunity for industry input since 2015. This embargo has prevented those who are impacted by the outcomes of this decision from having any input during the all-important design phase.

Additionally it is disappointing that the NSW Department of Primary Industry (DPI) appears to have no role in the IFOA remake process. It is our understanding that DPI is meant to be taking a lead role in the development of forestry policy being instrumental in the underpinning of the NSW Forestry Industry Roadmap (within which regulatory modernisation is a key component). With significant specialist forestry science resources NSW DPI could have contributed enormously to address the aspects of sustainable

timber supply which are of critical concern to the industry. Had DPI been part of the negotiations with Forestry Corporation and the NSW EPA it could have also facilitated a more open and transparent process.

Lastly, thank you for the opportunity to comment on the IFOA consultation draft. After such a long period of development commencing in 2013 we hope that the government remains open and receptive to our feedback.

APPENDIX 1

principles of ecologically sustainable forest management means the following:

(a) maintaining forest values for future and present generations, including:

- (i) forest biological diversity, and
- (ii) the productive capacity and sustainability of forest ecosystems, and
- (iii) the health and vitality of native forest ecosystems, and
- (iv) soil and water quality, and
- (v) the contribution of native forests to global geochemical cycles, and
- (vi) the long term social and economic benefits of native forests, and
- (vii) natural heritage values,

(b) ensuring public participation, provision of information, accountability and transparency in relation to the carrying out of forestry operations,

(c) providing incentives for voluntary compliance, capacity building and adoption of best-practice standards,

(d) applying best-available knowledge and adaptive management processes to deliver best-practice forest management,

(e) applying the precautionary principle (as referred to in section 6 (2) (a) of the *Protection of the Environment Administration Act 1991*) in preventing environmental harm.