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#### Topic 1. Sustainability of current and future forestry operations in NSW

There are several indicators that call into question the sustainability of native forest logging in NSW.

These are:

- a) Native forestry has not been financially viable for a number of years, with no prospect of a return to profitability due to
- b) Increasing financial and budgetary pressures, including reducing log supply, increasing unrecovered costs and risks associated with NFL operations, and changing markets Financial Viability

A recent (November 2023) report by Frontier Economics for the Nature Conservation Council of NSW stated that:

'As in Victoria, FCNSW's NFL business has offered poor financial returns to NSW taxpayers (see Figure 3). FCNSW's hardwood division lost \$30 million in the last two years.'

The report goes on to say that:

'While the 2019 bushfires contributed to pressure on FCNSW's native forest logging business, these events acted to compound many years of poor financial performance and losses. The poor profitability of the hardwood business reflects that the costs of production exceed revenue.' Increasing financial pressures

It is further noted in the report that the drivers of contraction in Native Forest Logging are both long standing and increasing.

The report highlights that multiple factors are contributing to a significant reduction in hardwood log supply, so much so that 'Supply shortages will continue as a threat to the financial viability of the public NFL sector.'

Further, there is an operating environment of both increasing costs and increasing risks coupled with very real market changes that 'have reduced the demand for native forest products and put downward pressure on prices.'

https://assets.nationbuilder.com/natureorg/pages/2713/attachments/original/1699421741/23-11-

02\_Public\_native\_forestry\_a\_growing\_taxpayer\_burden\_Final\_report\_STC\_%281%29.pdf?169942 1741

A sector that is facing such a severe and unrecoverable downturn (due to changing market forces and increasing costs and risks) is clearly a sector that can not be considered sustainable.

If we accept that native forest logging by the Forestry Corporation of NSW is not sustainable it is then a matter of not if but when we transition to sourcing hardwood entirely from plantations. In doing so NSW would be in line with recent decisions by Victoria and Western Australia to end native forest logging.

Given that the transition is inevitable, the question becomes 'how soon?' And the answer, for reasons which will be covered in the section on the environmental and other impacts of native forest logging, is as soon as possible.

I call therefore for the immediate planning and implementation of a fair and equitable transition plan that provides for financial and other support for all workers affected by the closure of native forestry operations in NSW.

# Topic 2. Environmental and cultural values of forests, including threatened species and Aboriginal cultural heritage values

A recent report by Frontier Economics for World Wide Fund for Nature-Australia clearly highlights the remarkable range of value native forest provides to the community.

The report quotes from a study by Australian National University that looked at the Central Highlands region of Victoria in light of the United Nations System of Environmental-Economic Accounting (SEEA) framework.

Through this comprehensive lens of the interrelationships between the economy and the environment it was apparent that:

'native forests would provide greater benefits from their ecosystem services of carbon sequestration, water yield, habitat provisioning and recreational amenity if harvesting for timber production ceased'

https://assets.wwf.org.au/image/upload/file\_transition\_support\_for\_the\_NSW\_native\_forest\_sec tor frontier economics

A recent study published in the journal Conservation Science and Practice notes that Australia is one of 17 mega-biodiverse countries and deforestation and degradation is a major cause of biodiversity loss.

The study further states that NSW is the second most forested and woody state on the Australian continent. NSW supports more than 1600 plant community and 532 threatened species (233 of which are endemic to NSW) listed as vulnerable, endangered, or critically endangered under the Environment Protection and Biodiversity Conservation (EPBC) Act 1999.

Directly addressing the impact of ongoing logging, the study found that recent logging potentially impacted 150 species that had already been affected by this historical deforestation and degradation. Forty-three species that were identified as impacted by historical deforestation and degradation and continue to be impacted by logging, now have 50% of their pre-1788 extent remaining that is intact and nine species now have 30%.

https://conbio.onlinelibrary.wiley.com/doi/10.1111/csp2.13185

Two of those species have less than 10% of intact habitat remaining and some of the species had high overlaps with recent logging.

The authors state that thirteen of these species are listed as critically endangered. This means there is a 20% probability of extinction in ten years (or five generations, whichever is longer) without urgent conservation action.

https://theconversation.com/more-than-half-of-nsws-forests-and-woodlands-are-gone-as-ongoing-logging-increases-extinction-risks-study-shows-235416

Following the devastating bushfires of 2019/2020 the koala lost up to 81% of its habitat in parts of NSW and indeed a parliamentary enquiry found that in NSW the koala will be extinct in the wild by 2050 without urgent action to protect their habitat.

https://www.wilderness.org.au/protecting-nature/deforestation/nsw-forests-stop-the-chop The southern greater glider is also an endangered species. Unfortunately, their remaining habitat is being significantly affected by ongoing logging, to the extent that a stop work order was issued when a dead greater glider was found just 50m away from an active logging operation. After further investigation 89 greater gliders and 20 den trees were identified in an area that the Forestry Corporation of NSW had identified just a single den tree.

https://www.nature.org.au/either\_blind\_or\_not\_looking\_analysis\_reveals\_forestry\_corporation\_i gnores\_endangered\_gliders\_across\_nsw

It is of deep concern that the Forestry Corporation of NSW has been found to have failed to adequately surveyed for the presence of greater gliders and den trees, so much so that independent surveys conservatively suggest that at 2.75 den trees per hectare at least 1,215 den trees have likely been logged or have had logging inside their 50 metre exclusion zones. That is, 1215 breaches of regulations designed to protect the endangered greater glider in just 442 hectares of logging.

https://wwf.org.au/news/2023/report-estimates-forestry-corp-breached-regulations-1215-times-in-tallaganda/

In another instance, Forestry Corp logged 9 of 11 exclusion zones for the greater glider and most probably felled 2 actual den trees as they could not be found intact.

https://www.abc.net.au/news/2024-07-24/nsw-government-forestry-corporation-illegal-logging-allegations/104126534

And it is not just the greater glider that Forestry Corp practices have harmed.

The Byron Echo reports that Forestry Corporation NSW was convicted and sentenced in the NSW Land and Environment Court for offences relating to native forest logging in 2020. The organisation was fined \$360,000 and ordered to cover the legal costs of the Environment Protection Authority (EPA).

The breaches were as a result of the Forestry Corporation failing to accurately map two known Environmentally Significant Areas in the Yambulla State Forest and actual harm caused to 53 eucalyptus trees, and potential harm to three threatened bird species in the area.

https://www.echo.net.au/2024/08/nsw-forestry-corporation-fined-for-logging-breaches/ It has been reported that:

A New South Wales government agency has racked up more than \$1.1 million in penalties for more than a dozen instances of unlawful activity in fewer than five years, including seven criminal convictions.

It also faces three more criminal prosecutions that could result in up to \$12 million in additional penalties, if found guilty, and is under investigation for a further 18 potentially-illegal actions. https://www.abc.net.au/news/2024-07-24/nsw-government-forestry-corporation-illegal-logging-allegations/104126534

Conclusion

Logging in NSW can be considered neither sustainable financially nor sustainable in terms of the populations of species it is required to protect.

We are left with the picture of an industry where a transition away from native forest logging is essential and inevitable engaging, through the public owned Forestry Corporation NSW, in practices which actively hasten the end of several species and severely impact the remaining biodiversity of our state.

Put bluntly, a dying industry is hastening the extinction of more species seemingly without regard to consequences.

This is in stark contrast to Australia's international obligations.

'Australia has recently committed to international agreements to halt taxa extinctions (e.g., Global Biodiversity Framework; Secretariat of the Convention on Biological Diversity, 2022), prevent further forest degradation (e.g., Glasgow Climate Pact; UNFCCC, 2021), and reverse biodiversity loss (e.g., Natures Pledge; Leaders Pledge for Nature, 2022). The NSW Government has also made commitments to enhance nature conservation including stopping extinctions inside protected areas, stabilizing, or improving the trajectory of all threatened taxa, and removing threatened taxa from the threatened species list (NSW Government, 2021a). Notably, the NSW Government's Koala Strategy has also committed to doubling koala numbers by 2050'.

https://conbio.onlinelibrary.wiley.com/doi/10.1111/csp2.13185

Australia is a signatory to many international conservation goals. For instance, the Global Biodiversity Framework aims to 'ensure urgent management actions to halt human-induced extinction of known threatened species and for the recovery and conservation of species'. The Glasgow Leaders' Declaration committed us to halt and reverse deforestation by 2030. Australia has one of the highest mammal extinction rates in the world and the highest per capita greenhouse gas emissions of all OECD member countries. We are also the only developed nation identified as a deforestation hotspot.

https://theconversation.com/more-than-half-of-nsws-forests-and-woodlands-are-gone-as-ongoing-logging-increases-extinction-risks-study-shows-235416

Australia, and NSW, can and must do better. The only way to meet our international obligations is to immediately implement a moratorium on logging in areas where endangered species are found, most particularly koalas and greater gliders and to transition to the end of native forest logging as soon as a fair and equitable plan for the transition can be implemented.

I thank the committee for their consideration of my submission.

Jason Mark Glasson

12 October 2024