

**Submission to House of Representatives Standing Committee on Agriculture,
Resources, Fisheries and Forestry**

Australia's Forestry Industry

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Australia's forest industries together with federal and state governments have had two centuries to progress their practices to globally acceptable, sustainable standards. Over the last 10 years MyEnvironment Inc, a not for profit environmental charity, has studied the governance models of native forestry, together with reviews of on-ground practices. The house of Representative Standing Committee's inquiry is timely, as it can now recognise that the governance models for native forestry have failed to deliver sustainability and that native forests should now be protected from any further exploitation, especially in relation to bio fuel production.

In this submission, we draw on four of our recent submissions;

A. VicForests Timber Release Plan – Submission 2011 (Appendix 1)

This submission shows that key elements of the governance framework, are either; incomplete, un reviewed, not meeting criteria, or being ignored, making any further native forest logging unacceptable. Key elements include;

1. Regional Forest Agreements – both 2003 and 2008 reviews have not taken place
2. Sustainable Yields – Targets are not being met
3. Sustainable Timber Act 2004 – absence of data for sustainability reporting
4. State forest management planning – two years out of date and failing to meet requirements
5. Comprehensive Adequate & Representative (CAR) Reserve- has not been reviewed since the 2009 bushfires and its inception in 1998

B. Victorian Department of Sustainability and Environment RFA Review – Submission 2010 (Appendix 2)

This submission demonstrates that Section 38 of the EPBC Act specifically exempts Regional Forestry Agreements (RFA's) however, the RFA's are still supposed to protect endangered species. This submission demonstrates that the structure that has been put in place to replace the EPBC Act in Victoria is failing to deliver its environmental protection requirements at most

levels and this is having a devastating effect on rare, threatened, endangered and critically endangered species. From an international perspective and for the purpose of protecting Australia's reputation in the international community this makes the prospect of further native forest logging unacceptable

- C. Evidence that third party Accreditation is failing and allowing companies to make claims of sustainability whilst the presence of major non compliances for endangered species exist

The industry has been encouraged to develop compliance with independently run, third party accredited, certification schemes such as; the Australian Forestry Standard (AFS) and the Forest Stewardship Council (FSC) certification.

MyEnvironment Inc have recently lodged the following complaints;

1. Complaint to the Joint Accreditation System of Australia & New Zealand (JAS-ANZ) against SAI Global in relation to Certification of VicForests to the Australian Forestry Standard (AFS) and failing to follow its own complaints procedure (Appendix 3)
2. Complaint to the Programme for the Endorsement of Forest Certification (PEFC) in relation to AFS Limited failing to respond to stakeholder concerns in relation to endangered species logging by VicForests. (Appendix 4)
3. Complaint to SAI Global in relation to VicForests failing to respond to stakeholders in relation to allegations of logging of endangered species habitat (Appendix 5)

These complaints are underpinned by alleged breaches many with independent third party scientific evaluation including;

Date	Alleged Breach #	Details of information request or alleged breaches submitted	Details
15/06/2010	201	Breach 201 Stream Logging coupe 300-901-0008	Click here
16/06/2010	203	Breach 203 proposed logging of Leadbeaters habitat	Click here
16/06/2010	204	Breach 204 Logging of > 100 Year old tree	Click here
31/08/2010	502	Alleged Breach 0502 Failure re Sustainability Charter Objective 2	Click here
15/09/2010	207	Alleged Breach 0207 Logging of Leadbeaters Zone 1A habitat	Click here
23/11/2010	508	Alleged Breach 508 Armstrong water catchment logging case study	Click here
3/12/2010	501	Alleged Failure in Sustainability charter objective 1	Click here
3/12/2010	228	Alleged Breach 228 Logging zone 1b Leadbeaters Habitat	Click here
3/12/2010	229	Alleged Breach 229 Logging of Leadbeaters Zone 1B Habitat	Click here
3/12/2010	230	Alleged Breach 230 Logging of Leadbeaters Zone 1A Habitat ANU Monitoring site	Click here

The content of these submissions are relevant to the Committee's Terms of Reference as follows:

1. Opportunities for and constraints upon production

Native forest logging must be constrained to no logging for the following reasons;

The regional forestry agreements are not up to date and have not been reviewed which means that the governance for native forest logging is not as it should be and native forest logging should therefore not continue. (Submission A-1)

Native forest sustainable yield targets are not being met in Victoria meaning that future sustainability is not possible. (Submission A-2)

There is an absence of sustainability data breaching the Sustainable Timber Act 2004 which means that further native forest logging in the absence of such reporting is potentially a breach of the law. (Submission A-3)

State forest management planning in Victoria is out of date and having adverse affects on sustainability therefore, no further native forest logging should occur. (Submission A-4)

The CAR reserve system is out of date and until reviewed there should be no further native forest logging. (Submission A-5)

There is evidence to suggest that the RFA's are not protecting endangered species and therefore section 38 of the EPBC Act which exempts the regional forest agreements is brought into question hence no further native forest logging should take place. (Submission B)

There is evidence to suggest that third party certification to the Australian Forestry Standard allowing companies to make claims of sustainability are overlooking major breaches in relation to regeneration of native forests and logging of endangered species habitat (Submission C-1)

2. Opportunities for diversification, value adding and product innovation

Because of the constraints listed above and the poor performance with sustainability reporting by the native forest logging industry there is no longer any opportunity for native forest logging.

3. Environmental impacts of forestry

It is clear that there is an absence of data to show the true environmental impacts of logging of native forests however, what little data is contained in documents such as the State of the Forest Report 2008 shows that native forest logging is causing species to become endangered or extinct (Submission A-3) Since the CAR reserve system has not been reviewed the government is unable to determine the affects of further native forest logging on the environment (Submission B)

Native forest logging is allegedly taking place in endangered species habitat and both government and audit agencies are failing to identify or act on these major non compliances so it is therefore unrealistic to expect that any future native forest logging can be considered environmentally responsible. (Submission C-3)

4. Creating a better business environment for forest industries

Ending native forest logging will remove the issues related to the lack of governance and unsustainable practices that may, if allowed to continue damage Australia's reputation on the international market for all of its wood products.

Eliminating subsidised Government Business Enterprise improves the federal and state government commitment to objectives laid out in the National Competition policy. Currently native forestry is artificially propped up by an endless stream of grants and subsidies making plantations commercially incapable of competitive pricing.¹

5. Social and economic benefits of forestry production

It is estimated that less than 5% of native forests end up as high value appearance grade timber, the rest is consigned to low grade pallets not posts and woodchips. Native forest logging is therefore a low value commodity market.

In Victoria, VicForests have not returned a profit for the last 3 years and make losses of up to five million dollars annually requiring further subsidies from the Victorian Tax Payer.

On top of these negative economic benefits of native forest logging a recent wood and water study (Appendix 6) showed that

“... it will be almost an average 40 GL more per annum in 2050 if historic conditions continue (assuming no bushfires). The maximum difference between management regimes investigated also Wood and Water Project Summary Report May 2008 increases with time, growing to about 16 GL per annum in 2050. [While these figures may seem small in relation to Melbourne current usage (~480 GL per annum), it might be noted that Melbourne Water is currently spending \$100 million on the Tarago Treatment Plant to augment Melbourne’s current water supply system by a comparable 16 GL per annum.]

The next step envisaged by the White Paper is investigating ‘*the economic, social and environmental benefits and costs of these options*’. The regimes emerging for such evaluation are listed below.

Best regimes (from the DSE modelling)

For water yield

1. J. Cease timber harvesting by 2009/10
2. H1. 150 year rotation with one-off late age uniform thinning (Thomson only), and strip thinning at age 27
3. G4. 150 year rotation with uniform thinning at age 27
4. E. 150 year rotation with no thinning”²

Native forest logging negatively impacts on regional tourism through destruction of visual amenity and danger of heavy equipment moving on roads discourages visitation and tourism initiatives.

6. Potential energy production from the forestry sector

Since submissions A, B, and C clearly demonstrate a lack of governance and sustainability in native forestry it is clear that any use of Native Forests for use in the production of energy would be immoral. The potential damage to corporate brands using energy derived from an unsustainable native forestry sector would be devastating to company brand image and the Australian economy.

7. Land use competition between the forestry and agriculture sectors

When considering rotations of over 100 years there is a potential for agricultural land to be converted to biodiverse native forests that could be selectively logged for high value certified sustainable forestry.

¹ Analysis of the Victorian forestry and forest products industry – Department of Primary Industries – Victoria 2007.

² Potential Impacts of forest management on stream flow in Melbourne’s water supply catchments – summary report May 2008 Prof Russell Mein , R g Mein and Associates.



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The more likely competition is that niche, high value, agricultural practices will take over from native logging harvesting products such as native pepper or bio medicines using sustainable practices. Another agricultural competitor with the native forest logging sector will be managing old growth for carbon sequestration.