



Australian
Forest
Products
Association

AUSTRALIAN FOREST PRODUCTS ASSOCIATION

SUBMISSION – NSW INDEPENDENT PANEL TO DEVELOP A
FORESTRY INDUSTRY ACTION PLAN



12 October 2024

NSW Independent Forestry Panel
Forestry Industry Action Plan

About Australian Forest Products Association (AFPA)

The Australian Forest Products Association (AFPA) is the peak national industry body representing the Australian forest, wood and paper products (forestry) industry's interests to governments, the general public and other stakeholders on matters relating to the sustainable development and use of Australia's forests and associated manufacturing and marketing of wood and paper products in Australia.

Australia's Forestry Industries directly employ approximately 80,000 people and another 100,000 indirect employees and is a major employer in many regional towns. Australian Forest Industries contribute \$24 billion to the Australian economy each year.

To the NSW Independent Panel members

Re: SUBMISSION - Consultation on the NSW Independent Forestry Panel
Forestry Industry Action Plan.

AFPA welcomes the opportunity to provide this submission to the NSW Independent Forestry Panel on the development of the Forestry Industry Action Plan. This submission complements the submission from the NSW Forest Products Association.

Australia has witnessed a significant decline in the supply of quality native forest products as well as the economic impact and the loss of jobs across Australia due to unilateral decisions of State Governments. AFPA commends the NSW Government for establishing the review process before making any decision in haste.

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

Sustainability should be considered broadly for the industry contribution to Australia's, the robust framework under which it operates to deliver product while protecting biodiversity and forest health, the important services that industry provides and the overall environmental impact of another approach.

Recent decisions to close native forestry in Victoria and WA have not resulted in changes to consumption by Australia of hardwood products but instead resulted in substitution of imported products from many places with lower environmental standards for worse environmental outcomes including major increases from countries like Brazil and Uruguay. By not taking responsibility for sustainable forest management in Australia we are putting pressure on developing countries for further deforestation. More than 80 per cent of the world's timber-producing forests are not certified at all and at high risk of illegal logging, poor working conditions and contributing to deforestation (as they are not replanted and regenerated).

Australia imports hardwoods from countries with much worse environmental credentials than Australia.

- 86% of Australia's hardwood imports come from countries with a worse Environmental Performance Index (Yale University) and
- 87% from countries with a worse Corruption Perceptions Index than Australia

Despite the shrinking area of available native forest estate over recent decades the NSW native forests products industry has clearly demonstrated its ability to adapt. The industry continues to deliver high quality forest products in an environmentally sustainable manner. All NSW forests are regenerated after harvesting to provide for no loss of forest coverage. The industry operates under strict chain of custody certifications such as AS4707, verifying the distribution chain of wood products from a certified forest through to the end user. This demonstrates that the timber purchased and processed is from certified forests managed using agreed sustainable practices.

Forest certification schemes are an important and transparent process to independently verify timber as being processed from forests that have been sustainably harvested over extended periods. Good forest management ensures biodiversity is protected across areas that are harvested before the harvesting cycle returns to that site. The Australian Conservation Foundation acknowledges this good management, recognising *"In Australia, a forest that is at least 15 years old is likely to have regained much of the structure, composition and functions of a natural forest and is often a haven for biodiversity"*.

Threats to sustainable native forestry operations place pressure on other parts of the industry and can impact on supply chains or worse forcing greater use of steel or concrete with much higher embodied emissions. The softwoods processing sector from plantation timber is critical to the supply of structural frames for housing and needs to be prioritised for that purpose to support the national housing shortage. Without the supply of native domestic hardwood to complement other areas of supply, companies will be consequently forced to either use softwood largely used for structural framing. Or, of even worse consequence forcing companies to import products, impacting not only on Australia's trade balance position, but also often importing from countries with lower environmental standards. Covid 19 has also clearly demonstrated the import risk to sovereign capability on these critical supply chains where we were unable to source the shortfall of domestic timber for structural framing.

Public safety should also be an important consideration of sustainability. An unfortunate narrative is circulating that is potentially creating a risk to the community. The narrative (not supported by the majority of science) is that native harvesting increases bushfire risk. This has the potential to cause harm, potentially creating community complacency that an end to native forest logging would somehow make people safer.

Of further concern is the 2020 NSW bushfire inquiry which did not thoroughly examine the scientific evidence that is available and balance these increased risk claims. It is not the case that native forestry operations increase fire. If it were the case why is the area of native forest harvest diminishing, yet the area of landscape scale catastrophic fire increasing?

To avoid the risk of public complacency and likely worse fire outcomes, it is requested that before the panel make any recommendations to change the current status of native forest harvesting, that calls for additional review of the current science and that further research is considered.

The State's budget position should also be taken into account when considering sustainability. Sustainable public land management is expensive. It is estimated it costs \$50 per Hectare to manage National Parks in NSW (7.6 million hectares and expanding). The current estimated costs to the State to manage Native Forests is \$7 per hectare due to the income offsets generated by long-term and sustainable native harvest operations. The costs of sustainable land management to the NSW taxpayer will increase significantly if native forest operations are further limited.

The NSW Forest Products Association submission outlines *“the very significant role our industry plays in the production of affordable timber products, vital for the construction, electricity and manufacturing industries. Timber grown and processed within NSW plays a crucial role in housing affordability, particularly by providing necessary materials such as framing, flooring, and cladding for homes. Local manufacturing of timber products not only reduces the carbon footprint associated with transportation but also ensures price stability, offering protection from the volatility seen in global markets. This strengthens the state's economic resilience and ensures a stable supply of materials to meet both current and future demand”*.

As an example of the support to the NSW consumer that the resource supplied by native forests delivers a timber power pole is 3-5 times cheaper than alternatives. Hardwood timber poles make up a very small proportion of total timber production on State Forests (about 6%) yet is one of the highest royalty returning products for the State. Furthermore, other options like fibreglass poles have shorter lifespan and less resilience in bushfires.

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

The protection of environmental and cultural values of forests are bound in laws that are long-standing and vindicated through recent Federal Court judgment. The Australian and State Governments have a long-term commitment to the ecologically sustainable management of forests through the National Forest Policy Statement. This is operationalised through the intergovernmental Regional Forestry Agreements which provide assurance that the operations of forests in NSW are compliant with the Environment Protection and Biodiversity Conservation (EPBC) Act. EPBC protects all matters of environmental significance, including threatened species and cultural values.

On 10 January 2024, Justice Perry in the Federal Court upheld the legitimacy of the NSW North East Regional Forestry Agreement. As part of her findings Justice Perry concluded: *“In other words, an RFA provides an alternative mechanism by which the objects of the EPBC Act can be achieved by way of an intergovernmental agreement allocating responsibility to a State for regulation of environmental matters of Commonwealth concern within an agreed framework. It is important therefore to reiterate that entry into an RFA does not result in a*

regulatory void with respect to any particular forestry region on matters of national environmental significance.”

State law also underpins the duties of Forestry Corporation, NSW to preserve soil resources, water catchment capabilities native flora and to conserve birds and animals. Both the state and federal legislation is regulated by the NSW Environment Protection Authority (EPA). The effect of EPA powers has also recently been tested and proved to be functioning effectively through such mechanisms as the conditions of Coastal Integrated Forestry Operations Approvals placed on certain forests to further protect koalas and greater gliders.

At the practical level this means any harvesting is heavily regulated to minimise the impact on forest structures and biodiversity and for decades harvesting in NSW has been confined to forests that have previously been harvested or impacted by fire. Only a tiny fraction of Australia’s native forests are available for harvest each year – 0.06% or 6 in every 10,000 trees. By law any tree harvested from an Australian native forest must be replaced. This is in stark contrast to countries from the Europe Union, often regarded as the leaders in environmental sustainability, that allow 84% of their native forests to be available for wood supply¹.

Conservation groups frequently assert that native forest harvesting from public forests is either destroying or degrading the forest and the forest habitat. At the same, the Australian Conservation Foundation² recently stated that *“In Australia, a forest that is at least 15 years old is likely to have regained much of the structure, composition and functions of a natural forest and is often a haven for biodiversity.”* In NSW publicly managed forests are harvested from regrown forests and on a 60–80-year (or more) rotation and quickly become indistinguishable from adjacent conservation reserves.

Furthermore, these groups often purposely conflate sustainable native forestry with dubious land clearing claims. You often hear from them that each year around 400 000 – 500,000 hectares of Australia’s native and woodlands are lost to logging and land clearing. This is designed to purposely mislead the public. There is no deforestation in Australia Native forests with all harvested areas regrown. Grouping forestry with dubious claims of land clearing in other agricultural activities is purposely conflating two unrelated issues to inflate the wrongly claimed impacts of forestry.

Much of the conservation debate focuses on the 9% of the NSW forest estate managed by the NSW Forestry Corporation under State/Commonwealth Regional Forest Agreements (despite almost half of this managed forest being permanently protected). And as a consequence the debate focuses on the approximately 1% of that managed estate that is harvested (and regrown) annually. Little consideration is given to the 25% of forests in National Parks, the 34% on private land or the 29% of lease-hold Crown Land. Nor is there any recognition that the design and ongoing management of RFAs requires explicit consideration of listed species with provisions in term of reservation and harvesting regulations to meet conservation needs.

¹ [Forest \(europa.eu\)](http://Forest.europa.eu)

² <https://www.acf.org.au/supermarkets-must-adopt-credible-deforestation-definition#:~:text=The%20Australian%20Conservation%20Foundation%20has,and%20off%20their%20loan%20books.>

The NSW Forestry Corporation, the NSW State Government and the Commonwealth Government have, for well over 20 years, acknowledged an obligation to ensure that native forests are harvested sustainably and that this requires ongoing management practices that protect the diversity of the forest and address key threatening processes. Part of this approach includes an extensive and much larger conservation forest estate frequently adjacent to the managed forests.

NSW³ has a world class conservation reserve network including a comprehensive, adequate and representative reserve network encompassing more than 7.5 million hectares of national parks and reserves. State forests cover approximately two million hectares, half of which is permanently protected and a million of which is available for renewable timber production. Around one per cent of State forests are harvested sustainably each year in line with strict environmental regulations.

Threatening processes

Some 100 unique Australian species have become extinct since European settlement. The main causes have been invasive species (particularly cats and foxes) and land clearing (including urban expansion). The best scientific advice is that timber harvesting has not been a ‘major threat factor’ in the extinction of any Australian mammal since European settlement. In contrast cats kill billions of native animals every year and are implicated in two thirds of mammal extinctions that have occurred in Australia. Feral animals, bushfires, land clearing and disease pose the biggest threat to Australia’s threatened species and ecosystems. The focus on timber harvesting as a threatening activity distracts from the real threats.

In a recent review⁴, Dr Tyron Venn of the University of Queensland observed that “the minor contribution of forestry as a threatening process for nationally listed threatened taxa in Australia is consistent with other Australian studies that have highlighted invasive species, modified fire regimes, agriculture, urban development, and tourism and recreation as being far more important threatening processes (Braithwaite, 2004; Burgman et al., 2007; Rankin et al., 2015; Woinarski et al., 2017; Davey, 2018b; Kearney et al., 2019; Murphy et al., 2019). Unlike other threatening processes, there are substantial opportunities to modify forestry practices (e.g. retention of habitat trees and stream zone buffers) to accommodate the conservation of particular threatened species over space and time (Davey, 2018b; Slade and Law, 2018; Munks et al., 2020)”.

Impacts on Koala populations

The NSW Natural Resources Commission⁵ research program “*Koala response to harvesting in NSW north coast state forests*” demonstrated that koala density was mostly similar between state forest and national park sites that included similar forest types, and a mix of old growth and regrowth from historical harvesting. And that researchers using acoustic sensors also examined koala population density in forests that were intensively harvested up to a decade ago. They found koalas were still using these sites and detection rates and density were comparable to unharvested sites. tree species composition, not tree size, was the key determinant of habitat nutritional quality for koalas

³ <https://www.forestrycorporation.com.au/about/our-strategy>

⁴ <https://www.sciencedirect.com/science/article/pii/S1389934123000746>

⁵ <https://www.nrc.nsw.gov.au/Final%20report%20-%20Koala%20research%20program%20-%20December%202022%20v2.1.pdf>

In addition, a recent survey of Australian koala numbers carried out by CSIRO⁶ has concluded that there are significantly more animals in the wild than earlier estimates provided by the Australian Koala Foundation (AKF). CSIRO's 2024 National Koala Population Estimates indicate a population of between 224,000 and 524,000 animals in the wild. The numbers contrast strongly with Australian Koala Foundation estimates made in 2021, which suggested koala numbers were in a range from 32,000 to 58,000. Another AKF estimate made three years earlier suggested a range from 45,000 to 82,000. Land clearing was often cited as a key cause.

CSIRO has applied new modelling in its latest 2024 assessment, under the National Koala Monitoring Program. Using datasets collected over the past ten years, the National Koala Monitoring Program (NKMP) modelling approach is developed to enable the integration of all available data sources to provide the best possible, national-scale estimates of koala population and distribution. The latest estimate is based on both the listed (Queensland, New South Wales and the Australian Capital Territory) and the unlisted (Victoria and South Australia) koala populations, alongside mapping of the current estimated distributions for these areas.

In February 2022, the koala was up-listed to 'Endangered' under the Federal Government's Environment Protection and Biodiversity Conservation Act. Previous estimates had relied on more qualitative approaches such as expert elicitation to fill gaps. In contrast, the NKMP provides a robust, data-driven approach to deriving koala population estimates, CSIRO says. "The program is achieving this by designing and implementing an inclusive monitoring and modelling approach which enables the integration of multiple different sources of data and knowledge into processes which are established to ensure a long-lasting and robust monitoring program," the CSIRO report said.

Risks of Bushfires

There is substantial scientific research that refutes any link between timber harvesting and bushfire severity. Put simply, the scientific consensus is that there is no link between timber harvesting in Australia and increased bushfire severity.

A landmark study⁷, published in July 2021 found that forestry operations and timber harvesting were not to blame for the devastating 2019-20 Black Summer Bushfires in NSW and Victoria. The research team was led by globally recognised leaders in forest science Professor Rod Keenan from the University of Melbourne and Professor Peter Kanowski from ANU, who served on the COAG Inquiry on Bushfire Mitigation and Management.

The study found, no evidence that timber harvesting increased the scale or severity of the 2019/20 bushfires in south east Australia published in the Australian Forestry journal, reviewed the evidence of the relationship between harvesting and fire extent and severity from these fires, and found that:

"The proportion of forested conservation reserves burnt in these fires was similar to that for public forests where timber harvesting is permitted, and the proportion of forest burnt with different levels of fire severity was similar across tenures and over time since timber harvest."

⁶ [2024 update of National \(beefcentral.com\)](https://www.beefcentral.com)

⁷ <https://www.tandfonline.com/doi/full/10.1080/00049158.2021.1953741?src>

This was not the first study to refute the claims of increased fire risk. Perhaps the best dissection of the inaccuracies underpinning this claim is by the University of Melbourne's Professor Peter Attiwill⁸ in 2014, who wrote for a scientific journal:

"...there is no evidence from recent megafires in Victoria that younger regrowth (<10 years) burnt with greater severity than older forest (>70 years); furthermore, forests in reserves (with no logging) did not burn with less severity than multiple-use forests (with some logging).

"The evidence we have presented here gives little support for the argument that logging in the wet eucalypt forests across southern Australia results in forests that are drier and more fire prone."

Similarly, in the aftermath of the Black Summer bushfires there were calls for native forestry to cease due to claims that logging had made conditions worse. Another study into the Black Summer bushfires confirmed timber harvesting operations do not increase bushfire severity, and that the biggest factor is climate change. The report⁹, *The severity and extent of the Australia 2019–20 Eucalyptus forest fires are not the legacy of forest management*, published in the Nature Ecology and Evolution Journal, was authored by a team of researchers led by Professor David Bowman from the University of Tasmania.

Topic 3. Demand for timber products, particularly as relates to NSW housing, construction, mining, transport and retail.

Demand for forestry product is on the rise. A recent FWPA report projected that the demand for timber products will rise by 50% by 2050¹⁰.

From FY 2021 to 2023 Australia imported more than 137,000 cubic metres of sawn hardwood material. Whilst the majority of recent imports has been to States that now have no native domestic industry, imported quality material that is currently being sourced from within NSW will also have to be imported. Increased timber imports also result in a sharp increase in greenhouse gas emissions due to transportation over long distances through multiple modes of transport.

Examples of current demand include;

- Consumers are opting to be closer to their native environment through their housing expectations. Demand for quality appearance grade hardwood products like decks, staircases and high-quality furniture continues to grow and native forest timbers provide excellent variety and choice for designers of high-end housing and commercial accommodation applications.
- Utility companies need quality hardwood poles of greater than 18.5 meters in length. Native forests currently contribute 90% of these poles and this gap cannot be filled by private native forests.

⁸ Attiwill et al, 'Timber harvesting does not increase fire risk and severity in wet eucalypt forests of southern Australia', Society for Conservation Biology journal, Conservation Letters, July/August 2014, 7(4), 341–35
<https://conbio.onlinelibrary.wiley.com/doi/epdf/10.1111/conl.12062>

⁹ [The severity and extent of the Australia 2019–20 Eucalyptus forest fires are not the legacy of forest management | Nature Ecology & Evolution](#)

¹⁰ <https://fwpa.com.au/report/future-market-dynamics-and-potential-impacts-on-australian-timber-imports-final-report/>

- Hardwood timber from Native forestry is almost exclusively used to support mining with bracing and structural support and other infrastructure. As we build new mining capability to support the renewable economy critical minerals for electrical vehicles, solar panels etc this timber will be critical.
- The mining and transport industries need pallets. Native hardwood is critical to the rolled steel supply chain in NSW. Native timber processors supply hardwood timber to specific standards to support Bluescope steel as it the only viable pallet option to carry rolled steel on road and rail. Hardwood pallets carry greater load per cubic metre of timber used in the pallet and are more durable to allow for multiuse which is critical as we move to a circular economy.
- There has been a worldwide decline in the availability of general freight hardwood pallets. Hardwood is a safe and essential solution to efficient worldwide transport of materials.
- All available quality softwood is essential for structural framing for housing. Hardwood supply is critical to meet demand for alternative timber products in the supply chain.
- Sovereign capability is important to Australians. Research conducted in 2021 found that more than 9 in 10 respondents found it very important or important for Australia to be self-sufficient in supplying its own timber, instead of relying on imports.

As highlighted in question 1 recent decisions to close native forestry in Victoria and WA have not resulted in changes to consumption in Australia of hardwood products but instead has resulted in the substitution of imported products from many places with lower environmental standards for worse environmental outcomes including major increases from countries like Brazil, Malaysia and Uruguay.

Topic 4. The future of softwood and hardwood plantations and the continuation of Private Native Forestry in helping meet timber supply needs.

AFPA supports NSW Government investment in a strong future for plantations and the continuation of private native forestry. Plantations and native estates across public and private lands all complement each other to help meet critical supply needs.

Private native forests are an important source of timber that complement the State's assets. AFPA supports the current processes in NSW whereby private native forests operate under one of the four codes of practice managed by Local Land Services and regulated by the EPA. These were recently reviewed by the Natural Resources Commission (NRC) which found that the codes of practice effectively achieve ecologically sustainable forest management. The NRC also found that the codes:

- provided robust protections for koalas in high value habitat (for example, more koala trees retained in over 2.8 million hectares of high value koala habitat)
- provided certainty and consistency for landholders, with new harvesting prescriptions making it easier for landholders to implement and comply with codes, while still maintaining ongoing habitat values for native fauna
- met the objects of Part 5B of the *Local Land Services Act 2013*, including the principles of Ecologically Sustainable Forest Management

- met the recommendations outlined in the Office of the NSW Chief Scientist & Engineer's 2021 advice.

Transition to plantations is not an option

Private native forestry is not capable of replacing current demand for quality hardwood timber. As an example, only 10% of poles longer than 18.5m come from private native forests therefore any limitation of supply from Forestry Corporation places pressure on the private resource that just cannot supply that demand.

Calls to transition public native forestry into supply from plantations are unrealistic.

Plantations play a major role in the industry. However, the current plantation estate is not suitable for high-quality timber products. Hardwood timber from our native forests is sustainably harvested typically every 60 to 100 years, giving it time to develop the strength and appearance properties that consumers require. Fast growing hardwood varieties tend to warp and split during the milling process which makes them unsuitable for sawn wood and appearance grade applications.

The claim that 90% of our wood is sourced from plantations fails to account that almost all this wood is softwood, that and hardwood and softwood are not interchangeable products, and that plantation hardwood is predominantly quick growing eucalypt varieties generally only suitable for the pulp wood sector. As such Australian hardwood plantations produce very little sawn log. Native hardwood and plantation timber rely on different infrastructure, facilities and supply chains, and are used for different end-use products. Native hardwood is used where appearance, strength and longevity are important traits, and thus is primarily a saw log industry – with residue and pulp logs as by-products. If Australia closes native forest logging it will have no option but to import the required timber or move to steel or concrete alternatives.

Over 90% of Australia's commercial native forest operations are independently certified (under the PEFC or FSC certification) to comply with the world's best sustainable forest management practices. This is compared to the global average of eight percent, meaning Australia is a leader when it comes to ensuring the sustainability of forest practices.

Whilst private forests cannot replace native, future government investment needs to include improved extension and advice services to support sustainable land management and productivity in the private tenure.

Public Native forestry is not subsidised or uneconomic

Public native forestry operations are not subsidised. The state government enterprises responsible for managing the public native forest estate have suffered budget shortfalls as the amount of timber that has been able to be supplied has been affected in recent years due to natural disasters, disruption by activists and changes in government policies (eg greater protection and creation of national parks).

State-owned forestry enterprises are not-for profit organisations that use the sales of hardwood timber logs (harvested from very small, controlled areas) to subsidise the management of much larger areas of public forest estate.

Native timber harvesting in NSW generates substantial regional economic activity and employment both directly and indirectly. Across NSW, a recent report¹¹ estimated that the hardwood timber industry contributes approximately \$2.9 billion in gross revenue, \$1.1 billion in gross value add, and supports approximately 8,900 Full Time Equivalent jobs. It is also worth noting that the economic impact/benefit is felt more strongly in regional NSW economies.

State-owned forestry enterprises are responsible for a range of public good activities including maintenance of roads and bridges through forest areas (supporting access for tourism, recreation and neighbouring land holders), management of feral animals and weeds, and bushfire response and risk mitigation. Closing native forestry will mean that a profitable enterprise for the public and private sector will be a liability for taxpayers. In NSW alone the conversion of state forests into national parks is estimated to require additional funding of \$100 million per year just for maintenance activities.

Topic 5. The role of State Forests in maximising the delivery of a range of environmental, economic and social outcomes and options for diverse management, including Aboriginal forest management models.

State Forests have a significant role in maximising delivery of multiple outcomes, including the management of weeds and pest animals. The role of State Forests also balances well with the role National Parks play in conservation land management and the protection of Aboriginal cultural heritage. As a government corporation bound by statute to deliver across multiple outcomes, the highly skilled staff of Forestry Corporation are well placed to deliver across its mandated outcomes, including low impact-high return selective logging operations.

Forestry Corporation also operates under Australian Standard 4708 which mandates that forest management shall protect and maintain, for Indigenous and non-Indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values. The Standard applies recognition and protection standards across indigenous people's values, indigenous heritage values and the rights of Aboriginal people to use forests for legal and traditional purposes.

Forest management also needs to be more closely tied to local Aboriginal culture. AFPA has been briefed on examples northern NSW that elders believe cool burning regimes to improve biodiversity should be more frequent, particularly after catastrophic wildfire. This is an example where cultural values are on being taken into account under state codes which prohibit prescribed burning within seven years post-wildfire.

Topic 6. Opportunities to realise carbon and biodiversity benefits and support carbon and biodiversity markets, and mitigate and adapt to climate change risks, including the greenhouse gas emission impacts of different uses of forests and assessment of climate change risks to forests.

¹¹ Ernst & Young (2023) [Economic Contribution Study of the NSW hardwood timber industry](#). Report prepared for the North East NSW Forestry Hub, February 2023

There is an increasing body of research that shows “forests managed for production provide the greatest ongoing greenhouse gas benefits.” In other words, the carbon benefits accruing from forests that are harvested and managed are greater than forests that are conserved or locked up. This is because growing trees sequester carbon at a greater rate than mature ones, and harvested timber continues to store carbon long after it has been removed from the forest. It also allows timber products to replace other building materials with much higher embodied emissions.

There are two potential methods that have been provided to the Emissions Reduction Assurance Committee for consideration

On July 12 2024 AFPA submitted the EOI to the Department of Climate Change Energy, The Environment and Water Emissions Reduction Assurance Committee (ERAC). The proposed method is intended to promote the opportunity for ‘*greening construction with sustainable wood*’. It will support additional emission reductions in Australia’s construction sector, which is a policy focus area and represents a substantial source of national emissions – indicatively, the order of 18% of Australia’s carbon footprint¹². Various reports have identified the substantial potential in the building sector to cut emissions; e.g., the Clean Energy Finance Corporation has reported that on average, sustainability-rated infrastructure projects achieve a reduction of up to 33% in embodied carbon compared to similar designs with no such measures.

A second method submitted by Forestry Australia also submitted on July 12 - “Enhancing Native Forest Resilience” method is specifically focussed on unlocking the carbon potential across all types of native forests. The proposed new method has been designed to support a suite of forest management activities that will generate eligible carbon abatement, in addition to restoring or complementing multiple ecological, social, and economic functions across native forest landscapes. There is a growing body of published work that shows our forests are not only more resilient if they are actively managed, but they can deliver greater carbon abatement benefits.

Anti Native Forestry groups are promoting a method that shuts down native forestry this not only pushes production offshore for worse environmental outcomes but over time provides a worse outcome than actively managing and sustainably harvesting the forest. These groups typically make several misleading assumptions to produce an inaccurate snapshot of the actual carbon profile of Australia’s native forestry sector. Typically, they start by assuming clear fell of carbon intense old growth forest (In NSW on average more than 30% of habitat is retained for critical habitat and biodiversity and only regrowth forest is harvested in NSW). These groups do not take into account the carbon sequestered in the re-growing forest after harvest, the carbon stored in the timber products, and the carbon footprint of importing timber products from less sustainably managed forests, and/or substituting the local timber products with more energy intensive materials such as reinforced concrete.

Trees in forests and plantations typically sequester carbon at a maximum rate between 10 to 30 years old. After this age, if the trees are not harvested, the sequestration rate slows until maturity at about 80 to 100 years of age. Forests sustainably managed for timber

¹² Yu, M. et al. (2017) *The carbon footprint of Australia’s construction sector*. Procedia Engineering, Vol. 180, 211 – 220.

production essentially sequester carbon in perpetuity. Forests managed for conservation will slow carbon sequestration as the forest matures and then reach saturation where no additional carbon is stored at all. It is ironic that one of the main proponents of this method has been critical of the veracity of carbon credits yet is supporting an approach which is dubious at best.

Carbon sequestration

There are frequently repeated unscientific claims about possible benefits from ending native forest harvesting for carbon sequestration. These claims are most often given in equivalents of cars removed from the road. Importantly, in addition to several invalid assumptions these calculations ignore the carbon sequestration from regrowth in the forest, assert carbon loss based on ancient forests when only previously harvested forests are available for harvesting in NSW, and completely ignore substitution effects from increased use of steel and concrete replacement products or from increased imports of hardwood from developing economies.

Forestry and forest products industry can make an important contribution to climate change mitigation, and this was acknowledged in the 4th assessment report of the Intergovernmental Panel on Climate Change (IPCC), which stated:

“A sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit.”¹³

This is achieved not only by sequestration in an actively growing forest but by storing carbon in wood products which both minimises carbon losses from future bushfires and produces renewable, low emissions materials.

The IPCC report observes that *“Wood products can displace more fossil-fuel intensive construction materials such as concrete, steel, aluminium, and plastics, which can result in significant emission reductions”*.

The most comprehensive studies¹⁴ of greenhouse gas balance in south east Australian forests concluded ‘that the relative differences in the GHG balance of production and conservation scenarios do not warrant policies that aim to halt native forest management for wood production. When industry value-added benefits and carbon abatement benefits were added together, the production management scenarios generated much higher values than the conservation management scenarios. This result was independent of the carbon price (low, medium or high). These studies also identified the long-term sequestration of carbon in land fill as an important and frequently underestimated factor.

Thank you for providing AFPA with the opportunity to provide this submission. If you have any questions regarding this submission, please contact Richard Hyett, Director of Policy via email richard.hyett@ausfpa.com.au

¹³ IPCC [4th assessment](#)

¹⁴ <https://www.dpi.nsw.gov.au/content/research/output/2012/greenhouse-gas-balance-of-native-forests-in-new-south-wales,-australia>; https://fwpa.com.au/wp-content/uploads/2016/01/Amended_Final_report_C_native_forests_PNC285-1112.pdf