

NSW Forestry Industry Roadmap

What does it mean for the Red Gum forestry industry?



Roadmap

The NSW Forestry Industry Roadmap is a strategic action plan to build a stronger, more competitive and ecologically sustainable forestry industry..

The Roadmap seeks to balance social, environmental and economic needs through strategic actions grouped under the following four pillars:

1. Regulatory modernisation
2. Balancing supply and demand
3. Community understanding and confidence
4. Industry innovation and new markets

Why is reform necessary?

Reform is needed to build a stronger, more competitive and ecologically sustainable forestry industry. While the wider NSW forestry industry faces its own challenges, the Red Gum forestry industry faces specific issues.



- City / Town
- Major native hardwood forest
- Plantations
- Cypress forests
- Major River red gum forests
- Australian Capital Territory

Key actions: Red Gum

1. Review Integrated Forest Operations Approval for Red Gum forests
2. Develop new native forest harvest and haulage standards
3. Support innovation and new markets
4. Build community understanding and confidence in the forest industry

Industry at a glance

- ✓ The NSW forestry industry is worth \$2.4 billion annually.
- ✓ It has helped build our great cities and towns.
- ✓ More than 3,300 people are employed in NSW forestry and logging, timber wholesaling and forestry support services while approximately 19,000 people are employed in NSW paper and wood product manufacturing sectors.
- ✓ From ABARES Forestry Industry data it is estimated that the red gum forestry industry is worth \$16 million annually and supports 270 local jobs.
- ✓ Forestry has been a social and economic foundation of many Riverina communities for more than 100 years.
- ✓ Australian demand for forest products is estimated to increase by about 43% over the next 25 years.
- ✓ From the structures of our buildings, the furniture in our homes, to the newspapers we read, forestry products feature in almost every aspect of our daily lives.
- ✓ Red gum native forests provide timber products that are strong, durable and visually appealing.
- ✓ Red gum is used for heavy construction, railway sleepers, flooring, framing, fencing, plywood and veneer manufacture, furniture, wood turning, firewood and charcoal production.

1 Red Gum forestry industry current situation

Resource access and regulatory uncertainty, inappropriate or under-investment and cheaper imports from countries where environmental standards are often inferior to NSW, are key challenges for the entire NSW forestry industry. The following key issues in particular have created a complex operating environment for the Red Gum forestry industry.

Red Gum forestry issues

In 2011, new 20-year supply contracts were negotiated. These fixed-term contracts committed the Forestry Corporation of NSW (FCNSW) to supply businesses with an annual volume of hardwood timber.

These agreements, together with previous industry restructures, have:

- ✓ resulted in reduced flexibility to maintain access to harvesting areas during high river flows, making it difficult to run a business, plan and invest.
- ✓ reduced overall business investment in the local forestry industry, which has resulted in the closure of many sawmills and the loss of forestry jobs.



ANDREW WORSSAM—PHOTOGRAPHER

2 What has the NSW Government done to date?

In recent years, the NSW Government has been working within the limitations of these long-term supply contracts to re-position the forestry industry on a long-term sustainable footing.

The NSW Government:

- ✓ reviewed the sustainability of residue operations on Western Land Leases, resulting in increased residue volumes being prescribed under the IFOA.
- ✓ committed \$10.2 million over the past 4 years to forestry research & development through the Department of Industry – Forest Science unit.
- ✓ implemented red gum early thinning program to mitigate drought related tree decline and improve forest health.
- ✓ introduced new flooding management on State Forest after construction of water regulation and infrastructure as part of the Living Murray Program.
- ✓ removed regulatory impediments to bioenergy by amending the Protection of the Environment Operations Act (regulation) in 2014. This brought NSW in line with the rest of Australia to allow the use of native forest residues to generate biomass electricity.

3 Where do we want the NSW forestry industry to be?

The NSW Government's vision for the forestry industry is for a sustainably managed forest estate that continues to support regional economies and delivers social and environmental benefits.

The vision supports the following four key government objectives:

1. **Create** 150,000 new jobs by 2019, of which 30,000 will be in regional NSW.
2. **Grow** the value of the primary industries sector by 30% by 2019.
3. **Maintain** key native forest values, including threatened species, and to oversee modern, effective and transparent regulation of native forestry operations on public and private land.
4. **Reform** the management of the State's biodiversity, including a review of the regulatory arrangements for native forestry.

4 NSW Government's way forward for the Red Gum forestry industry

- ✓ Review the regulatory arrangements for public and private native forestry and develop a modern and simple regulatory framework that continues to recognise key differences between forestry operations on public and private land.
- ✓ Implement the recommendations of the Independent Biodiversity Review Panel.
- ✓ Review Red Gum Integrated Forest Operations Approval, with public consultation.
- ✓ Conduct a review of the Private Native Forestry Code of Practice.
- ✓ Develop new harvest and haulage standards with public consultation.
- ✓ Allocate additional red gum residues from Western Land Leases in accordance with new limits set under a recent IFOA Amendment.
- ✓ Continue to manage bushfire fuel loads by cattle grazing programs in State Forests.
- ✓ Improved timber resource and environmental modeling.
- ✓ Support innovation and new markets.
- ✓ Aim to build community understanding and confidence in the forestry industry.
- ✓ Continue to invest in relevant Forestry Research and Development.

5 What does it mean for...

The Red Gum forestry industry

Build a stronger, more productive industry to deliver jobs, investment and innovation.

The environment

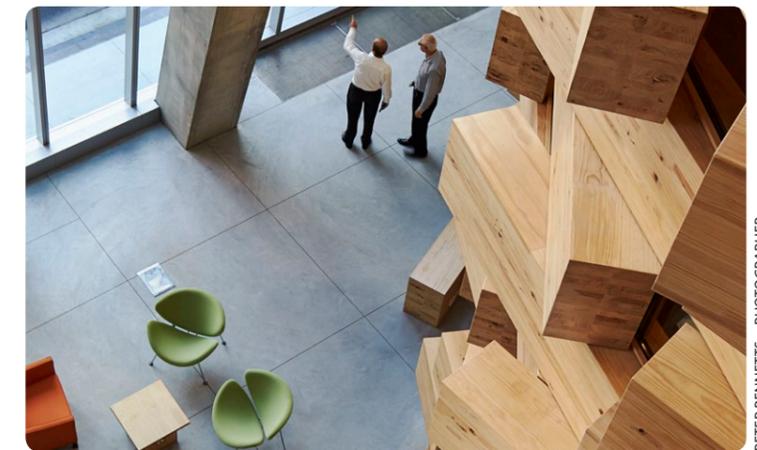
Implement a modern regulatory framework that is efficient, effective, outcomes based, enforceable and reflects best-practice regulation to ensure the industry is ecologically sustainable.

Riverina communities

By working with Riverina communities, the Roadmap will allow consumers to be more confident that products from NSW forests are obtained legally and harvested under a well-regulated system of sustainable forest management.

My forestry business

For specific and tailored advice relating to your business, you are encouraged to contact your relevant business adviser and/or industry association.



PETER BENNETTS—PHOTOGRAPHER

6 What are the next steps?

Targeted consultation

The NSW Government encourages all Red Gum forestry stakeholders to participate in the consultation processes as we embark on this long-term journey of transformation.

Details of targeted consultation sessions will be made available on www.dpi.nsw.gov.au and www.epa.nsw.gov.au.



CPLUSC ARCHITECTURAL WORKSHOP AND PHOTOGRAPHER JACKIE CHAN



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Australian demand for forestry products up **43%** by 2040¹

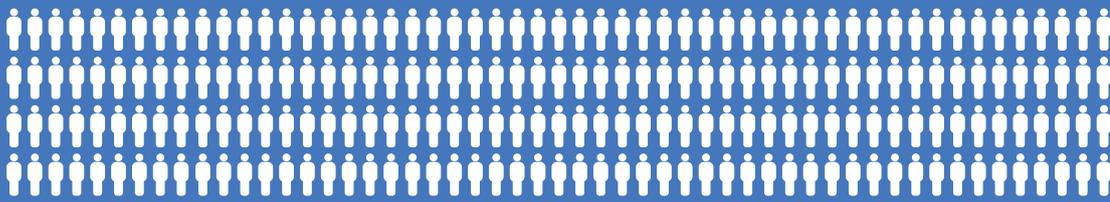


GEHRY PARTNERS LLP—PHOTOGRAPH

Annual trade deficit of **\$2 billion**²



More than **100 years** of forestry



270 local jobs³

\$2.4 billion NSW forestry industry⁴

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NSW softwood plantation sector industry value: **\$1.924 billion**⁵

NSW native forestry sector industry value: **\$465 million**

^{1,2} Forest Industry Advisory Council (2015), a Strategic Directions Issues Paper, <http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/fiac-issues-paper.pdf>

^{3,4,5,6} ABARES, Australia's State of the Forests Report 2013

For further information about the NSW Forestry Industry Roadmap visit:

www.dpi.nsw.gov.au or **www.epa.nsw.gov.au**

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