

NSW Forestry Industry Roadmap

What does it mean for the Cypress 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 Cypress forestry sector faces specific local issues.



Key actions: Cypress forestry industry

1. Conduct a review of the cypress sawlog resource
2. Review Integrated Forest Operations Approvals for cypress forests
3. Develop new native forest harvest and haulage standards
4. Support innovation and new markets
5. 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 cypress forestry industry is worth \$26 million annually and supports 600 local jobs.
- ✓ Forestry has been the social and economic foundation of many NSW 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, the newspapers we read, to the toys our children play with, wood features in almost every aspect of our daily lives.
- ✓ Cypress is tough, durable and resistant to decay, termite and borer attacks.
- ✓ Cypress is ideally suited to exposed and high-wear applications such as house framing, weatherboards, poles and posts. The presence of numerous tight knots is a distinctive feature which provides decorative appeal for its use in flooring and furniture.

1 Cypress 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 issue in particular has created a complex operating environment for the Cypress forestry industry.

Cypress forestry challenges

In 2006 new 20-year Wood Supply Agreements were negotiated. These fixed-term contracts committed the Forestry Corporation of NSW (FCNSW) to supply businesses with an annual volume of timber.

These agreements, together with previous industry restructures, have eroded business confidence and 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 the long term supply contracts to re-position the industry on a long term sustainable footing.

The NSW Government:

- ✓ has reviewed the white cypress resource in 2016, which concluded that standing volume estimates and future sustainable sawlog yields are appropriately modelled and reliable.
- ✓ has 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.
- ✓ is trialling Cypress ecological thinning operations and new harvesting technologies to improve the growth and productivity of the Cypress forests.
- ✓ committed \$10.2 million over the past 4 years to forestry research & development through the Department of Industry – Forest Science unit.

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.

5 What does it mean for...

The Cypress 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.

Cypress communities

By working with communities to ensure the industry is ecologically sustainable, 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.

4 NSW Government's way forward for the Cypress 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.
- ✓ Conduct a review of the Private Native Forestry Code of Practice.
- ✓ Review Cypress Integrated Forest Operations Approvals with public consultation.
- ✓ Develop new harvest and haulage standards with public consultation.
- ✓ Support innovation and new markets and products.
- ✓ Aim to build community understanding and confidence in the forest industry.
- ✓ Improved timber resource and environmental modeling.
- ✓ Continue to invest in relevant Forestry Research and Development.



6 What are the next steps?

Targeted consultation

The NSW Government encourages all Cypress 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 in due course.



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Cypress Forestry Industry

Australian demand for forestry products up

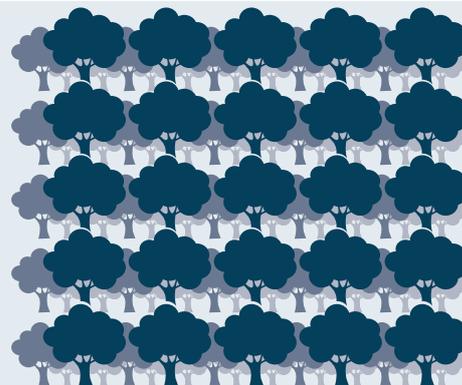
43% by 2040¹



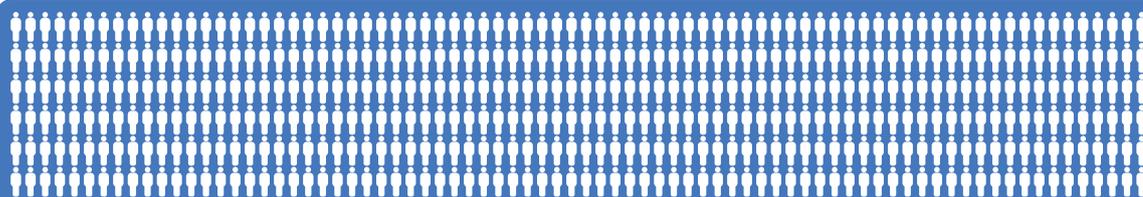
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Annual trade deficit of

\$2 billion²



More than
100 years of forestry



600
Cypress forestry industry jobs³

\$2.4 billion
NSW forestry industry⁴



Cypress forestry sector:
\$26 million
economic value⁶

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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