

NSW Forestry Industry Roadmap

What does it mean for the North Coast forestry industry?



CPLUSC ARCHITECTURAL WORKSHOP AND PHOTOGRAPHER JACKIE CHAN

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 NSW North Coast industry faces specific local issues.



Key actions: North Coast

1. Complete a review of coastal Integrated Forest Operations Approvals
2. Work with industry to investigate and resolve concerns with North Coast timber supply contracts
3. Renegotiate expiring native forest Wood Supply Agreements
4. Develop new native forest harvest and haulage standards
5. Support innovation and new markets
6. Build community understanding and confidence in the forest industry

Industry at a glance

- ✓ The NSW forestry industry is worth \$2.4 billion annually.
- ✓ 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.
- ✓ It has helped build our great cities and towns.
- ✓ From ABARES Forestry Industry data it is estimated that the north coast forestry industry is worth \$184 million annually and supports 3,800 local jobs.
- ✓ Forestry has been the social and economic foundation of many north coast 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.
- ✓ North Coast forests produce species including: Blackbutt, Spotted Gum, Blue Gum, Brushbox and Tallowwood.
- ✓ The strong, durable and visually appealing nature of these timbers makes them suitable for flooring, decks and pergolas for Australian homes and industrial and structural purposes including wharves, bridges and power poles.

1 North Coast native 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 North Coast forestry industry.

North Coast forestry challenges

In 2003 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. Together with previous industry restructures, these agreements have:

- ✗ resulted in different arrangements for access to supply and species mix between different businesses.
- ✗ provided little certainty, as the species mix and volume of timber supplied can vary greatly from month to month, 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 shedding 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 contracts to re-position the North Coast forestry industry on a long term sustainable footing. The NSW Government:

- ✓ convened the North Coast Project 2023 Committee to develop options to rebalance the long term sustainable timber supply from the forests with timber commitments to industry.
- ✓ committed \$8.55 million in 2014 to buy back 50,000 m3 per annum from Boral to bring the supply of timber from the region's forests back to a long term sustainable level.
- ✓ commissioned the Natural Resources Commission in 2015 to investigate concerns from the industry on the North Coast, and present a confidential issues paper to the NSW Government for consideration.
- ✓ 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.
- ✓ 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 North Coast 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.

North Coast communities

By working with North Coast 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.

4 NSW Government's way forward for the North Coast 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.
- ✓ Work with industry as a matter of priority to investigate and resolve concerns with North Coast timber supply contracts.
- ✓ Conduct a comprehensive and independent review of current Wood Supply Agreements.
- ✓ Renegotiate expiring Wood Supply Agreements to provide certainty and stability for all stakeholders into the future while ensuring the supply of timber continues to remain ecologically sustainable.
- ✓ Review the current Regional Forest Agreements with the Commonwealth Government.
- ✓ Review the new Coastal Integrated Forest Operation Approvals, with public consultation.
- ✓ Conduct a review of the Private Native Forestry Code of Practice.
- ✓ Develop new harvest and haulage standards with public consultation.
- ✓ 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.
- ✓ Improved timber resource and environmental modeling.



6 What are the next steps?

Targeted consultation

The NSW Government encourages all North Coast 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.



ANDREW WORSSAM—PHOTOGRAPHER

CPLUSC ARCHITECTURAL WORKSHOP AND PHOTOGRAPHER JACKIE CHAN

CPLUSC ARCHITECTURAL WORKSHOP AND PHOTOGRAPHER JACKIE CHAN

North Coast Forestry Industry

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

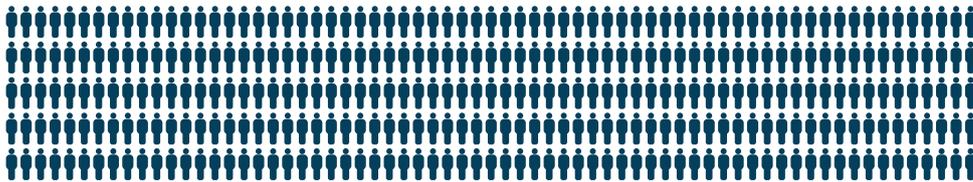


GEHRY PARTNERS LLP—PHOTOGRAPH

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



More than **100 years** of forestry



3,800
estimated North Coast jobs³

\$2.4 billion
NSW forestry industry⁴

PETER BENNETTS—PHOTOGRAPHER



\$184 million
value to North Coast⁶

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**

Or email

forests@industry.nsw.gov.au

forestry.policy@epa.nsw.gov.au

