

Northern Inland Forestry Investment Group (NIFIG)

What's happening in private forestry?

This newsletter is to update you on recent developments relating to private forestry in our area and on the activities of the Northern Inland Forestry Investment Group (NIFIG). NIFIG is a joint Commonwealth/State funded group, operated by the Northern Inland Regional Development Board, whose role is to nurture forest industry activity in the region.

Inside this issue:

August 2007

Private Native Forestry

Background and overview of the New Code	1
Key points	2
Industry Assistance	4
A Snapshot of the Code Details	5
Pros and Cons of the new PNF Codes	8

Private Native Forestry Code(s) of Practice – finally released!

1. Background and overview

This edition of the newsletter will be dedicated to explaining the fundamentals of the new Codes of Practice for Private Native Forestry (PNF), released on 1 August 2007.

You will be aware from previous newsletters that the Code has been under development for at least 5 years and that various versions have gone on public exhibition and were withdrawn following public comment.

It now appears that four new codes will come into force during the later half of 2007 and early 2008. Previous versions of the code covered all commercial tree species across the entire state. This has now been split into four codes as outlined in Table 1.

For our region (northern inland NSW), the **Northern NSW** and the **Cypress and Western Hardwood Forests Codes** will be of most relevance.

For **existing PNF operators**, the codes come into practice from August 1 and they need to have approval for their operations by the dates specified in Table 1(Page 2).

For **new PNF operators** the codes will apply from August 1 2007.



PNF Codes of Practice commence August 2007



NSW DEPARTMENT OF
PRIMARY INDUSTRIES



Northern Inland
Regional Development Board

Table 1. PNF Codes start dates for existing PNF operations

Region	Date by which existing PNF operators need an approved PNF PVP
Northern NSW (north of Sydney)	1 November 2007
Southern NSW (south of Sydney)	1 December 2007
River Red Gum forests (dominated by <i>Eucalyptus camaldulensis</i>)	1 January 2008
Cypress and Western Hardwood forests (Cypress Forests are forests dominated by white cypress pine (<i>Callitris glaucophylla</i>). Western Hardwood Forests are predominantly eucalypt woodlands and forests of the western plains and western slopes of NSW and typically include box woodlands, box-iron bark woodlands, black cypress and eucalypt woodlands, western red gum woodlands and white box stringybark woodlands)	1 February 2008

2. Key points

- The new codes of practice under the *Native Vegetation Act (2003)* **replace the previous PNF exemption** which applied to PNF operations.
- Although not stated in the code reference material on the Department of Environment and Climate Change (DECC) website, discussions with NSW Dept. Primary Industry staff indicate **these codes are Interim Codes** which apply for 2 years until a new Private Native Forestry Act is developed. This new Act would remove PNF from the over-sight of *the Native Vegetation Act* and may see the development of a new code. This raises issues over the status of approvals granted under the interim code which are deemed to last for 15 years – I am awaiting further clarification on his point.
- Under the new system, harvesting timber for the purposes of private native forestry **will require approval** through a private native forestry property vegetation plan (PNF PVP), which is a voluntary but legally binding agreement between the landholder and DECC.

A well managed private native forest with quality timber and good groundcover



- Unlike the PVP process for clearing native vegetation on farms, the PNF PVP process is simpler and essentially requires:
 - a map of the property showing the parts subject to the PNF PVP;
 - identification of areas on the map which can't be harvested (rainforest, old growth, steep land, riparian zones);
 - declaration that the forestry operations will adhere to the code of practice for your region.
- The PNF PVP will be **granted for up to 15 years**.
- A **Forest Operation Plan** which is consistent with the code must be prepared before operations commence.
- If the environmental prescriptions in the code **reduce the net harvestable area of the forest by more than 10%**, the landholder can request (at their own expense I assume) an 'accredited expert' to review the Forest Operation Plan and modify the environmental prescriptions of the code (presumably to reduce the impact to no more than 10% of the net harvestable area). An 'accredited officer' must be satisfied that:
 - the variation of environmental prescriptions is minor;
 - the proposed clearing will maintain or improve environmental outcomes; and
 - strict adherence to the code in the particular case is unreasonable or unnecessary.

Some landholders whose PNF operations were on **state protected land** (i.e. usually steep land) would have **existing operations with consent** under the *Soil Conservation Act* or the *Native Vegetation Conservation Act*. If these approvals have a listed expiry date, they will be allowed to continue to that date, then landholders will have to apply for a PNF PVP. Consents without an expiry date will cease on 1 October 2008 and landholders will have to apply for a PNF PVP approval.

Landholders with existing operations not covered by consent need to notify DECC of their operations by 31 August 2007 if their operations will continue after that date.

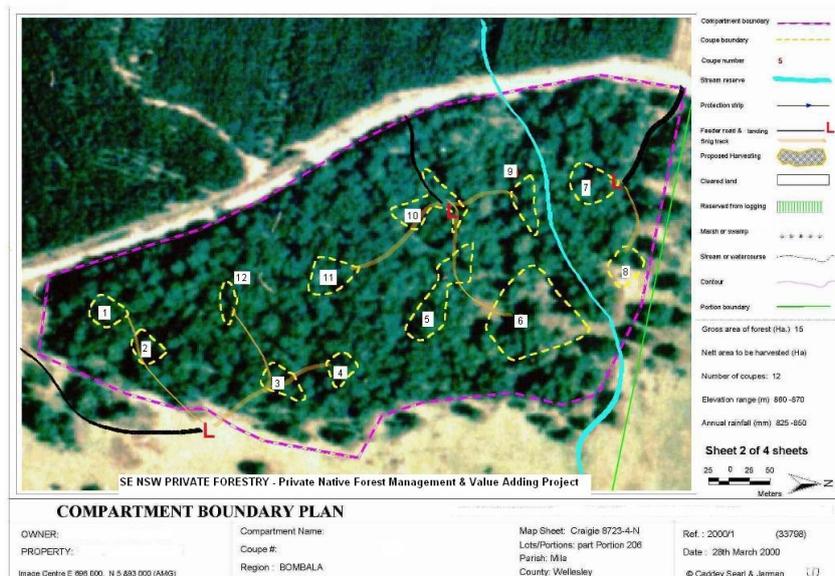
PNF operations will be **audited** by DECC staff to check compliance with the code and corrective measures may be suggested.

Landholders applying for a PNF PVP will receive an information kit from DECC which includes a property map and draft agreement. **The landholder can also request DECC to review** old growth/rainforest mapping for their property and the impacts on net harvestable area.

It is estimated a straightforward PNF PVP **will take 2 weeks to be approved**. PVPs which require a review of old growth etc will take longer.

There is **no cost** for having a PNF PVP approved.

The **GPS coordinates** of land subject to a PNF PVP will be made available on a **public register**.



PNF will require a Forestry Operation Plan (example only)

3. Industry assistance

The NSW Government has announced a \$37M industry assistance package to support the codes. Unfortunately for landholders, around \$29.3M of this is earmarked for industry (i.e. processors, contractors) to help them either exit the industry or modify their operations to adapt to the new log supply conditions (“to ease any adverse socio-economic impact”).

It has been indicated that assistance for landholders impacted by the code will be made available via funding set aside when the *Native Vegetation Act (2003)* commenced and the application process will be through DECC, but at the time of writing, details were unclear.

There is a \$7.7M training and accreditation package which will be used to assist private forest owners/managers to implement the new forest management rules and recruit government agency staff to oversee the new program.



PNF is a critical component of industry log supply in NSW & industry assistance funds are available

4. A Snapshot of the Code Details

As outlined in previous newsletters, the codes have a number of fundamental prescriptions which will impact upon PNF operations. These are briefly summarised below (these prescriptions are common across all four codes, but some of the numerical limits vary).

Forest Operation Plan

All PNF activities will require a plan which is consistent with the code provisions. Both the landholder and forestry contractors must read, sign and date the plan. The plan covers the following issues:

- location of forestry operations;
- recorded locations of threatened species, endangered ecological communities;
- specified landscape features (e.g. rainforest, old growth, wetlands, heritage sites, drainage features);
- roading and drainage crossings;
- log landings, portable mill sites;
- classification and description of broad forest type(s) including condition, disturbance history;
- ownership details;
- harvesting and proposed forestry operation details;
- flora/fauna management actions;
- tree marking activity;
- activities to promote regeneration;
- silvicultural treatments.



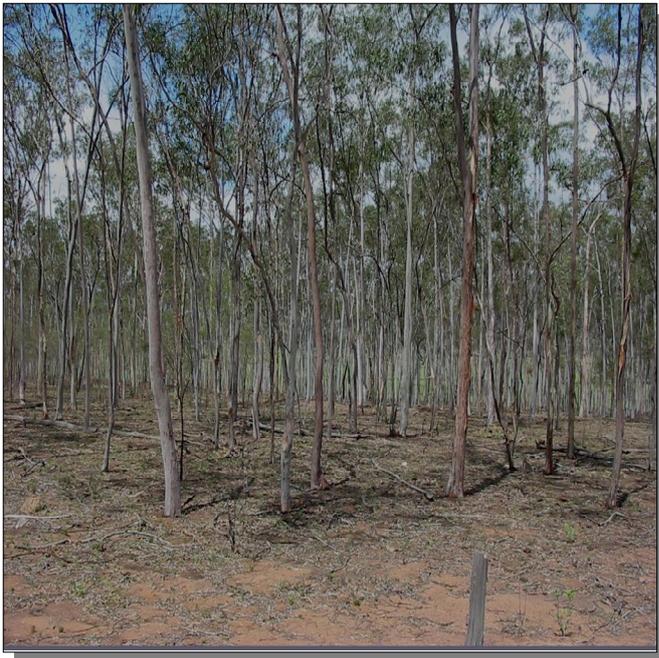
Portable mills sites and log landings must be identified in plans

Reporting

Reporting requirements include lodging reports with DECC which, if relevant, specify timber volumes harvested, hectares of forestry operations and silvicultural treatments applied.

Silviculture

- basal area limits apply (basal area is the cross-sectional area of tree stems per hectare). There is a simple tool available for measuring this and landholders/contractors will need to become familiar with this measurement;
- canopy opening limits apply;
- regeneration and restocking limits apply before a harvesting operations can commence or be repeated;
- DECC will supply an information kit which shows landholders how to measure these requirements.



Unmanaged forest, over-stocked, poor growth, prone to soil erosion and in need of silvicultural thinning

Protection of the environment features

- there are limitations or exclusions on forestry operations in certain landscape features (e.g. endangered ecological communities, old growth, wetlands, erodible soils);
- there are limitations on habitat, recruitment, feed, roost and nest tree removals;
- riparian and drainage feature exclusion and buffer zones and protection requirements apply;
- road construction and maintenance, log landing, portable mill site and snig track conditions apply;
- listed species ecological conditions apply which may modify the forestry operations **where there is a known record or site evidence of a threatened species.**

Some key points on threatened species issues

- a **known record** is an actual sighting or a record listed in the NSW Wildlife Atlas;
- **site evidence** includes things like faecal pellets, scats, chewed seed cones, nests, site used as a latrine;
- **records in adjoining protected public land areas (National Park, State Forest) can be ignored if it can be demonstrated the species has been protected** (see detailed code document for more detail on how this is demonstrated).



Forestry operations may have to be modified if particular listed species are present



The full documentation for the 4 codes can be found on the DECC website at:

<http://www.environment.nsw.gov.au/pnf/index.htm>

What does it all mean?

PNF activity will now be regulated by a more stringent set of rules. Moreover, through the reporting process that has been established, the NSW government will have information on where PNF operations are taking place, the silviculture regimes being used and the approximate log volumes being extracted.

There are likely to be some positives and negatives in all of this which are summarised in Table 2 (Page 8).

Table 2. Pros and Cons of the new PNF Codes

Potential positive features of the code package	Potential negative features of the code package
Some operators who are currently being given conflicting advice about their capacity to operate PNF on their farms from different tiers of government now have a simpler process to gain approval.	Some operators who have been running a sustainable, profitable PNF enterprise on their farms will have limitations placed on their operations which may render them unprofitable.
The code supporting material specifically recognises the importance of private native forests to industry log supply.	The codes still refer to PNF as a ‘clearing’ activity.
The announcement of a separate Act for private native forestry should ultimately remove PNF operations from the stigma of the ‘land clearing’ definition.	The modification of forest operating plans to cater for threatened species will identify the presence of threatened species on individual farms. This raises the prospect of future additional regulatory restrictions. Note that the GPS coordinates of the PNF PVP will be available on a public register.
The reporting process will provide better information on the importance of the private native forest resource to the NSW timber industry.	The legal obligations to adhere to the code now rest firmly with the landholder but in practice on most farms, the nature of the forestry operations are determined by the logging contractor/sawmiller. Landholders will now have to keep a much closer eye on the operations.
Landholders and industry will have improved certainty over their operations and log supplies as the approvals last for 15 years.	As this appears to be an interim code with a new Act to commence in 2 years, there is a question mark over the PNF PVP – if granted during the interim period will there be a process to ensure plans are valid for 15 years?
Since it is an interim code, it provides 2 years to sort out any problems which could be rectified when the new Act is formulated.	Landholders will have to learn some of the fundamentals of forest management (e.g. measuring basal areas, identifying habitat trees, road construction). This will be an additional work-load.
The code provides ‘biodiversity certification’ which means PNF operations having a valid PNF PVP do not require separate approval under the <i>Threatened Species Conservation Act</i> .	The presence of ‘listed species’ (see code documents for details) can still require substantial modifications to the forestry operations which will impact on yields and silviculture. There are a large number of listed species.

Continued

Potential positive features of the code package	Potential negative features of the code package
<p>The identification of threatened species on individual farms through the forest operations plan process may allow landholders to access stewardship payments in the future in recognition of the environmental values they are managing on their properties. At present, they are largely penalised for preserving these species on their farms and receive no recognition of the public goods they provide.</p>	<p>The tree retention limits may lead to poor silviculture and reduced growth and commercial potential of the forest. Most private native forests have been selectively logged over many years, with just the commercial trees removed and poor quality trees retained (this is called 'high-grading'). These forests actually need more trees removed to revitalise them, including the removal of large senescent trees which suppress growth. The code limitations relating to basal areas and habitat trees may prevent this and encourage further high-grading.</p>
<p>Landholders will learn some of the fundamentals of forest management (e.g. measuring basal areas, identifying habitat trees, tree marking, road construction). This will improve their forestry skills.</p>	<p>Many landholders, logging contractors and sawmillers have little or no financial incentive to conduct improved silviculture (e.g. thinning) in private native forests. The code does not modify this situation.</p>
<p>Processors and contractors can access direct financial assistance.</p>	<p>Landholders (private forest owners) access to direct financial assistance is uncertain at this time.</p>
<p>Training and accreditation funding is available for forest growers (landholders).</p>	<p>The economic incentives to implement their new-found forestry skills are still likely to be lacking – the costs of improved silvicultural management in PNF are not justified by the returns in most cases. Additional incentives are needed to rectify this situation, to encourage better silviculture (e.g. forest thinning) and the code does not provide these incentives.</p>

Yours sincerely



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