

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.

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1. Update on Private Native Forestry Regulations
 Following ongoing negotiations, the Private Native Forestry Code development period has now been extended to 1 October 2006. On July 25th, a Draft Code of Practice and other information was released which is now available on the Department of Natural Resources website — <http://www.dnr.nsw.gov.au/vegetation/pnf.shtml>. A form for submissions should also be available at this site. We would encourage all industry members to make a submission on this important issue.

We will also be submitting the results of the JVAP funded project on the sustainability of private native forestry into the policy arena. Key findings from this study have already been communicated to the NSW Premier and key Ministers in a letter from Australian Forest Growers (AFG).

Recent estimates made during the JVAP PNF sustainability project suggest that the proposed Code of Practice for PNF will reduce supplies from private land as follows:

- The Code places limitations on large tree removals, basal area reductions and extends riparian buffer zones
- To maintain income from private native forests, but remain within Code limits, landholders may have to harvest the commercial trees more intensively
- This perpetuates or exacerbates the **undesirable high grading effect** – removal of commercial timber only with no silvicultural treatment (i.e. thinning) to enhance future timber growth, leading to a depletion of forest genetics, vigour and growth
- The immediate effect on log supply may be minimal, but one or two cutting cycles (15-30 years) into the future, the commercial potential of these forests may be severely limited
- Many forests have already been severely high-graded and require a major silvicultural re-set to return them to productivity. Code limitations may prevent this
- Future yield reductions in the order of 50,000-133,000 m³ per year in the Upper North East region of NSW are projected according to Southern Cross University estimates



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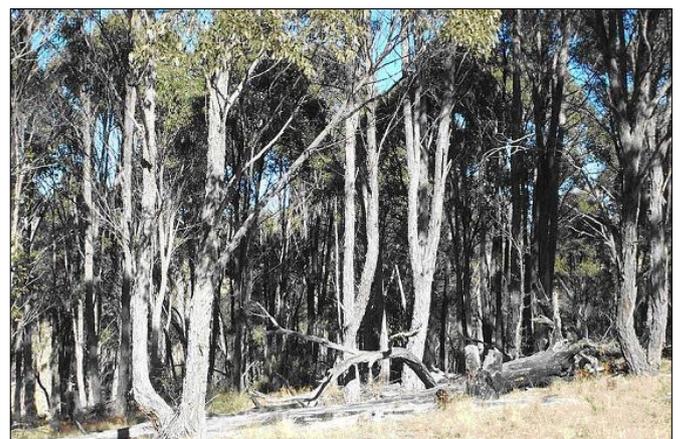
Based on an extrapolation using the 1997/98 economic structure of the industry, this level of yield reduction would equate to:

- \$20-55M reduction in gross output
- 239-635 fewer jobs
- \$5.8-15.4M reduction in household incomes

This is a concern for regional economies and communities reliant on timber industry jobs. It also suggests that the proposed new Code will not address the silvicultural sustainability issue in these forests. The concept of Ecologically Sustainable Forest Management (ESFM) recognises that forest management systems must include consideration of environmental, economic and social impacts. The future productivity of these forests is crucial to the forestry sector in our region.



Well managed forest providing habitat and sustainable timber production



High-grading : Continual removal of commercial stems without proper management leads to reduced growth, vigour and commercial timber value

2. Private native forestry – now even more vital industry and regional economies

The importance of private native forestry in regional economies is growing, as is concern about its future. On the Northern Tablelands, around 90% of timber processors are entirely reliant on private timber. In the Northern Rivers region, 66% of processors rely entirely on PNF.

Table 1 documents the changes in log supplies for the Upper and Lower North East Regional Forest Agreement (RFA) regions, showing how private property log supplies

	1997/98	2005
Public native forest logs m ³	630,000	477,000
Private native forest logs m ³	350,000	460,000

Table 1.
The Changing Native Forest Log Supply Situation in Northern NSW

Figure 1 illustrates the important contribution from forestry in the Upper and Lower North East RFA regions and the Brigalow Bioregion prior to the reductions in log supplies from public forests.

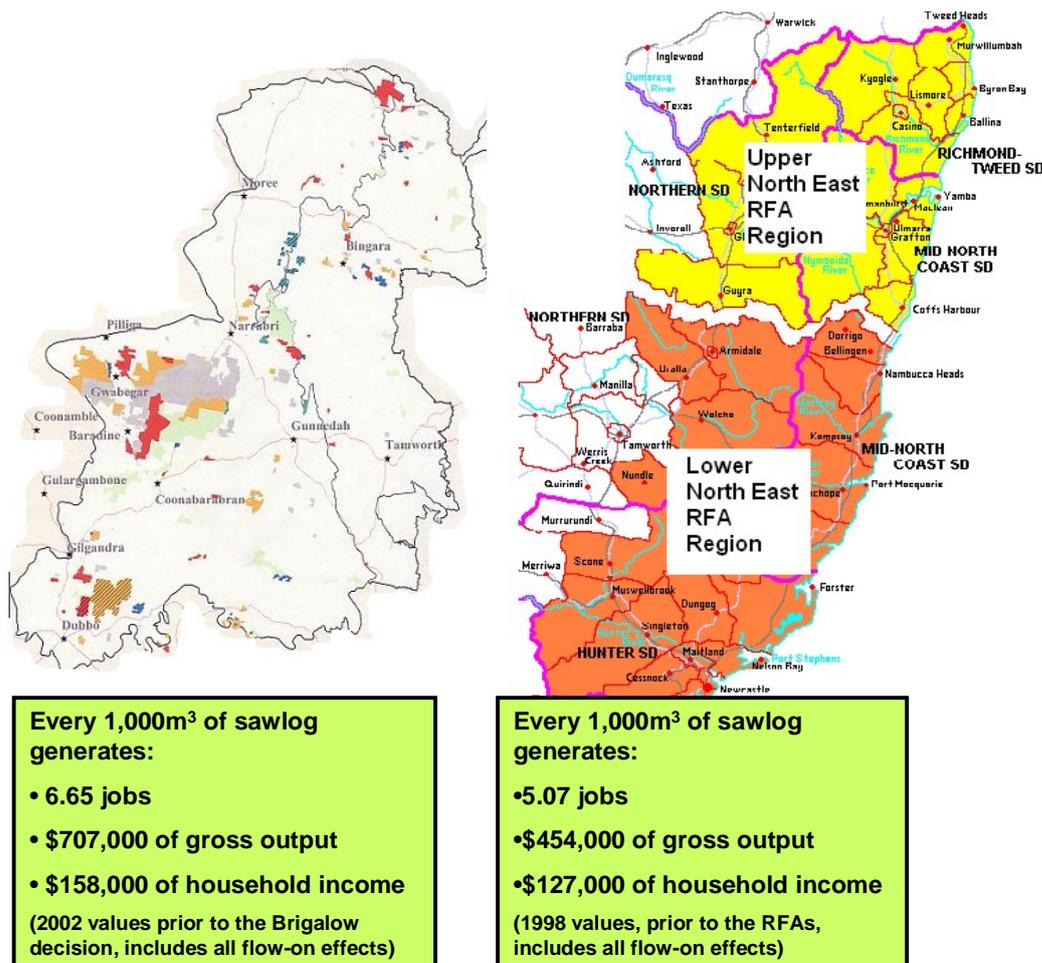


Figure 1.
Economic impacts of native forestry in our region

Despite a shift to increased value-adding of native timber in the post-RFA era, the general structure of both the native hardwood and cypress pine industries is similar, so these types of economic impacts still apply.

Timber from private land is now crucial for many mills to maintain log throughputs, business turnover and the jobs and regional economic activity that these businesses generate. For this reason, our Group is actively working to ensure the long term sustainability of private native forest activity in our region via:

- Assisting landholders with forest management plans
- Establishing a native timber display centre in Armidale to promote the unique qualities of Australian native timbers
- Running private native forestry training courses
- Undertaking research into sustainable forest management practices
- Being actively involved in the forestry policy setting process.

3. Native forestry – some environmental facts

There are few land uses that evoke emotional debate like forestry. It is often singled out for special regulatory treatment, not routinely applied to other landuses. Because of the highly visible nature of forestry operations and the special values held by the community for trees and forests, forestry industries have come under increasing regulatory pressure.

Recent media articles in the Armidale area reveal that the private forestry estate is now becoming the target of similar pressure. The following facts reveal how **well managed forestry operations outperform all competing landuses in the environmental sustainability stakes:**

Well managed private native forestry operations involve:

- Zero or minimal chemical inputs
- Maintain high levels of ground cover to protect soils
- Infrequent traffic means no soil compaction problems
- Nutrient recycling and maintenance of organic matter
- Net consumer of greenhouse gases
- Self replacing production system
- Outperform all agricultural alternatives in terms of habitat provision.

Negative impacts on native flora and fauna are often cited as reasons to curtail forestry activity but the following charts and tables illustrate that forestry ranks well down the list of threats compared to other land uses and activities.



Cypress pine, decades old at lock-up density – forests compete for space, light and nutrients. If not managed properly, they end up like this causing loss of ground-cover, floristic diversity and soil erosion - hardly a sustainable situation. This may be the fate of many Brigalow forests.

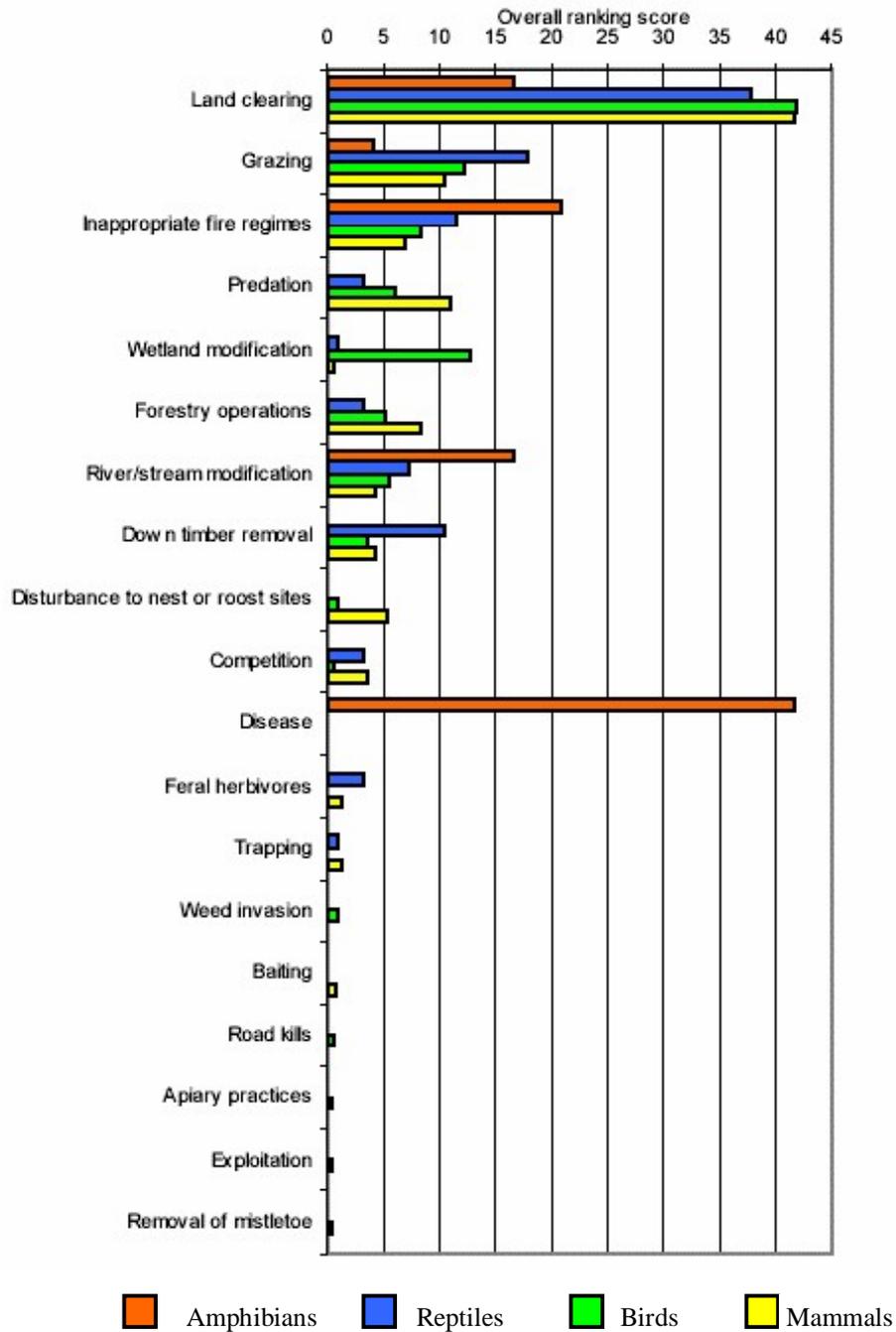


Figure 2 - Ranked disturbances for terrestrial vertebrate species in the Brigalow Belt South Bioregion of NSW

(Source: Brigalow South Regional Assessment, <http://www.racac.nsw.gov.au/pdf/wra31.pdf>)

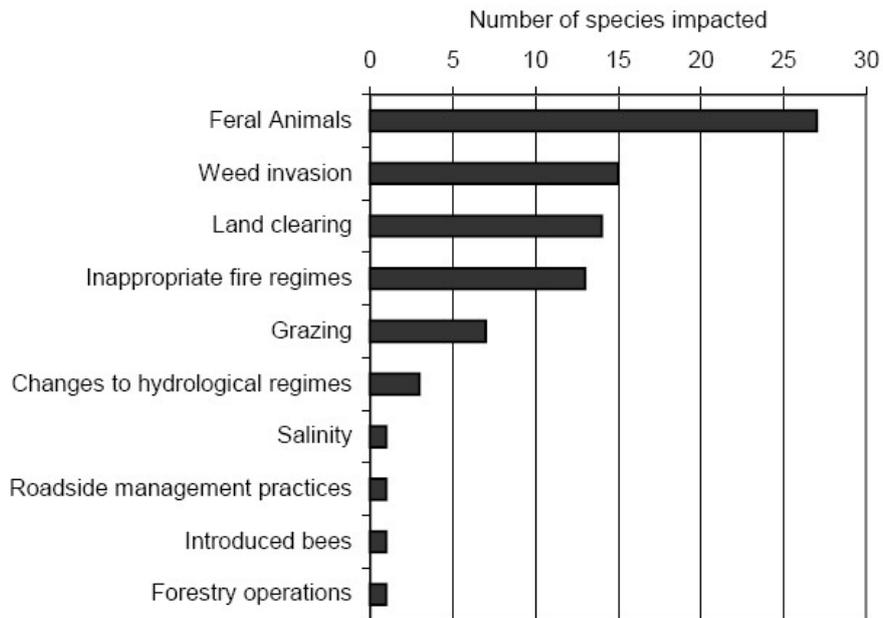


Figure 3 - Number of key plant species impacted by disturbances in the Brigalow Belt South Bioregion of NSW

(Source: Brigalow South Regional Assessment, <http://www.racac.nsw.gov.au/pdf/wra31.pdf>)

This **published scientific data** illustrates the relatively benign nature of forestry operations on the environment when compared to other threats.

Moreover, the JVAP study on the sustainability of PNF reveals that where several general habitat and biodiversity scoring systems are used (Habitat Hectares, Biometric, Biodiversity Benefits Index), a wide spectrum of forestry regimes (even undesirable high-grading) score well. All systems maintained a range of general forest structural attributes, producing average scores of 50-80 out of 100 (compared to a score of 16 for cleared cropping or grazing land).

The JVAP project recommended that, while these general scoring systems illustrate the positive environmental attributes of forestry production systems, higher levels of environmental performance can be achieved with minor modifications to operations which cater for species of local significance. This must be complemented by a framework which provides incentives for landholders to manage their forests to support future timber production and preserve the habitat niches of key local species.

Categories / causes of threat	Number of species
Industry and urban development	
Road / rail verge environments	39
Urban / coastal development	27
Mining	1
Forestry	0
Agriculture	
Land clearing	30
Domestic grazing	18
Other landscape factors	
Disease	28
Weeds	21
Fire / changed disturbance regimes	11
Fragmentation	4
Salinity / hydrology	3
Feral and native grazing	
Feral grazing	11
Native grazing	3
Other human activities	
Collecting	5
Trampling	1
Other causes (herbicides, rubbish dumping, recreation, extreme environmental conditions, road construction, fire wood collection, pollution, lack of supportive habitat, flooding, dam construction, mowing)	2

Table 2. The causes of current and future threats to vascular plants in Australia

(Source: Lindenmayer, D.B., and Burgman, M.A. (2005). *Practical Conservation Biology*. CSIRO Publishing, Melbourne.)

A one-size-fits all Code of Practice with retention of general structural features was not viewed by ecologists as flexible enough to promote good forest management through adequate silviculture, or habitat protection tailored to regional priorities. For some private forests, the high habitat values in the surrounding landscape mosaic mean that operational restrictions are unnecessary. For other forests which are unique in a region, forestry operations may require specific modifications. The one-size-fits-all approach may unfairly penalise some operations, while missing key environmental goals in others.

The project team held the view that incentives are required to deliver good management and recompense landholders for required changes to their operations in recognition of the extensive suite of public goods (environmental values) conserved in well managed private production forests.

Another concern was that singular reliance on a regulatory solution will perpetuate high grading, provide no additional protection for key species over and above the current PNF exemption, and lead to a decline in commercial timber yields. Sustainability in its true form includes environmental, economic and social considerations and the indications are that blanket regulation will deliver few, if any environmental gains, erode economic performance and deliver more social dislocation in native forestry industries and communities.



Fauna surveys conducted during the JVAP project revealed that PNF activity produced no observed negative effect on fauna. Indeed sites with the lowest habitat score had the highest level of bird species richness.

While regulation is commonly viewed as the preferred instrument of choice for dealing with perceived environmental threats, it appears that the proposed approach will lead to some unintended outcomes in terms of additional poor silviculture. This runs counter to a key principle of Ecologically Sustainable Forest Management – namely preserving the productive and economic capacity of these forests for future generations. A more holistic approach is required which:

- Is flexible
- Provides incentives for good management and stewardship
- Acknowledges the dynamic nature of forest ecosystems
- Understands that virtually all private forests with timber potential have a long history of human and natural disturbance
- Accepts that virtually no forest on private land is iconic old growth rainforest, and does not represent a pristine climax community but rather, is extensively modified and relies on regular disturbance for regeneration and vigour
- Despite extensive human intervention over centuries, these forests still provide important high quality habitat values
- Recognise that good forestry practices preserve essential habitat quality
- Understand that making these forests valuable to private landholders secures their future protection

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