

## **AFPA submission the independent review of the interactions between the EPBC Act and the agriculture sector**

AFPA welcomes the opportunity to participate in the independent review of the EPBC Act's interaction with the agriculture sector, including forestry. AFPA is a member of National Farmers Federation and attended Dr Wendy Craik's session with the NFF's Sustainable Development Committee. AFPA CEO, Mr Ross Hampton, also met with Dr Craik and her team on 3 May 2018.

AFPA shares the NFF is concerned about how the EPBC Act applies to the agriculture sector, including forestry plantations which cover almost 2 million hectares of land across Australia. AFPA supports the content and recommendations of the NFF's submission, and this supplementary submission should be read in conjunction with the NFF's and AFPA's feedback provided at the meetings with Dr Craik and her team.

### **Forestry industry overview**

AFPA is the peak national body for Australia's forest, wood and paper products industry. We represent the industry's interests to governments, the public and other stakeholders on the sustainable development and use of Australia's forest, wood and paper products.

The forest, wood and paper products industry is one of Australia's largest manufacturing industries with an annual turnover of approximately \$23 billion. Around 120,000 people are directly employed along the industry value chain with a further 200,000 jobs supported through flow-on economic activity.

Australia's forests represent a unique resource in the Asia Pacific region. The highest standards of sustainable forest management are maintained, with the management of plantations and native forests proven to be sustainable through accreditation by either or both of the major international Certification schemes (Australian Forestry Standard/PEFC and Forest Stewardship Council).

Australia has a vast forest estate of 125 million hectares, making it the world's 7<sup>th</sup> most forested nation. However, despite an abundance of forest resources, only around 5.5 million hectares of multiple-use public native forests and 2 million hectares of plantations are available for wood production. The plantation estate, split almost evenly between softwood and hardwood, provides over 80 per cent of total wood production.

Fewer than 100,000 hectares of the native forest area in Australia is harvested for timber annually – less than 0.06 per cent of Australia's total native forests. All native forest

harvested is sustainably regrown, with the regrowth quickly becoming an abundant food source and habitat for native species.

Over 90 per cent of Australia's commercial native forest operations are independently certified (under the PEFC or FSC certification) to comply with the world's best sustainable forest management practices. This is compared to the global average of eight percent, meaning Australia is a leader when it comes to ensuring the sustainability of forest practices.

It should also be noted that timber harvesting has not been a "major threat factor" in the extinction of any Australian mammal since European settlement. Feral animals, bushfires and disease pose the biggest threat to Australia's threatened species and ecosystems.

As a regional-based land-use sector, forest and plantation management has many issues in common with the broader agriculture sector. There is a continuum between agricultural and forestry activities that can support agricultural productivity and farm profitability. Well targeted tree planting is complementary to a broad range of farm level activities. For example, most farm businesses manage remnant vegetation and/or develop shelter belts to improve farm productivity, while others diversify their farm income through the establishment of commercial plantations or harvesting logs from managed native forest on part of their land. As a result, there is significant overlap between regulation affecting agricultural and forestry activities.

AFPA notes that many issues with the Act identified in the NFF submission, and captured by the review's Terms of Reference, are not specific to the agriculture sector, and are experienced by other sectors including forestry, notwithstanding the role of the Regional Forest Agreements which are exempt from this review.

As the Carnaby's Cockatoo case study below illustrates, the long-term cycle (30 years in the case of pine plantations in Australia) of forestry "crops" creates additional challenges for our industry with respect to the EPBC Act that are not faced by more traditional farming crops such as wheat and sugar cane. Nonetheless, particularly with respect to plantation and private native forestry, AFPA supports the NFF's contention that the EPBC Act should adopt a more balanced regulatory approach with respect to private land rights and social and economic considerations.

### **Inadequate engagement with affected stakeholders**

AFPA supports the NFF's recommendation to improve the engagement capacity of the Department of Environment, particularly with respect to threatened species listings under the EPBC Act.

There is currently an inadequate level of proactive engagement with affected stakeholders around key developments in the listings process, which puts the onus on land managers to be alert to nominations, submission opportunities, and outcomes. This challenge is compounded by a difficult-to-navigate website.

The forestry sector is fortunate that many of the affected stakeholders are state government statutory agencies and large plantation operators, which are subject to a high

level of state environmental regulation and reporting obligations, and can thus navigate the complex EPBC Act requirements better than most land owners. However, other parts of the industry, such as private native forestry operators that include comparatively small land owners, cannot be expected to keep on top of these developments, and currently receive little or no support to do so.

The TSSC listing process should ensure that all affected stakeholders – particularly land owners and managers - are engaged early in the process and are supported to navigate the system. AFPA strongly supports the NFF's recommendation, that the scope of the TSSC expertise be amended to include at least two representatives with formal qualifications and practical experience in productive landscape management, which would help address this issue.

Similarly, AFPA supports the NFF recommendation for a formal, funded, agricultural consultative mechanism be constituted and made available to consult with the TSSC on listings where an impact on agriculture is evident, especially in the development of conservation advice.

### **More transparency and rigour around the TSSC listing process**

AFPA has significant concerns around the operation of the threatened species listing process under the EPBC Act.

The example of the Leadbeater's Possum, which has had a considerable, adverse impact on the forestry sector in Victoria, highlights several problems with the TSSC listing process.

The 'critically endangered' status of the Leadbeater's Possum is currently under review by the TSSC, following a nomination from AFPA based on new evidence. The new evidence highlights the lack of rigour in the TSSC process, which relies on submissions to inform TSSC deliberations with no requirement that the TSSC solicit additional scientific material to address key information gaps.

For example, as of today, there are 680 known Leadbeater's Possum colonies identified, 527 of which have been identified since 2014. This is significant given that, as a Victorian Government report noted in July 2017, only 6-10 per cent of the possum's potential habitat range has been surveyed. AFPA supports the NFF's recommendation that the listing nomination process ensure that analysis of national and regional representation of a species is a component of the consideration.

As the review of Leadbeater's Possum currently underway highlights, after a listing the burden of proof falls on industry/affected stakeholders. Even where the TSSC recognises that there is new evidence relevant to the listing, as is the case with the Leadbeater's Possum, there is no support from the Department or the TSSC to undertake further analysis.

Vicforests, which manages the state forest that takes in the LBP's habitat, estimates it has spent around \$2.1 million over the past three years in monitoring efforts associated with the LBP. Notwithstanding this significant investment, much of the LBP's potential habitat is yet to be surveyed, yet the TSSC will be expected to make a recommendation to the Minister later this year.

AFPA contends that the evidentiary requirement should be highest in the nomination stage, and either proponents of the nomination or the Department should ensure that the TSSC is provided with all the relevant evidence to make an informed recommendation on a threatened species listing.

**Greater alignment and consistency between the Federal and State (and in some States, Local) environmental management laws**

As forest, wood and paper product industries have a significant regional footprint, an effective and integrated relationship between State and local Governments is essential. Unfortunately, state and local government approval and regulatory processes are often inconsistent or in conflict, complicating forest management and holding back investment in the sector. Better coordination of State and local government approval and regulatory processes is needed to ensure the regulatory and operating environment is effective and efficient. This is consistent with the NFF's recommendations.

**Environment regulations need to be landscape based**

AFPA strongly supports this recommendation from the NFF, and notes that the NFF points to the Regional Forest Agreements framework as an example of how state and federal environmental laws can be harmonised to deliver the highest conservation outcomes.

A landscape approach to protection of threatened species is based on the premise that protecting habitat is the best strategy for conserving mobile fauna. Landscape conservation strategies can consider multiple species, threats and management options at multiple scales – both temporally and spatially.

The case of the Leadbeater's Possum where – separate to the EPBC Act process – the Victorian Government introduced detection-based protections for individual LBP, highlights the ineffectiveness and perverse outcomes that result when a landscape-wide approach to conservation is not followed.

Should you have any questions regarding this submission, please do not hesitate to contact Mr Victor Violante, Senior Policy Manager, on (02) 6285 3833.

Yours sincerely,



**Ross Hampton**

**Chief Executive Officer**

**Australian Forest Products Association**

### Case study 1: Carnaby's cockatoo in WA pine plantations

The Gnangara, Pinjar and Yanchep pine plantations, just north of Perth, were established between 1932 and 1994 for the purpose of timber production.

In 1996, the Western Australian (WA) State Government decided to harvest and not replace 23,000 hectares of pines in these plantations to increase groundwater recharge to the Gnangara Mound for the purpose of drinking water for Perth, horticultural use and the environment. The objective was to remove the pines and ensure that the through-flow of water to the groundwater table would be equivalent to that which occurred under native vegetation.

The State then sought a customer for the timber, which led to the establishment of Wesbeam Pty Ltd and the construction of a \$110 million processing plant in Neerabup. Under the *Wood Processing Agreement Act 2002* (a State Agreement) the Forest Products Commission WA entered into a timber supply contract with Wesbeam, which establishes strict conditions around annual timber volumes to be delivered and the distances from which timber can be sourced.

Due to clearing of native vegetation on the Swan Coastal Plain, Carnaby's cockatoo, listed in July 2000 as endangered under the EPBC Act, has adapted to pines as their primary food source. As pines have a higher food value than native vegetation per hectare, clearing and not replacing the pines has a considerable impact on the species.

Although the pine plantations were established for timber production, uncertainty around referral requirements under the EPBC Act has led to considerable uncertainty for the Forest Products Commission. In addition, potentially costly requirements to mitigate and offset the impacts of pine harvesting on Carnaby's cockatoo could not have been foreseen when the plantations were established or the decision to liquidate them was made. Any Commonwealth restrictions to harvesting of the pines could have far reaching consequences for the Neerabup plant and associated activities.

Carnaby's cockatoo is an example of the merit of the NFF's recommendation that in developing conservation advice the EPBC Act should apply a greater emphasis on the social equity and economic considerations, consistent with the principles of Ecological Sustainable Development. Such an approach could, for example, recognise the value in encouraging the expansion of existing pine forage resources for the cockatoo, which would serve the best interests of population recovery in the long term (and recognise the uncertainty and disincentive for establishing new pine plantations the Act currently creates).

## Case study 2: The Leadbeater's Possum

There has been considerable work done in recent years to better understand the Leadbeater's Possum's habitat and distribution, including since the species was listed from 'endangered' to 'critically endangered' under the EPBC Act in 2015. In 2014, for example, it was estimated that there were 153 remaining Leadbeater's Possums in Victoria. As of today, there are 680 known Leadbeater's Possum colonies identified, 527 of which have been identified since 2014. This is significant given that, as a Victorian Government report noted in July 2017, only 6-10 per cent of the possum's potential habitat range has been surveyed.

The Threatened Species Scientific Committee's decision to list the LBP as 'critically endangered' was based on one criterion – that the LBP habitat was a proxy for population, and thus its very limited habitat was indicative of a "very severe" population decline. On the other 4 criteria it did not meet the "critically endangered" threshold. The fact that LBP are being found well outside the existing "known habitat range" – as far as 13km out based on Vicforests' work, but almost certainly possibly further if more surveys were done – tells us that the assumptions about its habitat range that the TSSC relied on were wrong.

What this means is that the estimated population could be much larger than first thought and spread across a much wider range. In the context of the 2015 decision to upgrade the Leadbeater's Possum's threat level to 'critically endangered', this new evidence brings into question some of the assumptions the scientific committee made about what impact another major bushfire would have on the remaining population, and what the species' prospects for recovery would be in the next few decades.

This was confirmed in the Victorian Government's review of its 200m buffer zones, published in July 2017, which recognised that the Leadbeater's Possum population is likely bigger than previously thought, and noted that "the recent increased number of located colonies, while only a small proportion of the potential habitat has been surveyed, casts doubt over the accuracy of earlier population estimates, and further work is required to provide more robust estimates."

That work is ongoing, but already the results are very encouraging and indicate the Leadbeater's Possum is more numerous and is being found across a wider habitat range than previously understood. This new evidence will inform the TSSC's review of the LBP's listing which is currently underway.

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