

Kim Carstensen,  
 Director FSC International  
 Charles de Gaullestr. 5  
 53113 Bonn, Germany  
 Attention: Thomas Colonna, Dispute Resolution Manager  
 cc: SGS

30 August 2013

## **COMPLAINT: FSC POLICY OF ASSOCIATION AND THE DESTRUCTION OF HIGH CONSERVATION VALUES**

### Contents

i) FSC Policies of Association and the destruction of high conservation values .....	1
ii) The complaint: Nippon Paper Industries' involvement in destruction of high conservation values through indirect involvement: Nippon's majority ownership of South East Fibre Exports (SEFE).....	2
iii) Historic and ongoing destruction of high conservation value forests, with timber from logging operations hauled to the South East Fibre Exports facility at Eden, NSW by logging contractors hired by SEFE.....	3
Maps showing Logging History.....	3
Fundamental issues.....	4
Historic Examples of the destruction of HCV values in South East NSW.....	4
Example 1, Logging in Bermagui, Mumbulla State Forests koala habitat 2010 to 2012.....	4
Example 2, Logging in Bondi and Nalbaugh Forests koala habitat 2013.....	5
Example 3, Logging in Gnupa/ Nullica Forests 2013.....	6
Example 4, Logging in Glenbog State Forest koala habitat 2013.....	7
General.....	8
- Implications for the Koala <i>Phascolarctos cinereus</i> .....	8
- Biodiversity Fund project: Corridors and Core Habitat for the Koalas of the NSW Far South Coast.....	10
- Draft Protection of the Environment Operations (General) Amendment (Native Forest Bio-material) Regulation NSW 2013.....	11
- Wood Fired Electricity Generation and the Koala.....	12
Steps taken to resolve the issues prior to the lodging the formal complaint.....	12
Conclusion and Expected Outcomes.....	12
<i>Attachment 1</i> .....	14
Bermagui forest after logging and burning 2011 (photos), Bermagui forest protest 2011	
<i>Attachment 2</i> .....	15
Koala footprints in forest road, during logging operation, Mumbulla State Forest 2010, Koala, Mumbulla State Forest	
<i>Attachment 3</i> .....	16
Logged koala habitat, Gnupa State Forest, Coolangubra Forest Way	
<i>Attachment 4</i> .....	17
Glenbog State Forest koala habitat logging 2013.	

This is a complaint under the Forest Stewardship Council (FSC) Policy of Association, against Nippon Paper Industries.

Nippon Paper Industries has COC certification for 10 of its mills, 8 in Japan and one each in China and the US<sup>1</sup>.

It is the majority shareholder in South East Fibre Exports Pty Ltd which contracts logging and haulage, woodchips and exports native forest wood from the forests of south east New South Wales and East Gippsland in Victoria, Australia.

Specifically, this complaint concerns the destruction of high conservation values of koala habitat on the far south coast of New South Wales.

The koala is listed<sup>2</sup> as a threatened species (vulnerable) in the State of New South Wales and in March 2012<sup>3</sup> was listed as vulnerable by the Australian Federal Government. In May 2000, the US Government declared the koala as threatened across its entire range under the US Endangered Species Act. In his submission to the US Government, Dr Frank Carrick, University of Queensland referred to the koala as "almost extinct" in the southern half of NSW. "Even these survivors continue to be threatened by intensive forestry operations such as clearfelling of the Southern NSW forests for woodchip exports," he said.<sup>4</sup>

In these circumstances, we believe it is appropriate to consider all koala habitat forest to be of High Conservation Value since it is critical to the survival of the species.

"Habitat Loss and Modification (current and planned) due to logging (public and private)<sup>5</sup>" have been identified as major causes of the decline in koala numbers on the far south coast.

## **i) FSC Policies of Association and the destruction of high conservation values**

### **Policy of Association**

The Policy of Association states:

*Through this policy FSC expects to be able to identify organizations not committed to the basic fundamentals of responsible forest management and prevent them from misusing their association with FSC.*

*It is especially relevant, but not limited to, the granting and maintenance of FSC trademark licenses and FSC certificates to organizations associated with FSC through forest management, chain of custody and/or controlled wood FSC certification*

### **Destruction of high conservation values**

*Significant damage of the attributes that constitute high conservation values in a way that they no longer exist or cannot be repaired.*

---

<sup>1</sup> <http://info.fsc.org/>

<sup>2</sup> <http://www.environment.nsw.gov.au/threatenedspeciesapp/profile.aspx?id=10616>

<sup>3</sup> <http://www.environment.gov.au/biodiversity/threatened/publications/koala-species-listing.html>

<sup>4</sup> <http://www.chipstop.savetheforests.org.au/facts%20and%20figures.htm>

<sup>5</sup> [http://www.environment.nsw.gov.au/resources/threatenedspecies/sth\\_coast\\_koala.pdf](http://www.environment.nsw.gov.au/resources/threatenedspecies/sth_coast_koala.pdf)

**Involvement in the above is proved through:**

- **Direct involvement:** *Situations in which the associated organization or individual is firsthand responsible for the unacceptable activities.*
- **Indirect involvement:** *Situations in which the associated organization or individual, with a minimum ownership or voting power of 51%, is involved as a parent or sister company, subsidiary, shareholder or Board of Directors to an organization directly involved in unacceptable activities. Indirect involvement also includes activities performed by subcontractors when acting on behalf of the associated organization or individual.*

**ii) The complaint: Nippon Paper Industries' involvement in destruction of high conservation values through indirect involvement:  
Nippon's majority ownership of South East Fibre Exports (SEFE)**

Nippon Paper is the majority owner of SEFE, which in the Eden Region of south east NSW is the corporate entity which engages loggers under contract to fell and haul trees to the Eden chipmill.

As aforementioned in FSC criteria governing indirect involvement, this relates to situations of 51% ownership or shareholding of an organisation directly involved in unacceptable activities.

As noted on South East Fibre Exports' own website:

*"Under conditions approved by the Australian Government in 1971, Daishowa and C. Itoh Trading Company (now known as Itochu) were permitted to purchase the 51% of shares originally owned by Harris Holdings Pty Ltd. Today, the Company **continues to operate under the overall control of Nippon Paper Industries**, which completed a merger with Daishowa in 2003. Harris Daishowa Pty Ltd officially changed its name to South East Fibre Exports Pty Ltd in 2003 and continues to trade under that banner."*

- Extract from 'South East Fibre Exports – The Corporate Journey'

<http://www.sefe.com.au/corporate.html>

As at 2013, Nippon Paper Industries is a 62.5% owner of the South East Fibre Exports facility at Eden, with the Itochu Corporation owning the remainder.

This information can be verified by reference to Annual Financial Statements lodged with the Australian Securities and Investments Commission (ASIC).

Recent ASIC reports can be viewed at this link:

<http://www.woodchippingsux.net.au/South%20East%20Fibre%20Exports.htm>

Further, Nippon Paper's own data regarding SEFE lists it as a subsidiary:

(<http://www.nipponpapergroup.com/e/about/oversea.html#shead7>)

**iii) Historic and ongoing destruction of high conservation value forests, with timber from logging operations hauled to the South East Fibre Exports facility at Eden, NSW by logging contractors hired by SEFE.**

The majority Nippon-owned SEFE facility is the sole purchaser of pulp wood supplied from State Forests in SE NSW. About 95% of timber felled in these forests ends up at the SEFE chipmill.

The wood is supplied under a legally binding contract, a 20 year Wood Supply Agreement between the NSW Forestry Corporation and South East Fibre Exports Pty Ltd.

Before each logging operation, a Harvest Plan is prepared which sets out estimated quantities of pulp log to be obtained from the forest.

Each Harvest Plan is approved and signed by an employee of SEFE.

The only purchaser of this wood is South East Fibre Exports. The Harvest Plans are available at: <http://www.forestrycorporation.com.au/management/sustainable-forest-management/harvest-plans>

Every Harvest Plan approving of any logging proposal must be approved by a SEFE representative before logging can proceed. Below are extracts from the Harvest Plan to log Mumbulla Forest (koala habitat) Compartments 2133 and 2135.

This, like all other Harvest Plans, contains the words:

11.6:INDUSTRY ENDORSEMENT.

I endorse this Harvesting Plan on behalf of the industry:

At final inspection a SEFE supervisor must be present. If a SEFE supervisor is not present, final clearances will not be given.<sup>6</sup>

Other references to SEFE included:

- The schedule of specifications for the harvesting and utilisation of timber applicable to this operation, in this case, the "Utilisation Schedule for Graded and Salvage Grade (Interim) Sawlogs on Crown Timber Lands within Eden Management Area" and the "Wood Supply Agreement" between State Forests of NSW (now Forests NSW) and Harris Daishowa (Australia) Pty Ltd (trading as "South East Fibre Exports P/L") (29<sup>th</sup> September 1999);
- The Code of Procedure for the measurement of timber and other products applicable to this operation, in this case, the "Code of Procedure for Sale of Hardwood Sawlogs by Gross Volume Measurement from within Eden Management Area using Truck Delivery Dockets" and the "Code of Procedure between Harris Daishowa (Australia) Pty Ltd (trading as "South East Fibre Exports P/L") and Forestry Commission of NSW (now Forests NSW) for Sale of Native Hardwood Pulpwood by Weight using Truck Delivery Dockets as a Basis for Account within Southern Forestry Region (Edition IV–October 1994)"<sup>7</sup>

**Maps showing Logging History:** Maps prepared by the NSW Forestry Corporation have recently become available which show the great magnitude of logging in the regions affected by wood supply for SEFE between 2003 and December 2012. These can be viewed on line.<sup>8</sup>

**Fundamental issues:**

Little, if any, of the logging on the far south coast of NSW would comply with the Forest Stewardship Council Australia (FSCA) HCV Framework. The logging is the most intensive in NSW and it is the only region where trees are specifically for pulp. There is extensive and ongoing evidence of the failure to manage and protect HCV koala habitat forests at the systemic level, and the destruction of these forests.

The koala, once common throughout these forests is now extremely rare. It has been estimated that as few as 60 individuals of the species remain. The population is genetically dissimilar from most others in eastern Australia.

---

<sup>6</sup> Ibid. p.28

<sup>7</sup> [http://www.woodchippingsux.net.au/ED2133\\_2135\\_10communitycopy.pdf](http://www.woodchippingsux.net.au/ED2133_2135_10communitycopy.pdf) p. 25

<sup>8</sup> For the South Coast Region at: <http://www.woodchippingsux.net.au/Logging%20history%20map%20south%20coast.pdf> and for the Eden Region at: <http://www.woodchippingsux.net.au/logging%20history%20eden.pdf>

### **Historic Examples of the destruction of HCV values in South East NSW:**

It is essential to note that the current examples of the destruction of HCV values for timber processed by SEFE occur within the context of a consistent and historic pattern of sourcing and processing timber from HCV logging in south east NSW.

Examples are provided below of current and recent logging operations in HCV koala habitat forest in south east NSW. Pulp logs from these operations are all sent to the SEFE mill at Eden, NSW. SEFE is the only buyer of pulplogs from the NSW Forestry Corporation on the far south coast and is legally contracted to do so under a legal framework<sup>9</sup> which guarantee supply to SEFE.

Sourcing of pulp logs by SEFE from logging operations in HCV koala habitat forests is ongoing. Please see the following examples of logging operations in forests that contain attributes that fall within the HCVF Framework Requirements 1 through 4 (FSC, 2013):

#### **Example 1, Logging in Bermagui, Mumbulla State Forests koala habitat 2010 to 2012**

The core population of the last known koalas on the far south coast was in Bermagui (Compartments 2001,2,4,5 and 2069 and Mumbulla (Compartments 2133 and 2135) State Forests. In spite of this, the NSW Forestry Corporation logged several hundred hectares of the forests between 2010 and 2012.

- In Mumbulla forest, koala traces were found very close to the logging. Footprints on a road and scats in forest adjacent to the logging compartment were ignored. Indeed, the official response to the scat find was to close the forest and declare it a prohibited zone so that further searches for koala evidence were impossible without risking large fines.
- A similar situation occurred in Bermagui State Forest which was ultimately logged against strong opposition from the local community.
- The local community strongly resisted the logging with protests, blockades and marches.
- Opponents of the logging included traditional Indigenous owners, who led marches and various other acts of civil disobedience.
- For documentation and other information relating to the logging of these two forests see:  
[http://www.chipstop.savetheforests.org.au/save\\_%20the\\_%20mumbulla\\_%20koalas.htm](http://www.chipstop.savetheforests.org.au/save_%20the_%20mumbulla_%20koalas.htm)
- See Attachments 1 and 2.

#### **Example 2, Logging in Bondi and Nalbaugh Forests koala habitat 2013**

In May 2013 Forestry Corporation initiated preparations for forestry operations adjacent to Coolangubra Forest Way (Firebreak Construction) within Bondi and Nalbaugh SF. Because the tree removal was described as being for road

---

<sup>9</sup> <http://www.comlaw.gov.au/Series/C2004A00965>

works, it was not subject to the usual requirement of a Harvest Plan:

- The roadworks proposed appear to be for the purpose of facilitating further logging in the adjacent forests, so it is important to question whether the intended removal of the trees will really serve a useful purpose.
- **Koalas were once known to exist in this forest.** While no recent records are apparently evident in Forestry Corporation documents, it should not be assumed there are no koalas present or that it might again become valuable koala habitat in the future.

According to Forestry Corporation research<sup>10</sup> “extensive surveys are not able to identify localities from which koalas are absent [and] the assumption that a single survey can establish the absence of koalas from a particular locality appears to be inappropriate”.

It said: “koalas were scattered through the [Eden] region on various land tenures. The results suggest that conclusions regarding the distribution of koalas, based on previous records, may reflect uneven survey effort”.

The authors of this research were Forestry Officers who were instrumental in determining policy and practice towards koalas for many years. They also noted that significant cluster of koalas were found since 1988, at Tantawangalo–Yurammie and the Murrah area where the koala was previously believed to be extinct. It is therefore, they argued, dangerous to make any assumptions about the presence or absence of koalas on the basis of minimal, if any, surveys and very little other knowledge.

- **Koala Fire trail.** An old fire trail of this name strongly suggests that koalas were once present in Nalbaugh Forest. This is very close to the designated area. Its name has now changed and it no longer appears on State Forest maps. However, the name – remembered clearly by conservationists who established a blockade in the forest in the early 1990s strongly suggests that koalas were once common, if not abundant, in the forest. Using the approach adopted by Forestry Officers in their 2001 research, the apparent absence of koalas now does not justify any assumptions about whether koalas survive there or not.
- **Substantial pine plantations.** Most of the length of Coolangubra Forest Road has been cleared of the natural forest and more than half of it now consists of pine plantations. It is the scene of immense destruction, but is surrounded by natural forest, some of which may still be logged. This means that any natural forest remaining should be protected from further destruction. The presence of plantation pine does not detract from the value of the remaining natural forest of Bondi and Nalbaugh State Forests as koala habitat.

---

<sup>10</sup> “A playback survey of the koala, *Phascolarctos cinereus*, and a review of its distribution in the Eden Region of south-eastern New South Wales” Vic Jurskis, Alan Douch, Ken McCray and Jim Shields, State Forests of NSW, South East Region, PO Box 273, Eden NSW 2551, Australia. Revised manuscript received 18 September 2001

It is well known in the Central West Region that koalas are sometimes seen in pine plantations. Wildlife carers <sup>11</sup> in that district even report that pine needles have been found in koala scats.

- **Tanja State Forest precedent.** When Tanja State Forest was originally proposed for logging in 2011, surveys initially showed no koala presence. It was only after protests and the sighting of a koala that further, more intensive surveys were undertaken. Those surveys resulted in the discovery of a significant new koala population. The same could well be the case with other forests such as Bondi and Nalbaugh, if further, more serious surveys were undertaken.
- **IFOAs under review.** Logging rules known as Integrated Forestry Operations Approvals (IFOAs) which set out prescriptions intended to protect the koala from logging on the South Coast are still under review and are likely to be revised. In these circumstances it would be quite inappropriate to log any forests where koalas have historically been recorded.
- **No Harvest Plan exists.** Because this logging was to be carried out as a road repair/ upgrade, there is no indication of how extensive it will be or what protocols, if any, would be implemented to protect the koala. It is a general requirement in logging koala habitat that the logger must check a tree before he cuts it down. Leaving aside the general difficulty of seeing koalas in tall trees, that rule is not practical. It may have had some chance of being effective in the days of the chainsaw, but at the present time, when all logging is done by a mechanical harvester, there is no chance of the operator being able to see through the heavy steel plate roof of his machine to check whether there is a koala in the tree or not. Other workers on the site (usually 2) are also in no position to check on what animals are in the tree. For occupational health and safety reasons, they cannot stand close enough to the tree to have any chance of seeing a koala or anything else in the tree.

### **Example 3, Logging in Gnupa/ Nullica Forests 2013**

In April 2013 the Forestry Corporation proposed logging of Gnupa and Nullica State Forests (See attachment 3).

- A koala hair in scat record exists for Gnupa Compartment 731. The Harvest Plans for Gnupa Compartment 732 and Nullica 545 noted that no further evidence of koalas was found in “pre-harvest transect surveys” and no measures were applied to protect koalas when the logging occurred.
- Similarly, there were also records of koalas found in nearby Yurammie Compartments 963, 964 and 965 and no provision was made to protect koalas during the logging of those compartments last year. According to the Yurammie Harvest Plan, “Records within Compartments were found between 1993 and 1998 As they have not resulted from an asterix survey, additional habitat is not required to be obtained as precondition 6.11a) and b). If the species is detected within

---

<sup>11</sup> **NSW Wildlife Information, Rescue and Education Service Inc.** <http://www.wires.org.au/>



the compartment during harvesting please inform the ecologist immediately”.

I personally remember finding koala scats in Yurammie State Forest when I took part in a surveys there as a volunteer some years ago. Yurammie is just over the road from Gnupa/ Nullica.

- Again, when Tanja State Forest was originally proposed for logging, surveys initially showed no koala presence. It was only after protests and the sighting of a koala that further surveys were undertaken. Those surveys resulted in the discovery of a significant new koala population. The same could well be the case with other forests such as Gnupa and Nullica, if further, more serious surveys had been undertaken.
- Further, this was at a time when IFOA prescriptions for the koala on the South Coast were under review and likely to be changed. In these circumstances it was quite inappropriate to log any forests where koalas had ever been recorded.
- As the Yurammie Harvest Plan suggests, it is a requirement that logging in koala habitat requires the logger to check a tree before he cuts it down.

Leaving aside the general difficulty of seeing koalas in tall trees, that rule is not practical.

It may have had some chance of being effective in the days of the chainsaw, but at the present time, when all logging is done by a mechanical harvester, there is no chance of the operator being able to see through the heavy steel plate roof of his machine to check whether there is a koala in the tree or not.

Other workers on the site (usually 2) are also in no position to check on what animals are in the tree. For occupational health and safety reasons, they cannot stand close enough to the tree to have any chance of seeing a koala or anything else in the tree.

#### **Example 4, Logging in Glenbog State Forest koala habitat 2013**

- **Koalas have been recorded in this forest.** According to anecdotal reports from local residents, koalas have been sighted in Glenbog State Forest, on both sides of the highway, in adjacent forests of South East Forests National Park, Glen Allen State Forest and private property. While no very recent records are apparently evident in Forestry Corporation documents, this may simply reflect the lack of surveys done. According to Forestry Corporation research<sup>12</sup> “extensive surveys are not able to identify localities from which koalas are absent [and] the assumption that a single survey can establish the absence of koalas from a particular locality appears to be inappropriate”. It said: “koalas were scattered through the [Eden] region on various land tenures. The results suggest that conclusions regarding the

---

<sup>12</sup> “A playback survey of the koala, *Phascolarctos cinereus*, and a review of its distribution in the Eden Region of south-eastern New South Wales” Vic Jurskis, Alan Douch, Ken McCray and Jim Shields, State Forests of NSW, South East Region, PO Box 273, Eden NSW 2551, Australia. Revised manuscript received 18 September 2001



distribution of koalas, based on previous records, may reflect uneven survey effort”.

The authors of this research were Forestry Officers who were instrumental in determining policy and practice towards koalas for many years. They also noted that significant clusters of koalas were found since 1988, at Tantawangalo–Yurammie and the Murrah area where the koala was previously believed to be extinct. It is therefore, they argued, dangerous to make any assumptions about the presence or absence of koalas on the basis of minimal, if any, surveys and very little other knowledge.

- **Glenbog is currently being logged, much of it has already been heavily logged and regeneration has been problematic.** The compartments to be logged were 2329, 2320 and 2335. Attachment 4 shows scenes of logging in Compartment 2353, very close to the compartments to be logged. There was no mention of possible koala presence in the Harvest Plan for that compartment before it was logged. The Harvest Plan for 2354 simply states that there are no koala records. The Forestry Corporation would have had no idea of whether or not there were koalas present. It did not look for them.
- **Tanja State Forest precedent.** As mentioned in examples 1 and 2 above, when Tanja State Forest was originally proposed for logging, surveys initially showed no koala presence. It was only after protests and the sighting of a koala that further, more intensive surveys were undertaken. Those surveys resulted in the discovery of a significant new koala population. The same could well be the case with other forests such as Glenbog, if further, more serious surveys were undertaken.
- **IFOAs under review.** Again, logging was to proceed before a review of IFOAs for the koala on the south coast was completed.
- **Glenbog has been heavily logged and has not regenerated satisfactorily.** Even woodchipping industry representatives such as Mr Peter Mitchell, South East Fibre Exports General Manager have advocated replanting logged forest on the escarpment because the cold climate and absence of a forest canopy kills off seedling trees. There is no justification for logging koala habitat, especially when it will not regenerate.

## General

All logging of native forests in south east NSW is carried out within the framework of Regional Forest Agreements (RFAs). However, areas covered by RFAs, are exempt from the Commonwealth Government’s principal law to protect the environment, the Environment Protection Biodiversity Conservation (EPBC) Act. This has meant that for more than 10 years, since the establishment of the RFAs, the Commonwealth’s principal environmental law has not applied in State Forests where intensive logging for woodchips has been carried out.

The exemption is based on the assumption that RFAs provide “equivalent protection”<sup>13</sup> to the EPBC Act.

---

<sup>13</sup> Question on Notice by Senator Lee Rhiannon, Budget Estimates 2012.  
**Division/Agency:** CCD Climate Change Division

### **- Implications for the Koala *Phascolarctos cinereus***

The federal listing of the koala as a vulnerable species in April 2012 has done nothing for NSW far south coast koalas living in State Forests.

Virtually all far south coast koalas are in State Forests and thus do not benefit directly from the Commonwealth listing because of the EPBC Act exemption for RFA areas.

All State Forests are covered by Regional Forest Agreements (RFAs) and the current law falsely assumes that these provide sufficient protection for threatened species.

We have seen time and time again that threatened species prescriptions are either useless or are flouted with impunity by State logging agencies and loggers contracted to SEFE.<sup>14</sup>

Since the commencement of the RFAs there have been hundreds of instances of well documented threatened species rules being breached either by Forests NSW or by logging contractors engaged by Forests NSW.

### **- Biodiversity Fund project: Corridors and Core Habitat for the Koalas of the NSW Far South Coast.**

This project, funded under the federal Government's Biodiversity Fund, and intended to protect the koala, could actually harm koalas in Tanja State Forest, near Bega, where logging to supply 6,000 tonnes of pulp logs to SEFE was approved. [http://www.chipstop.savetheforests.org.au/let\\_tanja\\_forest\\_live.htm](http://www.chipstop.savetheforests.org.au/let_tanja_forest_live.htm)

- Corridors and Core Habitat for the Koalas of the NSW Far South Coast is a project which was granted \$1.9M under the Biodiversity Fund.

---

#### **Topic: Wood Pellets and Regional Forest Agreements**

**Proof Hansard Page:** Written

**Senator RHIANNON asked:**

7. On what basis has the Government decided to continue to exempt Regional Forest Agreement areas from the EPBC Act, in the absence of any evidence from the Hawke review, RFA reviews or independent scientific research that there is no concern about threatened species?

**Answer:**

7. This is a decision of the Parliament. Section 38 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) provides an exemption from Part 3 of the EPBC Act provided forestry operations are in accordance with 20 year Regional Forest Agreement where a Comprehensive Adequate Representative reserve system and ecologically sustainable forest management have been implemented to give an equivalent level of protection to threatened species and ecological communities as could be expected to be achieved if Part 3 of the EPBC Act did apply.

<sup>14</sup>“**One Stop Chop: How Regional Forest Agreements Streamline Environmental Destruction**” The EDOs have written a report on the Regional Forest Agreements and their effectiveness in relation to biodiversity protection.

The report presents the results of a review commissioned by MyEnvironment, Environment East Gippsland and the South East Region Conservation Alliance, edited by Lawyers for Forests and authored by the Environment Defenders Offices. It examines the operation of the RFA process over the past 15 years, drawing on data from court cases and other sources such as annual reports, RFA reviews and audits. It assesses whether the RFA regime delivers environmental protection standards equivalent to those likely to be achieved if the EPBC Act applied directly to forestry operations in RFA areas.

However, it could actually pose a bigger threat to the recently discovered population of koalas in Tanja State Forest<sup>15</sup> near Bega than “normal” logging before the project.

- The project provides for a 6 year moratorium on some (but not all) known koala habitat in Bermagui, Murrah and Mumbulla State Forests. This may or may not work to protect those koalas (although it is fragmented, will not allow for expansion of populations and, of course, is temporary) but any result will be at the expense of koalas and other species in other forests in the Eden Region.
- To compensate for logs forgone from the moratorium areas during the 6 years of its duration, Forests NSW intends to obtain replacement pulp logs and saw logs by logging more intensively elsewhere in the Eden Region.
- There will be approximately 10,000 m<sup>3</sup> of extra sawlogs and 100,000 tonnes of extra pulp logs to be sourced from elsewhere in the Eden Region<sup>16</sup>. In the present market, the Eden woodchip mill is likely to fall short of its normal export sales by approximately 400,000 tonnes this year, so there is no need to find these pulp logs from elsewhere.
- Eden logging is already the most intensive in NSW. It is the only region where trees are felled solely for the purpose of woodchipping. To intensify it on a pretext that is not even supported by market realities is not justified.
- One of the first areas affected by intensified logging was to be Tanja State Forest where a new population of koalas has been discovered. Between the draft Harvest Plan<sup>17</sup> (before the Biodiversity Fund grant announcement) and the final approved Harvest Plan (after the Biodiversity Fund announcement), the estimated yield of pulp logs increased by more than 20 percent.
- The situation of the Tanja koalas highlights the futility of national measures to save the koala (following its recent listing as ‘threatened’)

---

<sup>15</sup> **Background to the Tanja logging.** The proposed logging is primarily for woodchips which are unlikely to be sold due to depressed market conditions. Eighty one percent of trees will go directly to the Eden chipmill and over 90% of the wood taken will ultimately end up there, via sawmills.

The future of the chipmill is in doubt and many local residents expect that it will close in the coming months.

Forests NSW will make a loss on the Tanja logging (and most other native forest logging) and South East Fibre Exports (owner of the Eden chipmill, owned by Japan’s biggest paper manufacturer, Nippon Paper will have difficulty selling the woodchips produced from the trees because of market conditions.

<sup>16</sup> <http://www.parliament.nsw.gov.au/prod/lc/qalc.nsf/18101dc36b638302ca257146007ee41a/4ad6475e4d09988ca257a61002db3e3?OpenDocument>

<sup>17</sup> The Forests NSW “Harvest Plan”, the official approval document for the logging is available at: [http://chipstop.savetheforests.org.au/HP\\_ED\\_2102\\_2104\\_11\\_pub%20Tanja.pdf](http://chipstop.savetheforests.org.au/HP_ED_2102_2104_11_pub%20Tanja.pdf)

For more background information:

[http://chipstop.savetheforests.org.au/let\\_tanja\\_forest\\_live.htm](http://chipstop.savetheforests.org.au/let_tanja_forest_live.htm)

when the Commonwealth's principal law to protect threatened species, the Environment Protection and Biodiversity Conservation (EPBC) Act exempts forests covered by Regional Forest Agreements.

- Worse still, Forests NSW response to more koalas having been found as a result of the Biodiversity Fund surveys is to push for the removal of the exemption (moratorium) areas.

<http://www.chipstop.savetheforests.org.au/2011IFOAamend2Sth.pdf>

### **- Draft Protection of the Environment Operations (General) Amendment (Native Forest Bio-material) Regulation NSW 2013**

This draft regulation of the NSW State Government, expected to become law in NSW on 1 October 2013 will permit the burning of native forest wood for electricity generation. It will potentially enable more intensive logging than is currently undertaken for woodchipping, including the removal of koala feed trees. SEFE is known to be interested in pursuing energy generation as part of its business model and since 2009 has developed a plan for a 5.5MW wood fired power station.

The executive director of the NSW Forest Products Association, Russ Ainley has commented on the draft regulation, saying “the change just fixes the anomaly and [provides] **an alternative market for woodchip exports**”.

<http://library.constantcontact.com/download/get/file/1112482770330-96/ISSUE280.pdf> - Timber and Forestry eNews 29 July 2013: 7

This quote reveals the true motivation of the NSW logging industry in pushing for this regulatory change.

As markets for native forest wood, especially native forest woodchips collapse, the industry is desperately seeking new markets for its products. It aims to augment or even replace existing export markets in decline as traditional woodchip customers demand higher environmental standards.

The domestic construction industry is also increasingly rejecting native forest wood.

Mr Ainley's comment challenges statements from the Environment Protection Authority (EPA) that the proposed change will not add to perverse outcomes or increase the intensity of logging.

### **- Wood Fired Electricity Generation and the Koala**

The koala is now a federally listed threatened species and has been listed as threatened in NSW for many years.

The few remaining koalas on the far south coast live mostly in State Forests and rely on the adequacy of IFOA prescriptions for their survival. Unfortunately those prescriptions have not been updated for 13 years and are recognised as grossly inadequate to protect koalas from logging.

The introduction of this Regulation would make things even tougher for them

by making it possible to log major koala feed trees such as forest red gum (*Eucalyptus tereticornis*) and woolly butt (*E. longifolia*) that are not currently taken for woodchips because their timber is too red in colour.

To allow logging and burning of these koala feed trees is akin to declaring war on an already threatened species on the far south coast.

### **Steps taken to resolve the issues prior to the lodging the formal complaint.**

Under section 2.3.4, I am required to set out what steps were taken to resolve the issues prior to lodging the formal complaint.

The south east region of NSW has a long and sometimes bitter history of environmental protest in which members of the community have resisted the expansion of the woodchipping industry into public forests. Since 1998, direct action protest has been the only possible way to change or oppose the way forests are logged.

The Forestry and National Park Estate Act revoked former open standing provisions that had applied prior to 1998. Under section 40 of that Act,<sup>18</sup> which is now section 69ZA of the Forestry Act 2012, members of the public are effectively barred from bringing proceedings alleging breaches of:

- an RFA or Forest Agreement;
- the Forestry Act;
- an Integrated Forestry Operations Approval;
- the conditions of a licence issued under such an approval, such as a threatened species licence or an environment protection licence

### **Conclusion and Expected Outcomes**

The majority Nippon-owned SEFE woodchip mill and export facility at Eden, NSW, has repeatedly purchased and processed pulp logs from logging operation in HCV forest koala habitat, and continues to do so.

As such, we are lodging this complaint under FSC's Policy of Association, and seek your urgent action to remedy this situation and seek compliance with FSC standards.

We request that you deny COC certification to all Nippon Paper mills until the company rectifies the situation by either;

1. closing the South East Fibre Exports woodchip mill at Eden, or
2. changes the procurement policy of that mill to use only plantation sourced softwood, which is abundantly available in the region.

We look forward to your prompt action on this serious matter, particularly given the immediacy of the logging operations raised in this complaint.

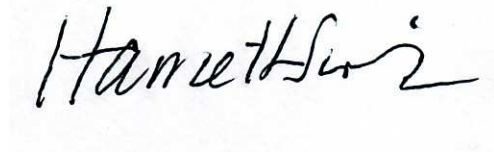
In initiating this formal complaint process, we agree to adhere to the terms and provisions of the dispute resolution process as described in FSC-PRO-01-009 (V2-1) EN. To assist with this process, we provide consent to the FSC to share this complaint letter with Nippon Paper staff.

---

<sup>18</sup> [http://www.edovic.org.au/downloads/files/law\\_reform/One%20Stop%20Chop.pdf](http://www.edovic.org.au/downloads/files/law_reform/One%20Stop%20Chop.pdf) p.33

Any return correspondence can be addressed  
via email to: [Harriett Swift <bushrat@bluebottle.com>](mailto:bushrat@bluebottle.com),  
via phone +61 414908997, or  
via post, Convenor, Chipstop Campaign and Deputy Convener, South East  
Region Conservation Alliance (SERCA), PO Box 797, Bega, NSW, Australia,  
2550.

Yours sincerely,

A handwritten signature in black ink, reading "Harriett Swift". The signature is written in a cursive style with a large, stylized 'H' and a long, sweeping underline.

Harriett Swift



## Attachment 1



Bermagui forest after logging and burning 2011



Bermagui forest protest 2011



## Attachment 2



Koala footprints in forest road, during logging operation. Mumbulla State Forest 2010



Koala, Mumbulla State Forest



### Attachment 3



a. Logged koala habitat, Gnupa State Forest.



b. Coolangubra Forest Way



#### Attachment 4



Glenbog State Forest koala habitat logging 2013.

