

Why support for woodchipping has collapsed in south east NSW

#### **Executive summary**

Social license is vital to the functioning of any industry – particularly one that relies on access to public property and the receipt of public funding, as does the native forest woodchip industry.

This report investigates the social license of the native forest woodchip industry in south east NSW, asks what constitutes social license and analyses industry performance relevant to three key areas of social license using several examples.

Key findings of the report are:

- 1. **Legitimacy** of the woodchip industry is undermined by its unique exemption from federal environment law that has eroded protection of wildlife, its exemption from animal cruelty laws, repeated breaches of operational license conditions, and legal exclusion of the public from bringing legal action for breaches of laws.
- Trust has been destroyed through pre-determined public consultation processes; a lack of transparency in regards financial performance; a refusal to release information, including under Freedom of Information requests, and preferential treatment of industry over environmental protection by governments.
- 3. **Credibility** of the woodchip industry is low as industry and government rhetoric does not match the realities evident to the community; the industry is exempted from paying rates to access forests and for infrastructure maintenance; job numbers are extremely low; there have been instances of double dipping by contractors; and impacts of woodchipping on climate are ignored, despite rising community concern on the issue.

These factors combine to produce the patterns of low public support and strong public opposition to native forest logging that have been repeatedly identified in surveys and polling across NSW and beyond.

The environmental, social and economic impacts of the native forest woodchipping industry is entirely disproportionate to the low number of jobs it supports and revenue it yields to the NSW public. For this reason, the woodchip industry has lost any social license it may have had, and has damaged the social license of other parts of the forestry industry, such as the plantation sector.







# Key recommendations

- State and federal governments should cease propping up the woodchip industry and act in the public interest by protecting public native forests and ensuring all industries fully comply with environmental laws;
- A funded program for the protection and restoration of public native forests for wildlife, climate and water catchment benefits should be commenced immediately;
- The small number of workers currently employed in native forest logging be given priority retraining for employment with, for example, the National Parks and Wildlife Service, if they so choose.

# Why support for woodchipping has collapsed in south east NSW

# Table of Contents

Executive summary...2

Key recommendations...2

Introduction...3

Social license and woodchipping...4

The industry view...5

What constitutes social license?...6

Legitimacy...6 Trust...8 Credibility...10

Conclusion...11

Attachment A: chronology of the woodchipping industry in south east NSW...12

Attachment B: legal requirements to "exhibit a sense of social responsibility"...13



The Ethics Centre defines "social license" as the informal acceptance granted to an individual or organisation by a local community to operate.<sup>1</sup> Social license, although informal, is vital for any industry to operate.

Over time, the loss of social license has been a key step in significant societal shifts including huge moments such as the end of slavery and the abolition of apartheid. Much environmental progress is also related to changes in social license. For example, commercial whaling is now considered unacceptable, as is hunting koalas. Both were significant industries in south east New South Wales (NSW) in the relatively recent past.

The native forest woodchipping industry in south east NSW has been controversial since it began in 1970 and many, including prominent industry voices, are increasingly questioning whether it enjoys social license. South east NSW includes the Eden and Southern Regional Forest Agreement (RFA) regions, and contains 432,575ha of public native forests.

In 2018 Rob de Fegely, a South Coast resident and National Vice President of the Institute of Foresters of Australia and Chair of the Tasmanian Government forestry agency, Sustainable Forestry Tasmania said:

I think the forest industry was loved in a social license sense through the 1950s and 60s. ...there was a shift in the 1970s ... when woodchips became part of the industry....[it] was really confronting....big clear-felled coups, about 800 hectares ... that's one of the reasons the industry lost its [social license].<sup>2</sup>

The Eden woodchipping industry was controversial from its inception, <sup>3</sup> triggering protests and hundreds of arrests. It has long divided communities and faces an uncertain future. Protests and social unrest continue today, over half a century since woodchipping began.

The law establishing the NSW Forestry Corporation, a stateowned corporation, requires it to "exhibit a sense of social responsibility."<sup>4</sup>

This report examines the native forest woodchipping industry in light of the history of the industry and the key requirements for a valid social license.

1 http://www.ethics.org.au/on-ethics/blog/january-2018/ethics-explainersocial-license-to-operate

2 https://the-riotact.com/what-could-the-future-of-forestry-in-southern-nsw-look-like/235724

See Attachment A for a chronology of the industry.

3

4

State Owned Corporation Act 1989 and Forestry Act 2012 See Attachment B



### Social license and woodchipping

The foundation arguments of Governments and industry to justify woodchipping have been that woodchipping uses waste wood from the sawmilling industry and that regional communities depend on it for jobs and economic benefit.

Both justifications have long been challenged by opponents who say that approximately 85 percent of trees felled in the Eden Region go straight to the chipmill and this cannot be viewed as a waste product, and that job numbers are small and getting smaller.

Recent government publications<sup>5</sup> have confirmed that woodchipping is the primary driver of native forest logging in south east NSW. Supply commitments for pulpwood (trees logged for woodchipping) account for 75% of total commitments in the Eden and Southern RFA regions while high quality logs account for just 15%.

In Eden, 86% of logged trees are pulpwood, while in the Southern region, approximately 26% of all logged timber is now sold as firewood.<sup>6</sup>

During the life of the first Regional Forest Agreements<sup>7</sup> the industry moved from the era of the chainsaw to the mechanical harvester and is now embracing a future where robots already exist to carry out every function from tree felling, loading of trucks to log haulage and processing. This automation is adding to job losses in the industry. Typically, it now takes about \$5 million of investment<sup>8</sup> to support a single job in an industry with one of the highest industrial accident and death rates of any in Australia.<sup>9</sup>

Census data from 2016 indicates that the forestry industry (native and plantation combined, including manufacturing) supports a maximum of 151 jobs in the Bega Valley Shire<sup>10</sup> that equates to 0.01% of total employment. In Eurobodalla Shire<sup>11</sup> the number is 106 (also 0.01% of total employment) and in the Shoalhaven 182 (also 0.01%). The number attributable solely to the native forest logging industry is likely to be smaller still.

By any measure it is clear that the forestry industry—and particularly the native forest logging industry—is not a significant employer in south east NSW.

9 https://www.safeworkaustralia.gov.au/statistics-and-research/statistics/fatalities/fatality-statistics

<sup>5</sup> NSW Department of Primary Industries 2018. Review of Coastal Wood Supply Agreements. https://www.crownland.nsw.gov.au/\_\_data/assets/pdf\_ file/0007/720619/review-of-coastal-hardwood-wood-supply-agreements.pdf

<sup>6</sup> https://www.parliament.nsw.gov.au/lc/papers/pages/qanda-tracking-details.aspx?pk=238182

<sup>7</sup> Regional Forest Agreements are 20 year agreements between the Commonwealth and NSW Governments to provide apolitical legal framework for the timber industry.

<sup>8</sup> https://www.theage.com.au/national/victoria/is-victorias-native-forestry-industry-worth-it-at-5-million-a-job-20160623-gpqcui.html

<sup>10</sup> https://economy.id.com.au/bega-valley/Employment-census

<sup>11</sup> https://economy.id.com.au/eurobodalla/Employment-census

# The industry view

The industry body, Forest and Wood Products Australia (FWPA) has long been concerned about the social license of logging. Their 'Business Case for Future FWPA Investments 2013 to 2018'<sup>12</sup> contains an entire section on social license, and highlights how the FWPA has proactively sought to improve the social license of the industry through partnering with the non-governmental organisation, Planet Ark, in the 'Make it Wood' television advertisements.

More recently, the FWPA commissioned a national study on the social license of the forestry industry by academics from the University of Canberra.<sup>13</sup>

For this study, social license across all sectors of the timber industry was examined using data from the 2016 Regional Wellbeing survey collected from over 13,000 urban, rural and regional Australians.

The report stated: "To be perceived as a positive contributor to local communities, ideally the industry should be perceived as contributing positively to local employment, environmental health, landscape amenity, friendliness and to reducing bushfire risk; while not having negative impacts on land prices, cost of living, human health, or traffic and road quality."

Key findings from the report (relative to native forest logging) were that:

- Native forest logging was considered unacceptable by a strong majority in every Australian state and territory (65% in NSW);
- Views were very strong about unacceptability of native forest harvesting, and with most that considered it unacceptable considered it very unacceptable;
- Native forest logging was considered unacceptable by, on average, 63% of rural/regional/remote residents and 74% of city dwellers across Australia. It was judged acceptable by only 17% of rural/regional/remote residents and 11% of city dwellers;
- On the NSW South Coast and Southern Inland 68% considered native forest logging unacceptable and 18% acceptable;
- Opposition to native forest logging was broadly similar between age classes and sexes;
- There are much higher levels of social license for timber plantations than for native forest logging, but environmental plantings are more strongly supported than timber plantations.

The authors concluded that:

"The activity of harvesting timber from native forests has very low levels of social license in Australia, both in regions where this activity occurs and in those where it doesn't. Even amongst the groups who have the highest levels of acceptance of this activity (farmers), and in the regions with highest acceptance (mostly those in which there is higher economic dependence on native forest logging), more people find this activity unacceptable than acceptable. The similarity of views about logging of native forest with views about mining activities suggests that it is viewed as an activity that is non-renewable or unsustainable, rather than as having some of the positive environmental attributes of actions such as establishing solar or wind farms. The strength of views of many people about native forest harvesting suggests potential that this activity is considered incompatible with values held by many people."

FWPA received the report in August 2018 and held a major national symposium on it in September 2018. However, when the report was leaked to media some weeks later, the FWPA (and Governments) distanced themselves from it, <sup>14</sup> but stopped short of completely disowning it.

The report identified three interacting factors as key to achieving a social license:

- Legitimacy: Being viewed as an organisation or industry which is conducting a legitimate activity, which provides economic benefit (economic legitimacy) and is fair and contributes positively to wellbeing (socio-political legitimacy);
- 2. Trust: Being trusted by those from whom social license is sought, with trust in turn often identified as strongly influenced by the quality of engagement and communication by the organisation seeking social license;
- 3. Credibility: Being viewed as 'believable' in the sense that the activity is trusted as having benefits and as not having unacceptable negative impacts on things a person or group care about.

These three elements are investigated more closely below in the context of the woodchipping industry in south east NSW.

<sup>12</sup> https://www.fwpa.com.au/images/corporatedocuments/FWPA\_Business\_Case\_2013\_to\_2018.pdf

<sup>13</sup> Community perceptions of Australia's forest, wood and paper industries: implications for social license to operate. Jacki Schirmer, Lain Dare, Mel Mylek August 2018

<sup>14</sup> https://www.edenmagnet.com.au/story/5783600/letters-exploiting-unpublished-research-to-further-cause/

# What constitutes social license?

#### Legitimacy

Regulatory effectiveness and culture are central to public perceptions that an industry has legitimacy and major issues continue to diminish public confidence in the legitimacy of the native forest logging industry.

Regional Forest Agreements (RFAs) exempt native forest logging from the principal Commonwealth law protecting the environment, the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). An implicit assumption is that RFAs should provide protection at least equal to that offered under the EPBC Act, but it has become obvious that neither the federal nor the NSW Government has taken any steps to ensure that is the case. An analysis by Lawyers for Forests found that the EPBC exemption had in fact lowered protection for native species.<sup>15</sup>

Animal cruelty laws<sup>16</sup> to protect displaced or injured wildlife are unenforceable in logging operations. Only designated bodies can prosecute for animal cruelty in NSW but there is no effective way for monitors to collect evidence without breaking the law themselves. So, while laws theoretically exist to prevent cruelty, such as wombats being buried alive<sup>17</sup>, they are not enforceable.





The community is powerless to prosecute breaches of logging laws. Because NSW uniquely denies standing<sup>18</sup> to any person or body except for the Environment Protection Authority (EPA) to prosecute environmental law breaches related to logging, the public is excluded from this important democratic function. Prosecutions only proceed if the EPA can be persuaded to take up the case. The EPA is widely viewed as being either unwilling or unable to enforce compliance logging laws and is, under the Protection of the Environment Administration Act 1991, subject to the control and direction of the Environment Minister in the exercise of its functions, and therefore not an independent regulator.

This situation is diametrically opposed to the 'transparency and accountability' principles of Ecologically Sustainable Forest Management (ESFM) that supposedly underpin native forest logging operations. An opportunity to reinstate 'third party standing' was passed up in 2018 during the creation of the Forestry Legislation Amendment Act, despite the Environmental Defenders Office recommending reinstating open standing and stating that 'any person should be able to seek to enforce a breach of forestry laws, not just the EPA'.<sup>19</sup>

However, there have been some historical convictions. During one, Justice R.A. Pepper of the NSW Land and Environment Court stated that in her view "the number of convictions suggests either a pattern of continuing disobedience in respect of environmental laws generally or, at the very least, a cavalier attitude to compliance with such laws" and "given the number of offences the Forestry Commission has been convicted of and in light of the additional enforcement notices issued against it, I find that the Forestry Commission's conduct does manifest a reckless attitude towards compliance with its environmental obligations." <sup>20, 21</sup>

Indigenous culture and values have not always been respected by the logging industry, such as when the gazetted Aboriginal Place on Mumbulla Mountain was logged in 2010. It is highly questionable as to whether any benefits

20 http://www.abc.net.au/local/stories/2014/04/02/3976728.htm

<sup>15</sup> One Stop Chop: How Regional Forest Agreements streamline environmental destruction. https://envirojustice.org.au/sites/default/files/files/ Submissions%20and%20reports/One\_Stop\_Chop.pdf

<sup>16</sup> Prevention of Cruelty to Animals Act.

<sup>17</sup> https://www.smh.com.au/environment/conservation/wombats-buried-alive-by-logging-company-20140808-10251m.html

<sup>18</sup> NSW Forestry Act 2012 s 69ZA

 <sup>19</sup> https://d3n8a8pro7vhmx.cloudfront.net/edonsw/pages/5787/attachments/original/1528339751/180530\_Forestry\_Legis\_Amend\_Bill\_-\_LC\_Inquiry\_-\_

 EDO\_NSW\_letter\_FINAL.PDF?1528339751

<sup>21</sup> If a tree falls: Compliance failures in the public forests of New South Wales. 2011. http://d3n8a8pro7vhmx.cloudfront.net/edonsw/pages/284/ attachments/original/1380667654/110728when\_a\_tree\_falls.pdf?1380667654



(for example through employment or access to some forests for traditional materials) that may accrue to the Aboriginal community from the woodchip industry outweigh the potential from alternative uses of forests.

It is well known in most communities where logging takes places that the royalty (or stumpage) price of logs, particularly pulp logs, is very low. Logs are viewed as undervalued and sold too cheaply, with prices falling steadily over the years of the RFAs. After adjusting for inflation pulp logs from the Southern Region are sold for about one third of their 2000 price. For the Eden Region the inflation adjusted pulp royalty price has fallen by almost half (Figure 1).



**Figure 1:** The nominal and inflation-adjusted stumpage price of pulp logs in the Eden and Southern RFA regions between 2019 and 2018. Source: Question on Notice 0073 http://www.parliament.nsw.gov.au/prod/lc/qalc. nsf/18101dc36b638302ca257146007ee41a/b21e7e61e4263453ca257e51002db69e?OpenDocument



#### Trust

Transparency is key to achieving community trust and this has been consistently lacking in the native forest logging and woodchip industry.

In 1998 the NSW Premier Bob Carr promised in writing to "end export woodchipping by the year 2000." This did not happen. Instead he introduced RFAs guaranteeing 20 years of native forest woodchipping and delivering record woodchip exports from Eden for decades to come.

RFAs remain controversial, even more so after basic reporting milestones were treated with contempt, summarised thus by the Environmental Defenders Office: "a five-yearly independent review was required in 2009. But that review didn't happen. When the EPBC Act was reviewed the same year, an expert panel labelled this failure as 'clearly unacceptable' – and suggested further failures should trigger options to reinstate the EPBC Act. Another five-yearly RFA review was required in 2014. That didn't happen either."<sup>22</sup>

Outcomes of public consultation on logging matters have been pre-ordained. Despite strong community opposition to renewing RFAs, expressed through over 5,000 submissions, the NSW and federal governments signed new 20-year RFAs in November 2018. This calls into question the veracity of the consultation process—reinforced by Forestry Corporation releasing expressions of interest for new Wood Supply Agreements for Eden in late 2017, before public consultation on RFAs had commenced.

The Forestry Corporation has historically aggregated its financial results for plantation softwood and native forest hardwood production, precluding simple analysis of the performance of the sectors by community members. It was only after sustained public pressure that the Hardwood and Plantation Divisions began to publish separate financial results from 2011. Even now, the Hardwood Division still consolidates native forest hardwood and plantation hardwood data, so it remains impossible for the public to fully understand its financial performance in native forest logging.

Owner of the Eden chipmill, Allied Natural Wood Exports (ANWE), is one of a complex network of companies, all owned and managed by the same two Melbourne businessmen. A maze of companies undertakes various functions in logging, processing, marketing and shipping of woodchips. Since ANWE acquired the chipmill in December 2015, it has lodged two Annual Financial Statements to the Australian Securities and Investments Commission (ASIC). These disclose very little far less than those lodged by previous owners—and the public has never been told of the sale price, export volumes and other basic information about the chipmill.

22 https://www.edonsw.org.au/forest\_law\_frenzy



The Forestry Corporation routinely refuses to release information about some financial matters, saying this is 'commercial in confidence.' This has been its standard reason to refuse release of information under the Government Information (Public Access) (GIPA) Act and Parliamentary Questions. This justification is questionable in a situation where there is a monopoly buyer, such as in the case of pulp logs, and unethical when logs are sourced from public land by a state-owned corporation.

There are several examples of logging practices which have diminished trust that animals-particularly threatened species-are protected in logging operations. In 2014 a wildlife sanctuary neighbouring Glenbog State Forest documented instances of wombats being buried alive in logging operations there. The circumstances were identical to countless other logging operations across the region. In 2011 the endangered Bago Plateau population of yellow-bellied gliders<sup>23</sup> had its endangered status suspended by the NSW Minister for the Environment just long enough to enable logging. It was restored when the logging was completed.<sup>24</sup> Community groups, such as South East Forest Rescue, have documented hundreds of breaches of logging conditions that, by and large, are not subject to enforcement actions by the EPA.<sup>25</sup>



<sup>23</sup> https://www.environment.nsw.gov.au/determinations/yellowbelliedgliderpopfd.htm 24

http://www.chipstop.savetheforests.org.au/help\_the\_bago\_gliders.htm

If a tree falls: Compliance failures in the public forests of New South Wales. 2011. http://d3n8a8pro7vhmx.cloudfront.net/edonsw/pages/284/ 25 attachments/original/1380667654/110728when\_a\_tree\_falls.pdf?1380667654

#### Credibility

Credibility of an industry must suffer when there is clear disparity between the everyday realities evident to communities and government or industry rhetoric. There are multiple examples of such disparities:

Successive governments have championed the native forest woodchip industry because, they say, it provides jobs. In fact, in the Eurobodalla and Bega Valley Shires combined, the number of jobs in the logging industry (including milling) is estimated at no more than 250, less than 0.01% of the total workforce and falling. This is under half the number employed in arts and recreation<sup>26</sup> and contrasts with booming numbers in tourism, with 10.8% of all jobs in the Bega Valley tourism related.<sup>27</sup> Government and industry consistently seek to inflate the perception of industry importance through the use of combined native and plantation timber industry employment numbers, rather than transparently citing native forest logging employment.

Communities see that the logging industry is not paying its way: for example, Forestry Corporation does not pay local government rates and log trucks are inflicting significant and expensive damage on local roads. The justification for the rates exemption has been questioned as Forestry Corporation is a for-profit entity.<sup>28</sup> It is hard to maintain a credible argument that the logging industry is essential for the economy when it is known to be the recipient of generous government subsidies.<sup>29</sup>

In 2010 a Tasmanian logging contractor was paid \$830,000 'structural adjustment assistance' to leave the industry. He promptly moved to Moruya where he re-entered the industry.<sup>30</sup>

Water quality and quantity are both widely recognized among rural communities as being at risk from logging. Oyster growers have often spoken up about damage that logging does to estuary catchments. A campaign in 2018 by Wonboyn oyster growers<sup>31</sup> was remarkable because it was led by an oyster grower who was also the general manager of the nearby Eden chipmill.

Climate change was barely considered in the first RFAs and has received selective treatment in the recently renewed RFAs. Contemporary, peer-reviewed, independent research on the interactions between logging and carbon budgets has been ignored in order to support a preselected outcome based on industry research.<sup>32</sup> Public understanding of the link between deforestation and climate change has increased and action to mitigate climate change issues generally has received overwhelming support in the electorate.

Public opinion is strongly against native forest logging, particularly woodchipping. Governments continue to ignore this. The FWPA survey was decisive and is supported by a near-identical result in a similar poll conducted on Facebook in December 2018 by the ABC Gippsland<sup>33</sup> showing that of almost 29,000 respondents, 68% were opposed to native forest logging. Governments have repeatedly ignored public opinion.

- 26 https://economy.id.com.au/bega-valley/employment-by-industry
- 27 https://economy.id.com.au/bega-valley/tourism-value
- 28 http://www.lgnsw.org.au/files/imce-uploads/127/deloitte-access-economics-review-of-localgovernment-rating-exemption-provisions-2013\_0.pdf
- 29 http://www.chipstop.savetheforests.org.au/subsidies.htm

<sup>33</sup> https://www.facebook.com/ABCGippsland/posts/do-you-support-the-logging-of-native-forests-inregional-australia/10156329787589825/



<sup>30</sup> http://sefr.org.au/SEFR%20SSC%20sub%20Kasun%20Wilson.pdf

<sup>31</sup> https://www.edenmagnet.com.au/story/3734372/wonboyn-lake-stirred-up/

<sup>32</sup> See pages 363-368: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/rfa/nsw-rfaassessment-matters-renewal-rfas.pdf



# Conclusion

The NSW South Coast native forest logging industry has lost any claim to a social license it may have once had. Its dependence on woodchipping has been a major contributing factor to this.

Governments have contributed to this by persistently ignoring public opinion by legislating a privileged position for the industry and subsidizing it. They have often done so in a way that lacks transparency—contrary to the vision and goals of the National Forest Policy Statement<sup>34</sup> and ESFM—and at the expense of regional environments and economies.

Some degree of a social license might be recovered by a transition to a plantationbased industry, provided this were done in a transparent and environmentally sound manner respecting legitimacy, trust and credibility.

Our groups call for the immediate protection and restoration of public native forests for nature conservation, water security and carbon capture and storage and for a just transition out of native forest logging on public land.



### Attachment A: chronology of the woodchipping industry in south east NSW

- 1969 Eden woodchip mill established by Harris-Daishowa to chip and export native forest wood "waste", Australia's first export woodchip mill first overseas mill of Daishowa Paper Manufacturing Co.
- 1970 First woodchips exported.
- 1999 Eden Regional Forest Agreement signed 26<sup>th</sup> August.
- 2001 Nippon Paper took over Daishowa Paper Manufacturing Company.
- 2003 Australian subsidiary changed its name from Harris-Daishowa to South East Fibre Exports Pty Ltd (SEFE).
- 2006 SEFE exceeds 1 million tonnes of woodchip exports for the first time.
- 2008 SEFE announces plans to build a wood fired power station generating 5.5MW.
- 2008 A chipper to process plantation pine was installed.
- 2009 SEFE application to build wood fired power station lodged with NSW State Government.
- 2011 Pilot wood pellet plant built.
- 2011 April. SEFE reports its first loss.
- 2012 April. SEFE reports second loss.
- 2012 November 27<sup>th</sup>. SEFE withdraws its application to build a wood fired power station and announces that the pellet plant would not proceed beyond the pilot stage.
- 2012 December 19<sup>th</sup>. pellet plant closed.
- 2013 April. SEFE reports third consecutive loss.
- 2014 May 12<sup>th</sup>. SEFE announces it will take no further logs from VicForests after 31/12/2014 when its contract ended (decision made by Nippon Paper Board in Tokyo).
- 2014 July 24<sup>th</sup>. SEFE cancels a port sharing agreement with Eastern Iron (magnetite) which would have provided it with an additional cash flow. http://www.easterniron.com.au/news-and-reports/announcements Again, this decision was made by Nippon Paper in Tokyo.
- 2015 December 23<sup>rd</sup>. SEFE sold to Melbourne based company, Allied Natural Wood Exports (ANWE), a \$2 company at the time.
- 2016 June 6<sup>th</sup>. Chipmill export jetty and woodchip loader destroyed in a storm; rebuilt and reopened in November.
- 2018 August. Exports to China set to exceed exports to Japan for the first time.
- 2018 November 28<sup>th</sup>. RFA renewals signed by PM Morrison and Premier Berejiklian.
- 2019 January 7<sup>th</sup>. Chipmill Wood Supply Agreement renewed, backdated to June 2018.

## Attachment B: legal requirements to "exhibit a sense of social responsibility"

Forestry Corporation of NSW is a State Owned Corporation ('SOC'). The overarching Act is the SOC Act, which provides:

The principal objectives of every company SOC are:

(a) to be a successful business and, to this end:

(i) to operate at least as efficiently as any comparable businesses, and

(ii) to maximise the net worth of the State's investment in the SOC, and

(b) to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates, and

(c) where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the Protection of the Environment Administration Act.<sup>35</sup>

Under the Forestry Act the principal objectives of the Corporation, taken from the SOC Act are identical. The SOC Act creates a relationship between the parties based on social license, contract, public law, and ethical obligations and imposes obligations on FCNSW to have regard to interests of employees, community, and the environment.

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Principle author: Harriett Swift, SERCA. | Photos © David Gallan, President, NPA Far South Coast Supported by



**South East Region Conservation Alliance** campaigns for new native forest management to protect Australia's unique forest environmental values. It considers that over-logging has severely damaged forests, their tree, plant and animal species, their soils and micro-organisms, and their capacity to contribute to clean water supplies; and that this damage has contributed significantly to regional climate change and global warming.

www.serca.org.au



**National Parks Association of NSW** has played a role in the establishment of many of NSW's national parks and nature reserves. Today there are 877 protected areas covering 7 million hectares on the land and 66,000 ha of marine waters. NSW is one of the most environmentally diverse areas on earth and we work hard to ensure it remains this way.

www.npansw.org.au



**South East Forest Rescue** calls for indigenous ownership of all public native forest, a complete stop on logging of endangered ecological communities, complete transfer of wood product reliance to the plantation timber industry and salvage recycled hardwood timber industry, a single authority for national native forest stewardship modelled on the New Zealand example, and an immediate nation-wide program of catchment remediation and native habitat reafforestation.

www.sefr.org.au



**The Nature Conservation Council of NSW** is a movement of passionate people who want nature in NSW to thrive. We represent more than 150 organisations and thousands of people who share this vision. Together, we are a powerful voice for nature.

www.nature.org.au



**The Wilderness Society** is powered by over 30,000 Australians from all walks of life. We work to support the living world that makes all life possible. (Including our own.)

www.wilderness.org.au

EMBASSY

**The Forest Embassy** arose out of a grass roots campaign to save a forest from being logged in New South Wales. Turning from a blockade to a peaceful vigil, The Forest Embassy met on the highway every single day to politely ask the loggers to leave. Eventually, they did.

www.theforestembassy.org

Gill

Why support for woodchipping has collapsed in south east NSW