

Frank Sartor MP

Minister for Climate Change and the Environment
Minister Assisting the Minister for Health (Cancer)



2 March, 2010

NSW Government Approves Key NRC Recommendations

The NSW Government has approved the establishment of more than 107,000 hectares (ha) of River Red Gum protected areas in the Riverina with a support package of up to \$80 million for effected timber industry workers and regional communities.

Minister for Climate Change and the Environment, Frank Sartor made the announcement today in response to the Natural Resources Commission's (NRC) December 2009 report on the River Red Gums and Woodland Forests in the Riverina bioregion which stated:

The river red gum forests and the industries and social systems they support are in decline due to river regulation, over-allocation of water and drought.

The Government has today agreed to adopt the NRC's key recommendations with 107,210 ha of river red gum to be protected as 69,413 ha of National Parks, 16,308 ha of Regional Park and 21,489 ha of Indigenous protected areas.

This includes most of the Millewa Group of State Forests, the Barooga Group of Forests and areas of River Red Gum State Forests on the Murrumbidgee, Lachlan and Lower Murray Rivers.

"After visiting the Riverina region in January I could see why the river red gum forests are of national and international significance.

"The combination of Millewa and Victoria's Barmah region form the largest river red gum forest in the world.

"The establishment of the new protected areas will be staged with 78% established from 1 July 2010 and the remainder being established by 2015," Mr Sartor said.

The new parks and Indigenous Protected Areas will conserve:

- Two wetlands of international significance, Millewa and Werai
- Two Living Murray icon sites, Millewa Forest and the River Murray Channel
- Five terrestrial and two aquatic endangered ecological communities and habitat for 50 species of terrestrial fauna listed as threatened under Commonwealth and/or NSW legislation
- Significant breeding habitat for 18 migratory bird species listed under international agreements with China, Japan and Korea

"A lack of water has caused the health of much of the river red gum areas to decline, with between 65-90 per cent of trees either dead or dying in the lower parts of river catchments," Mr Sartor said.

Water to support river red gums, wetlands and the new parks will be drawn from:

- The Living Murray program in NSW which has recovered approximately 220,000 megalitres
- Over 45,000 megalitres has been purchased for the Murrumbidgee and Lachlan areas by the Department of Environment and Climate Change and Water

“A five-year transitional period is being staged in the Millewa State Forests with some ongoing access to timber under strict controls related to the method of tree selection and sustainable yield,” Mr Sartor said.

New Protected Areas

“The new protected areas will provide both locals and tourists with continued access to activities including free camping, fishing, bush walking, dog walking and fire wood collection,” Mr Sartor said.

The NSW Government has increased the proportion of the total protected area to be created under the Regional Park category of the *National Parks and Wildlife Act 1974* beyond the NRC recommendations to provide for a broader range of recreational activities following community feedback.

“For the first time promotion of these new protected areas and existing Southern NSW national parks will be undertaken at the Melbourne Caravan, Camping and Touring Supershow in March to capture this important tourist market,” Mr Sartor said.

Support Package - up to \$80 million

“An extensive industry and community assistance package has been put together to assist affect timber workers, their families and community,” Mr Sartor said.

The NSW Government is mindful of the impact of the changed circumstances on the timber industry and regional communities, and also of the need to manage newly created protected areas. Accordingly, a maximum sum of \$80 million in support will include:

- Almost \$12 million in capital over three years to establish the parks and its infrastructure, with additional management funding of over \$3 million per year
- \$2 million for the initial establishment of aboriginal protected areas
- \$16 million for worker assistance for those workers directly employed in the industry who are affected by the declaration of national and regional parks. The special redundancy package will be comparable to that given to workers in the Brigalow settlement
- An early settlement for the Darlington Point Mill and its workers was today approved by the NSW Government. This follows a request for an early exit from the industry as a result of inadequate timber supply for its continued operation

The Government today also noted that a new Integrated Forestry Operations Approval (IFOA) would be negotiated by 31 December 2010 with respect to other remaining state forests, including the Koondrook - Perricoota, Campbells Island and the remaining areas of Werai and Taroo Group of forests.

RIVER RED GUMS: NSW GOVERNMENT RESPONSE TO THE NRC REPORT FACT SHEET

Overview

- The Riverina bioregion is an area of about 9.7 million hectares across south-west NSW, northern Victoria and north-east South Australia. Major catchments in the NSW portion of the bioregion include the Murray, Murrumbidgee and Lachlan. There are approximately 401,000 hectares of river red gum forests in NSW.
- In 2009 the NSW Government asked the Natural Resources Commission (NRC) to assess and make recommendations on the management of the river red gum and woodland forests in the Riverina bioregion.
- The NRC stated the following in its key findings in the Recommendations Report delivered to Government of 21 December 2009:

The river red gum forests and the industries and social systems they support are in decline due to river regulation, over-allocation of water and drought. This decline is predicted to worsen under climate change. Even with ambitious water reforms there will not be enough water to restore all the red gum forests to health. (Page 4)

- Despite their decline the river red gum forests of the Riverina remain of national and international environmental significance. The Millewa group of forests, together with Barmah forest in Victoria, forms the largest river red gum forest in the world. The forests now require protection to secure their long term survival.

NRC - Protected Area Recommendations and NSW Government response

- The NRC submitted its final report and recommendations to the NSW Government on 21 December 2009. A summary of its recommendations on the creation of protected areas in the river red gum forests and the NSW Government response is contained in the following table:

Proposed New Land Tenures	Recommended by NRC	NSW Government Response
Area of National Park	Approx. 72,000 ha	69,413 ha*
Area of Regional Park	Approx. 13,000 ha	16,308 ha*
Area of Indigenous Protected Areas	21,489 ha	21,489 ha
TOTAL Protected Area	107,210 ha	107,210 ha*

* After full conversion to protected area following 5 year transition in the Millewa State Forest

- The NSW Government has allocated up to \$80 million, chiefly from the Environmental Trust, to support the structural adjustment of the timber industry including workers, community assistance and development, park management and the implementation of other NRC recommendations.
-

- Irrespective of any decision by the government to create National and Regional Parks, it is clear from the NRC report that timber harvesting yields would have to be virtually halved to provide for sustainable forestry.
- Considered together with recent water supply experience, future competition for scarce water, the ecological values of the red gum forests and uncertainty due to climate change, the government has determined that there is a compelling case for further forest protection through the creation of a system of National and Regional Parks covering a significant part of the Riverina Red Gum areas.
- This will also maximize the opportunity for the supply of environmental water flows to support the red gum forests under the Murray Darling Basin Water Plan

New Protected Areas

- The creation of 85,721 hectares of new National and Regional Parks, as defined by the *National Parks and Wildlife Act 1974*, will be staged with 78 per cent of these new protected areas being established from 1 July 2010 and the remainder being established by 1 July 2015, following the conversion of the Millewa State Forest transition area.
- The Indigenous Protected Areas in the Werai and Taroo group of state forests will be transferred through a managed process over time from Forests NSW to be owned and managed by traditional owners for conservation.
- The new protected areas contain two wetlands of international significance - Millewa and Werai - and provide habitat for more than 50 species of terrestrial fauna, 11 species of fish and 43 species of plants listed as threatened under national and / or state legislation. They also include a significant breeding habitat for 18 migratory bird species protected under international agreements with China, Japan and Korea.
- Areas that will remain available for logging (excluding the Millewa State Forest transition area) will be the subject of an Integrated Forestry Operations Approval (IFOA) to be concluded by 31 December 2010;
- The NSW Government has increased the proportion of the total protected area to be created under the Regional Park category of the *National Parks and Wildlife Act 1974* beyond the NRC recommendations. This will provide for a broader range of recreational activities such as camping, bush walking, swimming, canoeing, bike riding, etc.
- New Regional Parks will be situated close to towns and will also allow for activities such as dog walking and non-commercial fire wood collection. Hunting is not allowed in any NPWS managed park.

Millewa State Forest Transition Area

- On 1 July 2010, 21,359 hectares (52%) of the Millewa State Forest will be protected under the National Parks Act, comprising 17,443 hectares (42 per cent) as a National Park and 3,916 hectares (9.8 per cent) as a Regional Park.
 - On 1 July 2015 a further 18,667 hectares of Millewa State Forest will be protected, comprising 17,135 hectares as National Park and 1,532 hectares as Regional Park.
-

- In order to minimise the risk of environmental harm, for the five year period where logging will be allowed it will be subject to new tree selection standards prescribed in legislation that will include provisions for:
 - Prohibition of the use of the existing Australian Group Selection (AGS) methodology;
 - Retention of trees with a diameter at breast height of (DBH) of greater than 100 centimetres (estimated to be trees older than 300 years); and
 - Improved approaches to habitat tree retention (e.g. hollow trees for threatened species use), including permanent retention of habitat and recruitment trees;
 - Standards for the prevention of pollution to waters will be rigorously applied and enforced.
- It is proposed that volumes available for logging in this transition area will be capped and progressively decreased from approximately 6300m³ in year 1 to 4400m³ in year 5.
- Proposed legislation will provide that all logging will cease in Millewa State Forest by 1 July 2015.

Support Package - up to \$80 million

The NSW Government is mindful of the impact of the changed circumstances on the timber industry and regional communities, and also of the need to manage newly created protected areas. Accordingly, a maximum sum of \$80 million in support of the Government response has been allocated from the Environmental Trust, including a number of contingency funds. In general terms the funds include:

- Almost \$12 million in capital over three years to establish the Parks and associated infrastructure, with additional management funding of over \$3 million per year;
 - \$2 million for the establishment of Aboriginal protected areas;
 - \$10 million for regional employment and community development, including the provision of counselling services for timber workers;
 - \$5.3 million for research including ecological thinning trials and compliance costs;
 - \$16 million for worker assistance for those workers directly employed in the industry who are affected by the declaration of national and regional parks. The special redundancy package will be comparable to that given to workers in the Brigalow settlement.
 - \$12 million for business exit packages for mills directly affected by the parks decisions, on a sustainable yield basis;
 - \$5 million as a special contingency for unforeseen mill payout costs subject to strict verification;
 - \$5 million for structural improvement initiatives for the
 - Riverina provided they are employment related; and
-

- \$3.2 million in other expenses, including the costs of the NRC assessment.

Oversight of Structural Adjustment

- The implementation of the structural adjustment package will be overseen by a steering committee, chaired by Peter Duncan of the Department of Premier and Cabinet. The steering committee will include representatives of the Department of Industry and Investment, the Treasury, and the Department of Environment and Climate Change.
- This committee will be charged with overseeing the process, but will not be responsible for approving individual worker and business exit payments. The Forest Industry Structural Adjustment Unit within the Department of Industry and Investment will be responsible for the day to day implementation of the structural adjustment package, including making payments.
- The steering committee and the Forest Industry Structural Adjustment Unit will be travelling to the Riverina to meet with affected timber businesses in the next few weeks, to discuss their options for the future, and which businesses may be interested in seeking business exit assistance.
- The steering committee will also be discussing with these businesses how best to manage their individual workers over the transition period.
- At Darlington Point the Government has put in place arrangements to provide for an early exit. Discussions with the mill owner are continuing and will now be accelerated.

Proposed Legislation

- The measures announced by the NSW Government in response to the NRC recommendations will be supported by legislation that is aimed to be introduced into NSW Parliament in April.
-