

Additional notes on yield reductions.

Dailan Pugh, North East Forest Alliance 19/11/25

Because of the moratorium on the Great Koala National Park (GKNP), the NSW Government has significantly reduced yields legally required to be provided to millers in Wood Supply Agreements (WSAs) from North East NSW's native State Forests this year. While it appears that the NSW Government had an intent to not increase logging effort outside the GKNP, it is evident that in practice a similar volume of high quality products to that logged across the whole of North East in 2024/25 is required to be logged outside the GKNP again this year. Comparison with the average yields for the past four years, indicates there could be a 36% increase in the volumes of high quality products removed outside the GKNP.

WSAs are legally binding commitments to provide set volumes of products to sawmillers. The problem is that the NSW Government is relying upon WSAs entered into before 2014 as their baseline for mandating yield changes against. This is despite evidence that since the 2019/20 wildfires yields have declined by over 40%, and volumes committed in WSA's can no longer be obtained, even with gross over-logging of plantations. The Forestry Corporation (FCNSW) have been hiding the magnitude of losses since the fires. WSA volumes also include hardwood plantations, giving a moveable baseline for the volumes coming from native forests.

On 8 September 2025 the Minister for Agriculture, Tara Moriarty, gave a Ministerial Direction that a moratorium would be placed on logging in the Great Koala National Park for a year, and that:

During the GKNP moratorium period, FCNSW must also reduce the total volume of high-quality products and low-quality products taken by harvesting operations in native State forests in the North East Region from the total volume of products from the North East Region that FCNSW has agreed to supply under the wood supply agreements during the same period. The reduction must be by the following amounts over the 12-month period commencing on 8 September 2025:

- (a) High-quality products by 89,320 m3, and*
- (b) Low-quality products by 39,422 m3.*

Also emphasising that during the moratorium period that no high-quality products be provided to Pentarch.

Since the 2019/20 wildfires FCNSW have never been able to supply the volumes of high quality products committed to sawmillers in WSAs, exposing the NSW Government to massive compensation claims. Using WSA volumes as a baseline for yield reductions due to the GKNP moratorium will increase the Government's exposure to compensation claims and will increase logging effort outside the GKNP. WSA claimed timber volumes are not a reliable or appropriate baseline for setting yields from native forests because they are grossly inflated and do not provide a measurable baseline because of the subjective proportions obtainable from plantations.

It is evident that FCNSW has intentionally failed to account for the obviously significant loss of resources in the 2019/20 wildfires, which is the biggest obstacle to obtaining an accurate assessment of available timber volumes. Amongst other factors, there is a need to complete the remeasuring of growth plots since the fires to obtain a more accurate appraisal of resource losses and to undertake the over-due comparison of actual and predicted yields. FCNSW have proven they cannot be trusted, there needs to be a detailed independent review of FCNSW yield estimates.

While a reliable baseline is needed to ensure there is not an increase in logging outside the GKNP, it is apparent that logging volume estimates are too unreliable to assess carbon changes against. Actual measurement of biomass and carbon changes can now be reliably identified utilising LiDAR. If there is an intent to claim carbon credits for protecting forests it will be necessary to obtain data on actual carbon changes rather than relying on theoretical and manipulated changes based on inflated timber estimates.

1. Quantifying Current Commitments

The volumes of high quality products committed to loggers for this year are based upon Wood Supply Agreements (WSAs). To quantify commitments it is necessary to first remove the volumes that are likely to be obtained from plantations, before the 89,320 m³ mandated in the Ministerial Directive can be deducted.

The current Wood Supply Agreements (WSAs) for north east NSW were issued to millers in north-east NSW for 20 years in 2003. They are based upon the Forestry Corporation's estimates of sustainable yields that can be obtained from native forests and plantations. They were given to millers for free, but are tradeable and compensatable if the Government fails to supply the committed volumes. The commitments were never able to be provided, resulting in a series of court cases, buybacks and yield revisions, with the last major buyback in 2014, and an extension of Boral's (now Pentarch's) WSA until 2028 (Pugh 2018). In June 2022 all other WSAs were extended to 2028. They are not a reliable basis for benchmarking Forestry Corporation's actual yields.

My understanding is that the Wood Supply Agreements (WSAs) for north east NSW now total 220,423m³ per annum of high quality logs, including from hardwood plantations. Through the EPA and NRC (2018 pers. comm.) the Forestry Corporation provided the following data for allocations of High Quality Logs (HQL) from north east NSW:

High Quality Product Allocation (m3)	M3
Large Sawlogs (>40 cm)	127,145
Small Sawlogs (<40 cm)	46,096
Poles	31,600
Veneer	11,202
Girders	4,150
Piles	260
Total	220,423

The EPA/NRC (pers. comm. 2018) identified that the Forestry Corporation's modelling for HQL over the 2017-2028 (12 year) period was

- 210,600 m³/yr from native forests
- 26,100 m³/yr from plantations.
- TOTAL 236,700 m³/yr.

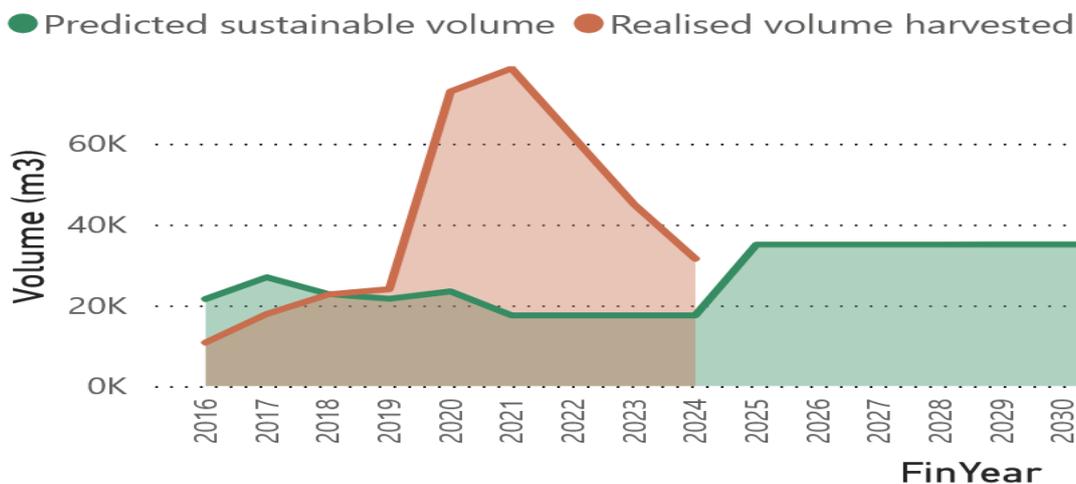
Though other data at the time indicated this was an over-estimation (Pugh 2018). Irrespective it can be assumed that plantations were expected to satisfy some 12% of WSAs.

The data for high quality products from both native forests and plantations for the years 2018/24 show that since the 2019/20 wildfires FCNSW have been cutting plantations prematurely to make up for shortfalls from native forests. It is evident that over the 6 year period the volumes obtained from plantations can vary from 10-50% at FCNSW's discretion. It is apparent that plantations have been significantly over-cut since the 2019/20 wildfires, with yields from plantations well above estimated sustainable yields. If volumes obtained from plantations are reduced, volumes need to be increased from native forests.

High Quality Log Yields (m3)

NE NSW	High Quality Yields Native Forests	High Quality Yields Plantations	% Plant
2023/24	143918	31515	18.0
2022/23	133729	44972	25.2
2021/22	105255	61751	37.0
2020/21	81696	78582	49.0
2019/20	134915	72859	35.1
2018/19	217672	23986	9.9
AVERAGE	136198	52278	27.7

Source 2023/24 Sustainability Report.



Yields of high quality logs from North East NSW hardwood plantations. Note the gross over-logging since the 2019/20 wildfires (Source 2023/24 Sustainability Report).

The other aspect is that high quality products are variously committed depending on whether they are large, small, piles, veneer, girders or poles. Combined with plantations, this gives the Forestry Corporation a high degree of flexibility in how to reduce yields to satisfy the Ministerial Directive.

To identify volumes of high quality products required to be targeted for logging this year it is necessary to first reduce the WSA commitments by the volumes likely to be obtained from plantations, before applying the Ministerial Directive to reduce WSA volumes from native forests by 89,320 m3. Given the gross overcutting of plantations in recent years, volumes of WSAs obtained from plantations should reduce to pre-fire levels of 10%, though given FCNSWs discretion the 2023/24 level of 18% is also considered.

Application of these reductions identifies that in the order of 109,000 m3 of high quality products are required to be logged this year to satisfy WSAs as modified by the Ministerial Directive, though could be as low as 91,400 m3. These volumes need to be provided to avoid compensation claims.

WSAs	220,423	WSAs	220,423
Deduct 10% sourced from plantations	198,381	Deduct 18% sourced from plantations	180,747
Deduct MD 89,320	109,061	Deduct MD 89,320	91,426

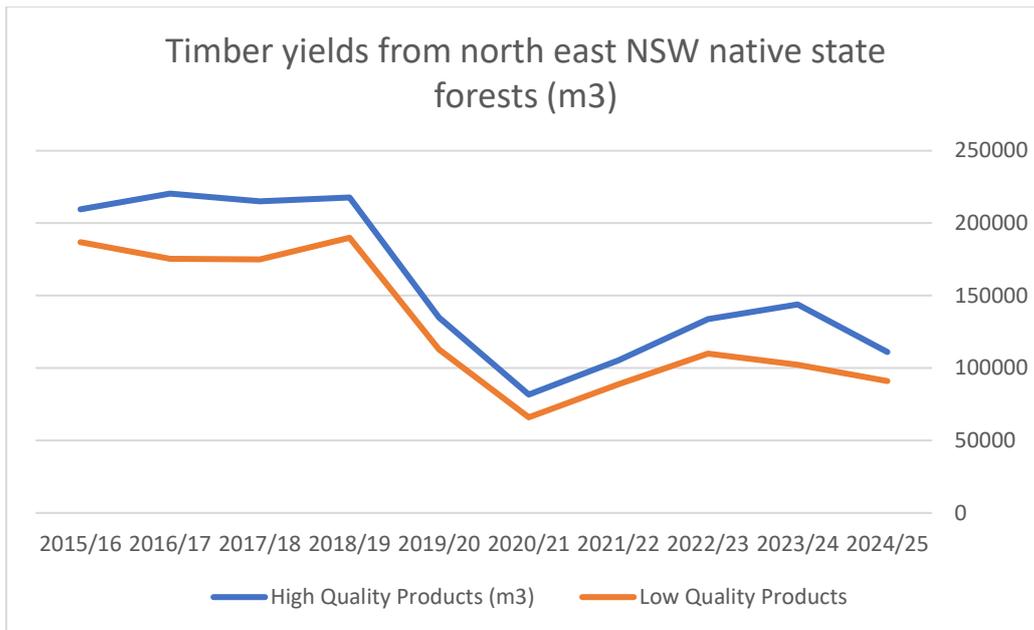
This would theoretically represent reductions of 45-50% in what was required to be provided by the unmodified WSAs from native forests. Though the problem is that those volumes were not available, with significant yield reductions required irrespective of the creation of the GKNP.

2. Actual Yields of High Quality Logs

Since the 2019/20 wildfires the Forestry Corporation (FCNSW) have been unable to meet their timber commitments from north-east NSW. They have provided many excuses, though the continued depressed yields, compounded by a 29% reduction last financial year, show that the claimed timber is not there. They have only been able to provide 41% of their claimed sustainable yields and can't honour their Wood Supply Agreements. (see Pugh 2025)

Comparisons of the 4 year average annual yields from North East NSW native forests before (2015/19) the 2019/20 fires, and after (2021/25) show 43% reductions in high quality products and 46% reductions in low quality products. These recent yield reductions are part of an ongoing trend that has apparently been greatly amplified by the 2019/20 wildfires.

	Average annual 4 yr yield 2015/19 m3	Average annual 4 yr yield 2021/25 m3	Percent Reduction
North East NSW			
High Quality Products	215687	123487	42.7%
Low Quality Products	181792	97999	46.1%



Source: FCNSW 2023/24 Sustainability Report, updated with the 2024/25 Biomaterial Report (with a multiplier of 1.2 to convert tonnes to m3)

For north-east NSW, the 2024/25 Biomaterial Report shows that there has been a 29% decline in yields of all products from native forests on State Forests compared to 2023/24. For high quality products the decline is 26%. The worsening results show the situation is deteriorating.

Heavy logging of plantations since the 2019/20 wildfires has propped up WSAs, reducing relative declines. Even with this support it is evident that FCNSW have not been able to supply volumes committed in WSAs since 2019, with the undercut of high quality products over those 5 years totalling 212,923 m3, almost a full year’s allocation. This leaves the NSW Government liable to massive compensation claims. Given that these shortfalls were evident by 2022 it is astounding that the Coalition Government extended WSAs in June 2022 for an additional 5 years to 2028, gifting significant volumes of non-existent timber to mills knowing that compensation would be required if they couldn’t be supplied.

NE NSW	Total High Quality Yields m3	WSA High Quality Commitments m3	Actual Yields %WSA
2023/24	175433	220,423	79.6
2022/23	178701	220,423	81.1
2021/22	167006	220,423	75.8
2020/21	160278	220,423	72.7
2019/20	207774	220,423	94.3
2018/19	241658	220,423	109.6
AVERAGE	188475	220,423	85.5

Source: 2023/24 Sustainability Report

3. Comparing Current Commitments to Actual Yields

The NSW Government has committed to creating the Great Koala National Park (GKNP), and proportionally reducing yields from north-east NSW to ensure that logging pressure is not transferred to other forests. Ensuring there is no 'leakage' is a pre-requisite for being able to claim carbon credits. The yield reductions made appear to have been a genuine attempt to achieve this, though fail to account for the rapidly declining yields since the 2019/20 wildfires that FCNSW are trying to cover up.

As identified above, it is likely that in the order 109,000 m3 of high quality logs will be required to be logged this year from North East NSW's forests to satisfy WSAs, though given FCNSW's ability to continue over-logging of plantations this could be as low as 91,400 m3. Compensation will need to be paid to mills if they are not provided with these volumes.

In 2024-25, 111,044 m3 of high quality products were obtained from native forests in North East NSW, which is not significantly different from the 109,000 m3 apparently required to be obtained this year, despite the creation of the GKNP. The average over the past 4 years was higher at 127,010 m3, with the GKNP providing an average of 46,711 m3 (37%) of this yield.

The most telling metric is that in 2024-25 65,671 m3 of high quality products were obtained from native forests outside the GKNP, and for this year under the Ministerial Directive the required take could be increased to 91,400-109,000 m3, a major increase in logging intensity outside the GKNP. Over the past 4 years across north-east NSW, FCNSW obtained an average of 80,300m3 of high quality products per annum from outside the GKNP, under the Ministerial Directive this is required to be increased by 14-36%. There has not been a proportional decrease in logging effort outside the GKNP, to the contrary there will be a significant increase.

Year	North East NSW High Quality Products m3	GKNP High Quality Products m3	GKNP %	High Quality Products outside GKNP m3
2021/22	109307	40955	37.5	68352
2022-23	138489	45913	33.2	92576
2023/24	149200	54601	36.6	94599
2024/25	111044	45373	40.9	65671
AVERAGE	127010	46711	36.8	80300

Source Biomaterial Reports. Note data from Sustainability (used above) and Biomaterial reports normally vary.

Pugh, D. (2018) A Review of North East NSW Timber Predictions and Yields from Public Forests Over the Past 20 Years. North East Forest Alliance. https://d3n8a8pro7vhmx.cloudfront.net/ncec/pages/47/attachments/original/1534806568/An_Appraisal_of_North_East_NSW_Public_Forestry_Resource_Changes.pdf?1534806568

Pugh, D. (2025) Forestry Corporation timber claims grossly inflated. North East Forest Alliance. https://assets.nationbuilder.com/ncec/pages/47/attachments/original/1762905065/Forestry_Corporation_timber_claims_grossly_inflated.pdf?1762905065