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Submission to the NSW Koala Strategy Review

The existing NSW Koala Strategy fails to recognise or address the immediate and systemic impacts of logging, fossil fuel production and climate change on koala populations.

A revised NSW Koala Strategy is welcome but will be ineffective unless broader state and federal policies to address biodiversity decline and climate change are implemented.

Effective policy measures available to the NSW Government in the short term include: an immediate end to logging of koala habitat; establishment of the Great Koala National Park without generating carbon credits; and climate policy that reduces absolute greenhouse gas emissions such as a moratorium on fossil fuel projects.

Adam Gottschalk

Polly Hemming

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Level 1, Endeavour House, 1 Franklin St
Canberra, ACT 2601

Tel: (02) 61300530

Email: mail@australiainstitute.org.au

Website: www.australiainstitute.org.au

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Summary

The persistent decline of koala populations and habitat is evidence that current approaches to koala conservation are completely inadequate. The existing NSW Koala Strategy (the Strategy) fails to address major threats to koalas: habitat and climate change.

While a review of the Strategy is welcome, the Australia Institute's overarching concern is that, in the absence of policies and spending at a state and federal level to address biodiversity loss and climate change, the NSW Koala Strategy is destined to fail.

For this reason, the Australia Institute has made recommendations that may fall outside the scope of the Strategy, but that are pertinent to its success.

This submission makes the following recommendations:

1. Ban native forest logging on public land in NSW.
2. Ban logging in recognised koala habitat, irrespective of its classification as native forest, plantation forest, or otherwise.
3. Immediately ban all logging in the entire proposed area of the Great Koala National Park and establish the Park in line with the NSW Government's existing commitment to do so.
4. Abandon plans to generate carbon credits throughout the proposed Great Koala National Park and all native forests in NSW.
5. Establish habitat corridors to connect areas of koala habitat.
6. Continue to purchase private land for addition to the national park estate. Prioritise conservation through government protected areas instead of through market-based approaches.
7. Create stronger disincentives or prohibitions against clearing of koala habitat on private land.
8. Explicitly acknowledge in the NSW Koala Strategy that fossil fuel use and deforestation are causing climate change, which is in turn impacting koalas.

Introduction

The Australia Institute welcomes the opportunity to make a submission to the NSW Department of Climate Change, Energy, the Environment and Water (NSW DCCEEW) regarding the NSW Koala Strategy Review.

Koala populations are declining in the face of numerous threats. The 2019-20 Black Summer bushfires killed an estimated 61,000 koalas.¹ A 2020 Legislative Council inquiry into NSW koala populations concluded that without “urgent government intervention to protect habitat and address all other threats”, koalas could become extinct in NSW by 2050.² In 2022, Australia’s koala populations in NSW, the ACT and Queensland were officially listed as endangered under national environment law.³

Declining koala populations are occurring in the context of a global biodiversity crisis that scientists have labelled the sixth mass extinction.⁴ Australia has lost 39 mammal species since colonisation, the highest number of any continent.⁵ However, habitat destruction continues to be approved and, in some cases, subsidised, while conservation spending by Australian governments remains completely insufficient to halt biodiversity loss and extinction.⁶

In 2021, the NSW National Parks and Wildlife Service committed to zero extinctions on the NSW national park estate.⁷ In 2022, the Albanese Government followed suit with a goal of

¹ Readfearn (2020) “‘Devastating’: more than 61,000 koalas among 3 billion animals affected by bushfire crisis”, *The Guardian*, <https://www.theguardian.com/australia-news/2020/dec/07/devastating-more-than-61000-koalas-among-3-billion-animals-affected-by-bushfire-crisis>

² NSW Legislative Council (2020) *Koala populations and habitat in New South Wales*, <https://www.parliament.nsw.gov.au/lcdocs/inquiries/2536/Koala%20populations%20and%20habitat%20in%20New%20South%20Wales%20-%20Report%203.pdf>, p xii

³ Cox (2022) “Koala listed as endangered after Australian governments fail to halt its decline”, *The Guardian*, <https://www.theguardian.com/environment/2022/feb/11/koala-listed-as-endangered-after-australian-governments-fail-to-halt-its-decline>

⁴ Ceballos et al (2017) “Biological annihilation via the ongoing sixth mass extinction signaled by vertebrate population losses and declines”, *Proceedings of the National Academy of Sciences*, <https://www.pnas.org/doi/full/10.1073/pnas.1704949114>

⁵ Foley (2022) “‘No more extinctions’: Labor’s wildlife pledge raises funding questions”, *The Sydney Morning Herald*, <https://www.smh.com.au/politics/federal/no-more-extinctions-labor-makes-bold-wildlife-protection-pledge-20221004-p5bmz7.html>

⁶ Wintle et al (2019) “Spending to save: What will it cost to halt Australia's extinction crisis?”, *Conservation Letters*, <https://conbio.onlinelibrary.wiley.com/doi/full/10.1111/conl.12682>

⁷ NSW National Parks and Wildlife Service (2021) *Zero extinctions – national parks as a stronghold for threatened species recovery*, <https://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Parks-reserves-and-protected-areas/Parks-management-other/national-parks-wildlife-service-threatened-species-framework-210369.pdf>

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preventing new plant and animal extinctions.⁸ If state and federal governments are to successfully prevent new extinctions, they need to align their policies and strategies, such as the NSW Koala Strategy (the Strategy), with these objectives.

Despite millions of dollars in funding allocated over two iterations of the Strategy (2018-21 and 2021-26) and NSW Premier Chris Minns pledging to “bring these incredible creatures back from the brink”,⁹ koala populations continue to decline.

This is the result of a persistent reluctance from governments to adequately address two of the principal threats to koalas: deforestation and climate change.¹⁰ Despite the undeniable impact that habitat loss and climate change have had (and continue to have) on koalas, the existing Strategy omits deforestation and treats climate change only superficially.

The Australia Institute’s overarching concern is that without policies and spending at a state and federal level that will *legitimately* address biodiversity loss and climate change, the NSW Koala Strategy is destined to fail.

The review of the NSW Koala Strategy is an opportunity to improve this situation by recognising the immediate and systemic causes of the rapid decline in koalas in NSW and aligning the Strategy with broader state and federal policy.

Reviewing the NSW Koala Strategy, the Discussion Paper released by NSW DCEEEW, overviews the current NSW Koala Strategy (2021-26).¹¹ The Strategy has four pillars:

1. Koala habitat conservation.
2. Supporting local communities to conserve koalas.
3. Improving the safety and health of koalas.
4. Building our knowledge of koalas.¹²

⁸ Australian Government (2022) *Threatened Species Action Plan Towards Zero Extinctions*, <https://www.dcceew.gov.au/sites/default/files/documents/threatened-species-action-plan-2022-2032.pdf>; Cox (2022) “Australia announces plan to halt extinction crisis and save 110 species”, *The Guardian*, <https://www.theguardian.com/environment/2022/oct/04/australia-announces-plan-to-halt-extinction-crisis-and-save-110-species>

⁹ McGowan (2023) “NSW Labor promises to create ‘great koala national park’ if it wins power”, *The Guardian*, <https://www.theguardian.com/australia-news/2023/jan/19/nsw-labor-promises-to-create-great-koala-national-park-if-it-wins-power>

¹⁰ Blanch et al (2018) *The NSW Koala Strategy: ineffective, inadequate and expensive. An assessment of the NSW Koala Strategy against Recommendations made in the Independent Review into decline of koalas in NSW*, World Wide Fund for Nature Australia, National Parks Association of NSW, North East Forest Alliance, https://assets.wwf.org.au/image/upload/v1/website-media/resources/pub-koala-strategy-update-17Dec18?_a=ATO2Ba20

¹¹ NSW DCEEW (2024) *Reviewing the NSW Koala Strategy*, <https://www.environment.nsw.gov.au/research-and-publications/publications-search/reviewing-the-nsw-koala-strategy>

¹² NSW DCEEW (2024) *Reviewing the NSW Koala Strategy*, p 7

This submission will focus on pillar one: “Koala habitat conservation” with the caveat that, unless there are state-wide efforts (outside the scope of the strategy) to address the cause of koala habitat decline then the strategy itself is largely redundant.

For this reason, the Australia Institute has made recommendations that may fall outside the scope of the Strategy, but that are pertinent to its success.

This submission addresses the following focus questions in the discussion paper:

Question 2: “In your area of expertise, what gaps do you think there are in the Strategy?”¹³

Question 8: “Do you think the combination of habitat acquisition, private land conservation and habitat restoration is the right approach to protecting important koala habitat? What else should the NSW Government be doing to protect koala habitat?”¹⁴

¹³ NSW DCCEEW (2024) *Reviewing the NSW Koala Strategy*, p 8

¹⁴ NSW DCCEEW (2024) *Reviewing the NSW Koala Strategy*, p 13

Banning logging of koala habitat

NATIVE FOREST LOGGING

Australia is the only developed nation to be included in a list of 24 global deforestation fronts compiled by the World Wide Fund for Nature.¹⁵ Deforestation is widely recognised as a leading cause of habitat destruction for koalas and a primary factor contributing to their decline.¹⁶

While there is land in NSW where deforestation is banned, much of the existing national park estate covers forests that are not ideal for koalas.¹⁷ The eucalypt forests best suited to koala habitat occur nearer the coast in state forests and on private land that governments, farmers and developers continue to clear for agricultural and urban developments.¹⁸

Native forest logging in particular is a key contributor to koala habitat destruction.¹⁹ Victoria and Western Australia have already ended native forest logging on public land in recognition of its environmental impact and meagre economic contribution.²⁰

The Forestry Corporation of NSW operates at a loss and depends on government subsidies.²¹ Research by The Australia Institute has demonstrated the long-term economic non-viability of the industry.²²

Yet, despite the threat posed by logging to koalas, there is not a single mention of deforestation or logging in the current NSW Koala Strategy.

¹⁵ World Wide Fund for Nature (2021) "Australia remains the only developed nation on the list of global deforestation fronts", <https://wwf.org.au/news/2021/australia-remains-the-only-developed-nation-on-the-list-of-global-deforestation-fronts/>

¹⁶ Cadman et al (2023) "Koalas, Climate, Conservation, and the Community", *The International Journal of Social Quality*, <https://www.berghahnjournals.com/view/journals/ijsq/13/1/ijsq130104.xml>

¹⁷ National Parks Association of NSW (n.d.) "The Great Koala National Park", <https://npansw.org.au/campaigns-2/great-koala-national-park/>

¹⁸ National Parks Association of NSW (n.d.) *Habitat loss and the decline of koalas*, <https://npansw.org.au/campaigns-2/great-koala-national-park/habitat-loss-and-the-decline-of-koalas/>

¹⁹ O'Malley (2023) "'Minds were blown': These scientists were stunned at what's happening on the NSW North Coast", *The Sydney Morning Herald*, <https://www.smh.com.au/environment/conservation/minds-were-blown-these-scientists-were-stunned-at-what-s-happening-on-the-nsw-north-coast-20230831-p5e11w.html>

²⁰ Schapova (2024) "Forestry towns face uncertain future as Victoria's native timber logging industry shuts down on January 1", *ABC*, <https://www.abc.net.au/news/rural/2024-01-01/native-timber-logging-ends-in-victoria-orbost-vicforests/103270172>

²¹ Long (2024) "The carbon con killing koalas", The Australia Institute, <https://australiainstitute.org.au/post/the-carbon-con-killing-koalas/>

²² Campbell & McKeon (2016) *Money doesn't grow on trees*, <https://australiainstitute.org.au/report/money-doesnt-grow-on-trees/>

If the Strategy is to make genuine progress under its pillar of conserving koala habitat, it cannot overlook the importance of deforestation. Any conservation plan that does not address logging is sidestepping the problem and cannot have successful outcomes.

The Australia Institute recently published an open letter in *The Sydney Morning Herald*, addressed to Premier Chris Minns and signed by over 100 political leaders, academics, and environment and climate experts. The open letter calls on the Premier to immediately end all logging in public native forests and koala habitat.²³ Prominent signatories include former Liberal leader Dr John Hewson, former Greens leader Bob Brown, Professor Lesley Hughes, Councillor for the Climate Council and Lead Author in the IPCC's 4th and 5th Assessment Report, former RBA Governor Bernie Fraser, businessman Geoff Cousins, and environmentalist Virginia Young. The open letter has also been signed by over 2,800 citizens.

The open letter demonstrates the existence of widespread public support for following the lead of Victoria and Western Australia and ending native forest logging in NSW.

PLANTATION FOREST

Logging of critical koala habitat also occurs in areas classified as plantation forest.²⁴ Some forests are known to be zoned as “plantation” when in reality they meet the criteria for “native forest” and represent high quality koala habitat.²⁵ In 2023 in Pine Creek State Forest, for example, 746 hectares of prime koala habitat were allocated for clear felling despite being native forest for all intents and purposes.²⁶

²³ The Australia Institute (2024) “End Native Forest Logging in NSW”, https://nb.australiainstitute.org.au/end_native_forest_logging_nsw

²⁴ Cadman & Clode (2023) “A home among the gum trees: will the Great Koala National Park actually save koalas?”, *The Conversation*, <https://theconversation.com/a-home-among-the-gum-trees-will-the-great-koala-national-park-actually-save-koalas-217276>; Cadman et al (2023) “Koalas, Climate, Conservation, and the Community”, *The International Journal of Social Quality*

²⁵ National Parks Association of NSW (2023) “Forestry Corporation targeting one of NSW’s most significant koala populations”, <https://npansw.org.au/2023/06/19/forestry-corporation-targeting-one-of-nsws-most-significant-koala-populations/>; Cadman & Clode (2023) “A home among the gum trees: will the Great Koala National Park actually save koalas?”, *The Conversation*; Cadman (2023) “Letter to the Prime Minister, NSW Premier and Ministers on Plantation Conversion”, <https://timcadman.wordpress.com/2023/06/02/letter-to-the-prime-minister-nsw-premier-and-ministers-on-plantation-conversion/>

²⁶ National Parks Association of NSW (2023) “Forestry Corporation targeting one of NSW’s most significant koala populations”

Recent research by The Australia Institute, including an investigative video report, examined evidence of logging critical koala habitat in areas classified as plantation forest, and found devastating consequences for koalas in these areas.²⁷

While the classification of forests may not fall directly within the scope of the NSW Koala Strategy, it is worth noting that the Strategy's success will be influenced by how forests are classified and which forests are opened for logging. The classification of a forest has no bearing on whether it is important koala habitat. Logging koala habitat—whether it occurs in native or plantation forest—is highly detrimental to koala populations. To protect koalas, the new NSW Koala Strategy should focus on reducing deforestation across all forest types as a key objective.

RECOMMENDATIONS

1. Ban native forest logging on public land in NSW.
2. Ban logging in recognised koala habitat, irrespective of its classification as native forest, plantation forest, or otherwise.

²⁷ Long (2024) “The Carbon Credit Grift Destroying Koala Habitat”, The Australia Institute, https://www.youtube.com/watch?v=MDzW-f8y8F0&ab_channel=TheAustraliaInstitute

The Great Koala National Park and carbon offsets

In the lead-up to the 2015 state election, the NSW Labor Party announced its intention to create a Great Koala National Park (GKNP) on the mid-north coast.²⁸ This followed the efforts of a grassroots campaign to create the GKNP that began in 2012.²⁹ NSW Labor also took this commitment to the state elections in 2019 and 2023, winning government in the latter.³⁰ To develop the GKNP, the Minns Government committed \$80 million in funding over four years in the 2023-24 State Budget.³¹

The GKNP would protect over 315,000 hectares stretching “inland from Coffs Harbour, from the Macleay River near Kempsey to Woolgoolga,” and would add 176,000 hectares of state forest to 140,000 hectares of existing reserves.³² Data collected by the NSW Office of Environment and Heritage showed that the proposed GKNP would encompass 56% of identified “koala hubs” (areas of high koala concentration) in north-east NSW, demonstrating the park’s potential to provide valuable habitat conservation for koalas.³³

The current Strategy includes an aim of adding “up to 15,000 hectares of koala habitat to the national park estate by purchasing high-quality koala habitat on private land.”³⁴ Thus far, the Strategy has resulted in the protection of 25,131 hectares of land, of which approximately 10,000 hectares was purchased for the national park estate, 7,000 hectares

²⁸ Nicholls (2015) “‘We have to act’: Luke Foley promises Australia’s first koala national park on NSW north coast”, *The Sydney Morning Herald*, <https://www.smh.com.au/national/nsw/we-have-to-act-luke-foley-promises-australias-first-koala-national-park-on-nsw-north-coast-20150118-12slku.html>

²⁹ The Great Koala National Park (n.d.) “The history of the Great Koala National Park Proposal”, <https://www.koalapark.org.au/history>

³⁰ McGowan (2023) “NSW Labor promises to create ‘great koala national park’ if it wins power”, *The Guardian*

³¹ NSW Government (2023) “NSW Government boosts koala funding to bring them back from the brink”, <https://www.nsw.gov.au/media-releases/nsw-government-boosts-koala-funding>

³² Nicholls (2015) “‘We have to act’: Luke Foley promises Australia’s first koala national park on NSW north coast”, *The Sydney Morning Herald*, <https://www.smh.com.au/national/nsw/we-have-to-act-luke-foley-promises-australias-first-koala-national-park-on-nsw-north-coast-20150118-12slku.html>; Labor Environment Action Network (2015) *Labor Environment Action Network NSW: Submissions on NSW Labor Platform*, https://d3n8a8pro7vhmx.cloudfront.net/lean/pages/238/attachments/original/1453341544/NSW_LEAN_NS_W_Platform_Submission_151106.pdf?1453341544; National Parks Association of NSW (n.d.) “The Great Koala National Park plan”, <https://npansw.org.au/campaigns-2/great-koala-national-park/the-great-koala-national-park-plan/>

³³ National Parks Association of NSW (2018) *Saving koalas will take more than token gestures but the pathway is clear*, https://npansw.org.au/wp-content/uploads/2018/09/KoalaGIPAAanalysis_Sep18.pdf

³⁴ NSW DCCEE (2024) “The NSW Koala Strategy”, <https://www.environment.nsw.gov.au/topics/animals-and-plants/threatened-species/programs-legislation-and-framework/nsw-koala-strategy>

was restored habitat, and 7,500 hectares was protected through partnerships with private landholders.³⁵

The 10,000 hectares added to the national park estate are significantly less than the 176,000 hectares that would be protected by the GKNP, indicating the potential of the GKNP to make a material difference to the conservation status of koalas in NSW.

However, the Minns Government is yet to establish the GKNP. In anticipation of its creation, companies are logging areas of the proposed park.³⁶ As a stopgap measure, NSW Minister for the Environment Penny Sharpe declared the cessation of logging in 106 “koala hubs” in the proposed park area, amounting to 8,400 hectares of state forest.³⁷ However, these hubs were mapped based on assessments performed in 2017 or earlier, without taking into account the impacts of the 2019-20 Black Summer bushfires.³⁸ It is more likely they were chosen because they represent areas of low logging value, rather than because they represent important koala habitat.³⁹

Moreover, given that koalas are frequently found in forests classified as plantation forest, for the GKNP to genuinely protect koalas, it should not exclude plantation forests within its boundaries when these forests are known to contain valuable koala habitat.⁴⁰ Without including these plantations, “some of the best habitat in the park will continue to be logged... [and] the park will be filled with holes, severing critical corridors and hampering the movement of koalas.”⁴¹

To preserve the potential of the GKNP to conserve koalas, the NSW Government can immediately cease logging in the entire proposed area of the GKNP. It can also include in the

³⁵ NSW DCCEEW (2024) *Reviewing the NSW Koala Strategy*

³⁶ Cadman & Clode (2023) “A home among the gum trees: will the Great Koala National Park actually save koalas?”, *The Conversation*; Cadman et al (2023) “Koalas, Climate, Conservation, and the Community”, *The International Journal of Social Quality*; O’Malley (2023) “Before creation of koala national park, loggers target key habitat”, *The Sydney Morning Herald*, <https://www.smh.com.au/environment/conservation/before-creation-of-koala-national-park-loggers-target-key-habitat-20230520-p5d9w0.html>

³⁷ NSW Government (2023) “Saving koalas: Next steps for the Great Koala National Park”, <https://www.environment.nsw.gov.au/news/saving-koalas-next-steps-for-the-great-koala-national-park#:~:text=Koala%20hubs%20are%20areas%20where,the%20assessment%20area%20since%202000>.

³⁸ Arnold (2023) “Minns Government sells out Great Koala National Park”, *Independent Australia*, <https://independentaustralia.net/politics/politics-display/minns-government-sells-out-great-koala-national-park,17932>; Arnold (2024) “NSW Government clueless about koala protection”, *Independent Australia*, <https://independentaustralia.net/politics/politics-display/nsw-government-clueless-about-koala-protection,18391>

³⁹ Arnold (2023) “Minns Government sells out Great Koala National Park”, *Independent Australia*

⁴⁰ Cadman & Clode (2023) “A home among the gum trees: will the Great Koala National Park actually save koalas?”, *The Conversation*; Cadman et al (2023) “Koalas, Climate, Conservation, and the Community”, *The International Journal of Social Quality*

⁴¹ Cadman & Clode (2023) “A home among the gum trees: will the Great Koala National Park actually save koalas?”, *The Conversation*

new Strategy a commitment to establishing the GKNP and more ambitious targets for further increasing the national park estate by purchasing additional private land.

The aforementioned open letter calling for an end to native forest logging also included a call for gazetting the boundaries of the GKNP, indicating that this proposal has widespread support.

CARBON CREDITS CAUSING DELAYS

In October 2023, NSW Premier Chris Minns revealed during a budget estimates hearing that his government has delayed the establishment of the GKNP until a carbon offset method for avoided logging can be established under the Australian Carbon Credit Units Scheme (ACCU).⁴² A carbon offset method would potentially generate revenue for the NSW Government or the logging industry.

The current Strategy refers to carbon markets through an aim to

coordinate the restoration of 20,000 hectares of koala habitat including seed purchases, natural regeneration, direct planting, and *working with private sector partners to deliver groundbreaking premium carbon market projects* [emphasis added].⁴³

There are a number of significant issues with this approach. The most obvious problem is that koala habitat continues to be rapidly destroyed while the NSW government prevaricates.

Other issues relate to the integrity of proposed carbon credits and their use. Carbon credits cannot be awarded to activities that are already required by law. The “additionality” of carbon credits (a legislated feature of all carbon credits in Australia under the *Carbon Credits (Carbon Farming Initiative) Act 2011*)⁴⁴ for protecting native forests is dubious, given that the NSW Labor Party announced its commitment to establish the Great Koala National Park prior to winning government. This would suggest that none of the forests in the

⁴² NSW Parliament (2023) *Portfolio Committee No. 1 — Premier and Finance*, [https://www.parliament.nsw.gov.au/lcdocs/transcripts/3159/Transcript%20-%20PC1%20-%20Budget%20Estimates%20\(Minns\)%20-%2025%20October%202023%20-%20CORRECTED.pdf](https://www.parliament.nsw.gov.au/lcdocs/transcripts/3159/Transcript%20-%20PC1%20-%20Budget%20Estimates%20(Minns)%20-%2025%20October%202023%20-%20CORRECTED.pdf); Long (2024) “The carbon con killing koalas”, The Australia Institute

⁴³ NSW DCCEEW (2024) “The NSW Koala Strategy”, <https://www.environment.nsw.gov.au/topics/animals-and-plants/threatened-species/programs-legislation-and-framework/nsw-koala-strategy>

⁴⁴ Commonwealth Government (2024) *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth), <https://www.legislation.gov.au/C2011A00101/latest/text>; Clean Energy Regulator (2021) *Emissions Reduction Assurance Committee Information Paper: Committee considerations for interpreting the Emissions Reduction Fund’s offsets integrity standards*, <https://www.dcceew.gov.au/sites/default/files/documents/erac-information-paper-offsets-integrity-standards.pdf>

proposed GKNP are additional and therefore eligible for carbon credits, as Labor has already committed to protecting them.

Further, as discussed above, the NSW native forest logging industry is running at a loss and being heavily subsidised by taxpayers. With native forest logging experiencing a natural decline,⁴⁵ there is a lack of convincing evidence that the assumptions being made about levels of future logging are robust. However, legislation requires the assumptions underpinning carbon credits to be conservative.⁴⁶

Another problem raised by the Minns Government's proposal is that carbon offsets are frequently used to justify the expansion of fossil fuel production. The Australia Institute's research has demonstrated repeatedly that carbon offsets do not lead to emissions reductions, but instead licence real emissions *increases*.⁴⁷

Research by Climate Analytics has found that for every ACCU purchased by liquified natural gas facilities under the Australian Government's Safeguard Mechanism, approximately 8.4 CO₂ equivalent emissions (tCO₂e) are facilitated, and for every ACCU purchased by coal facilities, approximately 58-67 tCO₂e are facilitated.⁴⁸

Land-based carbon is also inherently uncertain and prone to reversal. The risk of over-crediting due to flaws in measurement and baseline assumptions are high. This has been consistently seen across Australia's ACCU scheme. The Climate Analytics research found that carbon sequestered in forests and soil is impermanent and can be lost back to the atmosphere due to factors including fire and adverse weather events. Worsening fire and drought conditions in Australia due to climate change are "likely to reduce the ability of forests and soil in Australia... to uptake, store and hold carbon."⁴⁹ Even without fire and drought, the lifetime of carbon emissions exceeds the lifetime of forest carbon: 20% of each tonne of carbon remains in the atmosphere 10,000 years after it was emitted, while land-based offsets can, at best, guarantee sequestration for only 100 years.⁵⁰

⁴⁵ Campbell & McKeon (2016) *Money doesn't grow on trees*, <https://australiainstitute.org.au/report/money-doesnt-grow-on-trees/>

⁴⁶ Commonwealth Government (2024) *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth); Clean Energy Regulator (2021) *Emissions Reduction Assurance Committee Information Paper: Committee considerations for interpreting the Emissions Reduction Fund's offsets integrity standards*

⁴⁷ Hemming et al (2022) *An Environmental Fig Leaf*, <https://australiainstitute.org.au/report/an-environmental-fig-leaf/>; Hemming et al (2022) *State-sponsored Greenwash*, <https://australiainstitute.org.au/report/state-sponsored-greenwash/>; Hemming (2023) "Can carbon offsets save the environment?", The Australia Institute, <https://australiainstitute.org.au/post/can-carbon-offsets-save-the-environment/>

⁴⁸ Climate Analytics (2023) *Why offsets are not a viable alternative to cutting emissions*, https://ca1-clm.edcdn.com/assets/why_offsets_are_not_a_viable_alternative_to_cutting_emissions.pdf?v=1697123932

⁴⁹ Climate Analytics (2023) *Why offsets are not a viable alternative to cutting emissions*, p 3

⁵⁰ Climate Analytics (2023) *Why offsets are not a viable alternative to cutting emissions*

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Carbon offsets are a zero-sum game at best, and frequently result in increased emissions. The exacerbated climate change caused by these increased emissions will further threaten koalas and their habitats (the final section in this submission discusses this issue further).

In light of these issues, this submission recommends that the Minns Government abandon any plans to monetise forests in the form of carbon credits, and that it establishes the GKNP as a matter of urgency.

PROTECTED AREAS, NOT MARKETS

This submission strongly opposes the use of market mechanisms to protect koala habitat. The Discussion Paper asks how landholders can “participate in natural capital markets... that drive improved outcomes for koalas.”⁵¹

Market-based approaches to habitat conservation have no scientific or economic basis. Previous environmental markets have not proven effective in reducing biodiversity loss. The Australia Institute effectively demonstrated that the federal government’s proposal to establish a Nature Repair Market was not based on sound economic theory or evidence. The Nature Repair Market lacked the conditions for an effective market, such as well-informed buyers, a standardised product, even distributions of power, and integrity mechanisms.⁵² Habitat conservation is unsuited to protection by the private sector.

The failure of NSW’s existing biodiversity market, the NSW Biodiversity Offset Scheme, indicates these problems. The scheme has been the subject of two separate reviews in 2022 and 2023, both of which came to scathing conclusions in finding that the scheme was not protecting biodiversity.⁵³

For these reasons, this submission calls for protecting koala habitat through purchasing public land for the national park estate, instead of through “participation in natural capital markets”. Protected areas are widely recognised as a crucial way of preventing biodiversity

⁵¹ NSW DCCEEW (2024) *Reviewing the NSW Koala Strategy*, p 13

⁵² Hemming & Campbell (2023) *Beyond Repair*, The Australia Institute, <https://australiainstitute.org.au/report/beyond-repair/>; Hemming et al (2022) *Shorting the Environment*, The Australia Institute, <https://australiainstitute.org.au/report/shorting-the-environment/>; Hemming (2022) “Why a biodiversity market doesn’t work”, *The Saturday Paper*, <https://www.thesaturdaypaper.com.au/environment/2022/12/10/why-biodiversity-environment-market-doesnt-work>

⁵³ NSW Audit Office (2022) *Effectiveness of the Biodiversity Offsets Scheme*, <https://www.audit.nsw.gov.au/sites/default/files/documents/FINAL%20-%20Effectiveness%20of%20the%20Biodiversity%20Offsets%20Scheme.PDF>; Henry et al (2023) *Independent Review of the Biodiversity Conservation Act 2016: Final Report*, <https://www.parliament.nsw.gov.au/tp/files/186428/Independent%20Review%20of%20the%20Biodiversity%20Conservation%20Act%202016-Final.pdf>

loss and have been shown to improve outcomes for koala conservation.⁵⁴ The Australia Institute’s research has also shown that governments can successfully end native forest logging without market mechanisms.⁵⁵

Additionally, habitat corridors are a critical component of koala conservation through protected areas.⁵⁶ The NSW Government notes that koalas “require large and connected areas of habitat to eat, move, and breed.”⁵⁷ In 2023, the NSW Government committed to protect the Woronora wildlife corridor near Heathcote.⁵⁸

The new Strategy should include explicit targets for creating additional habitat corridors to connect koala habitat. An example of such a corridor is the Forest Bridge proposal, which would connect Bongil Bongil and New England national parks by protecting 1,650 hectares of the Pine Creek and Tuckers Knob state forests.⁵⁹ Logging is occurring in these state forests and the habitat corridor would allow koalas to safely travel between the two national parks.

Important koala habitat also occurs on private land.⁶⁰ Land clearing in NSW frequently occurs without consideration of impacts on biodiversity, and land clearing rates have increased dramatically in recent years, in part due to loosening of land clearing laws.⁶¹ Rather than prioritising market-based mechanisms to incentivise protection of this private

⁵⁴ Terraube et al (2023) “Protected area coverage has a positive effect on koala occurrence in Eastern Australia”, *Biodiversity and Conservation*, <https://link.springer.com/article/10.1007/s10531-023-02615-w>; Barnes (2016) “Protected areas are helping save our favourite animals – but let’s not forget the others”, *The Conversation*, <https://theconversation.com/protected-areas-are-helping-save-our-favourite-animals-but-lets-not-forget-the-others-64365>

⁵⁵ Bakonyi (2023) *Ending native forest logging without market mechanisms*, The Australia Institute, <https://australiainstitute.org.au/report/ending-native-forest-logging-without-market-mechanisms/>

⁵⁶ NSW Government (2023) “New expert advice on koala corridors”, <https://www.planning.nsw.gov.au/sites/default/files/2023-03/cpcp-new-expert-advice-on-koala-corridors-fact-sheet.pdf>; NSW Legislative Council (2020) *Koala populations and habitat in New South Wales*

⁵⁷ NSW Government (2023) “New expert advice on koala corridors”, p 1

⁵⁸ NSW DCCEEW (2024) *Reviewing the NSW Koala Strategy*

⁵⁹ Friends of Pine Creek (n.d.) “The Forest Bridge”, <https://friendsofpinecreek.com/the-forest-bridge/>

⁶⁰ National Parks Association of NSW (2018) *Saving koalas will take more than token gestures but the pathway is clear*

⁶¹ NSW Legislative Council (2020) *Koala populations and habitat in New South Wales*; Gorrey (2023) “Councils warn of surge in land clearing, biodiversity loss under NSW laws”, *The Sydney Morning Herald*, <https://www.smh.com.au/national/nsw/councils-warn-of-surge-in-land-clearing-biodiversity-loss-under-nsw-laws-20230113-p5ccec.html>; Nature Conservation Council (2023) *NSW clearing 640 football fields of land per day, the majority unexplained*, https://www.nature.org.au/nsw_clearing_640_football_fields_of_land_per_day_the_majority_unexplained; Ritchie et al (2021) “Destroying vegetation along fences and roads could worsen our extinction crisis”, *UNSW*, <https://www.unsw.edu.au/newsroom/news/2021/09/destroying-vegetation-along-fences-and-roads-could-worsen-our-ex>; Nature Conservation Council (2024) “Koalas dying as NSW Labor stalling on habitat clearing loopholes”, *The National Tribune*, <https://www.nationaltribune.com.au/koalas-dying-as-nsw-labor-stalling-on-habitat-clearing-loopholes/>

land, the NSW Government should create strong disincentives or prohibitions against clearing koala habitat on private land, while continuing to purchase private land for addition to the national park estate.

NSW KOALA SUMMIT

At the NSW Koala Summit held in March 2024, Minister Sharpe openly acknowledged that the current approach to koala conservation is not working.⁶²

Attendees at the Summit passed the following resolution:

That this Koala Summit

1. supports the NSW Government's commitment to the establishment of the Great Koala National park on the mid-North Coast of NSW;
2. notes the importance of State Forest native forest to the conservation of Koalas and other significant threatened species;
3. acknowledges the cultural significance of the Dunggirr (Koala) to the local Aboriginal people;
4. calls on the NSW Government to immediately institute a moratorium to the logging of the Great Koala National Park Investigation Area (176,000 hectares) until the boundaries of the Park are finalised and the Park gazetted.⁶³

This resolution demonstrates that the cessation of logging activities in the GKNP and its prompt gazetting has widespread support. As the review of the Strategy is to be informed by written submissions on the discussion paper *and* the outcomes of the NSW Koala Summit, the NSW Government should take this Summit resolution into serious consideration.

RECOMMENDATIONS

3. Immediately ban all logging in the *entire* proposed area of the Great Koala National Park and follow through on the NSW Government's commitment to establish the Park.
4. Abandon plans to generate carbon credits through the Great Koala National Park.
5. Establish habitat corridors to connect areas of koala habitat, including through the Forest Bridge proposal.

⁶² WIRES (2024) "NSW Koala Strategy Under Review Amidst Threat of Extinction", <https://www.wires.org.au/blog/nsw-koala-strategy-under-review-amidst-threat-of-extinction>

⁶³ Private correspondence with NSW Koala Summit attendee (2024)

6. Continue to purchase private land for addition to the national park estate. Prioritise conservation through government protected areas, instead of through market-based approaches.
7. Create stronger disincentives or prohibitions against clearing of koala habitat on private land.

Climate change and koala conservation

Climate change is a major driver of biodiversity loss, and koalas are no exception.⁶⁴ The current Strategy notes that climate change poses a serious threat to koalas. It notes that koalas are already experiencing worsening climate impacts and lists several important measures designed to assist them adapt to climate change.

Adaptation measures are essential, especially as climate change forces koala migration into coastal areas that are under increased pressure from urban development.⁶⁵ The Strategy should continue to strengthen climate adaptation measures.

However, the current Strategy does not refer to the primary cause of climate change: fossil fuels. The NSW Government is developing its new NSW Koala Strategy in the context of Australian state and federal governments continuing to expand fossil fuel production.⁶⁶ Even if these fossil fuels are destined for export, the emissions they produce still rebound to impact koalas back in Australia. Disasters such as the 2019-20 Black Summer bushfires demonstrate the devastating consequences of a changing climate for koalas.

Additionally, deforestation is a major contributor to climate change. At COP26 in 2021, Australia joined 143 other countries in pledging to “halt and reverse forest loss and land degradation by 2030”.⁶⁷ The current Strategy’s blind-spot on deforestation is therefore also a blind-spot on climate change.

The Australia Institute has published extensive research on climate policy at state and federal levels.⁶⁸ If the NSW Government is serious about preventing koala extinction and

⁶⁴ Cadman et al (2023) “Koalas, Climate, Conservation, and the Community”, *The International Journal of Social Quality*; Lunney et al (2013) “Extinction in Eden: identifying the role of climate change in the decline of the koala in south-eastern NSW”, *Wildlife Research*, <https://www.publish.csiro.au/wr/WR13054>; NSW Legislative Council (2020) *Koala populations and habitat in New South Wales*

⁶⁵ Hosking & McAlpine (2013) “The koala in the coalmine”, *The Conversation*, <https://theconversation.com/the-koala-in-the-coalmine-11693>

⁶⁶ Campbell et al (2023) *New fossil fuel projects in Australia 2023*, The Australia Institute, <https://australiainstitute.org.au/report/new-fossil-fuel-projects-in-australia-2023/>

⁶⁷ UK Government and UNFCCC (2021) “Glasgow Leaders’ Declaration on Forests and Land Use”, <https://webarchive.nationalarchives.gov.uk/ukgwa/20230418175226/https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>

⁶⁸ See for example, Hemming & Denniss (2023) *Submission: Senate inquiry into greenwashing*, The Australia Institute, <https://australiainstitute.org.au/report/submission-senate-inquiry-into-greenwashing/>; Morison (2023) *Climate of the Nation 2023*, The Australia Institute, <https://australiainstitute.org.au/report/climate-of->

doubling koala numbers by 2050, it cannot continue to approve new fossil fuel projects and should be rapidly phasing out current fossil fuel use. It should also be banning deforestation in koala habitat, not only to preserve said habitat, but to increase carbon sinks and mitigate climate change.

The NSW Government's response to the NSW Legislative Council's inquiry into koala populations and habitat in NSW supported in principle the recommendation that

the NSW Government factor in climate change as a key consideration in the drafting of all relevant legislation and planning strategies and ensure climate change mitigation is a core component of all strategies to save the koala in New South Wales.⁶⁹

The new Strategy is an opportunity for the NSW Government to implement this recommendation. No koala conservation strategy can credibly claim to be preventing koala extinction without reducing both fossil fuel use and deforestation.

Fossil fuel extraction also involves extensive water use, which diverts water from ecosystems and the koala populations they sustain. The NSW Legislative Council's report notes that "mining and its extraction of water can reduce the abilities of trees to survive drought, which in some areas, could have severe and prolonged effects on koala feed resources."⁷⁰ The continued expansion of coal and gas mining therefore threatens koalas by worsening climate change *and* by diminishing local water supply. Climate change, in turn, may further diminish water supply through increased temperatures and more severe droughts.

RECOMMENDATIONS

8. Explicitly acknowledge in the NSW Koala Strategy that fossil fuel use and deforestation are causing climate change, which is in turn impacting koalas.

the-nation-2023/; Campbell et al (2023) *Fossil fuel subsidies in Australia 2023*, The Australia Institute, <https://australiainstitute.org.au/report/fossil-fuel-subsidies-in-australia-2023/>; The Australia Institute (2024) "Climate Integrity Summit 2024", <https://australiainstitute.org.au/event/climate-integrity-summit-2024/>

⁶⁹ NSW Government (2020) *NSW Government Response Inquiry into koala populations and habitat in New South Wales*,

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/2536/Koala%20populations%20and%20habitat%20in%20New%20South%20Wales%20-%20Report%203%20-%20Government%20response.pdf>, p 7

⁷⁰ NSW Legislative Council (2020) *Koala populations and habitat in New South Wales*, p 46

No delay, no excuses, no carbon offsets

Conclusion

The NSW Government was elected on the promise that they would improve environmental policy and the state of koala populations. However—much like the Albanese Government’s failure to live up to high expectations on environment and climate policy—they have consistently failed to deliver on these promises.

Koalas are iconic Australian animals and attract significant public attention. Conserving koalas should be easier and more politically acceptable than conserving other, less broadly attractive species. Moreover, the koala is an “umbrella species,” meaning that conservation actions aimed at protecting koalas will also improve conservation outcomes for other species in the ecosystem.⁷¹ Despite these factors, the NSW Government is still failing to act.⁷²

The pathway to preventing the extinction of koalas is clear. The recommendations put forward in this submission are necessary steps that the NSW Government should take if it wishes to protect koala populations.

⁷¹ Ward et al (2019) “Use of surrogate species to cost-effectively prioritize conservation actions”, *Conservation Biology*, <https://conbio.onlinelibrary.wiley.com/doi/full/10.1111/cobi.13430>

⁷² McAlpine et al (2015) “Conserving koalas: A review of the contrasting regional trends, outlooks and policy challenges”, *Biological Conservation*, <https://www.sciencedirect.com/science/article/abs/pii/S0006320715301130>