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Ms Christine McDonald
Committee Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: ec.sen@aph.gov.au

Dear Ms McDonald

Inquiry into Australia's Faunal Extinction crisis – response to adverse allegations raised against Forestry Corporation of NSW.

Thank you for your letter to Forestry Corporation's CEO, Mr Nick Roberts highlighting a series of adverse allegations raised in submissions to the inquiry by South East Forest Rescue and North East Forest Alliance. As can be seen from the submissions, these two organisations have a long-history of opposing native forestry and timber harvesting and raising allegations of non-compliances to our independent regulator. Of note, the regulator then carefully investigates these allegations, and on occasions where these allegations are substantiated, takes further regulatory action. This history is well reported in the public domain at <https://www.epa.nsw.gov.au/your-environment/native-forestry/integrated-forestry-operations-approvals/annual-reports>. The premise that Forestry Corporation of NSW (FCNSW) or the native forest industry generally is out of control or not subject to scrutiny or review could not be further from the truth.

An important consideration or context to these allegations are the current licences that FCNSW operate under which contain thousands of conditions, many of which are confusing, conflicting, subjective or were written as guidance material that is ill-suited to enforcement. This has resulted in substantial difficulties for FCNSW as an operator and our regulators over the years to determine compliance and sometimes agree on the intended outcome of conditions. One of the key premises of the NSW Government's current Integrated Forestry Operations Approval (IFOA) remake is to establish simpler, more enforceable and more practical conditions. Ultimately these conditions should be easier to demonstrate compliance.

Of the allegations of unlawful practice raised by South East Forest Rescue highlighted in your letter, I can confirm that we did, most regrettably, conduct a burn in Smoky Mouse habitat which led to a prosecution for harming Smoky Mouse habitat. The other allegations of 'unlawful behaviour' are of a more general nature relating to Regional Forest Agreements (RFA) and Ecologically Sustainable Forest Management (ESFM) reporting and we reject that this is the case. FCNSW takes a proactive approach to ensure we are acting in a legal manner which is reflected in our annual reports and maintenance of independent certification of our Forest Management System under both ISO140001 and AS4708 (Sustainable Forest Management). FCNSW contributes to State of the Forest Reporting and to the review of the

RFA, along with the other state and federal agencies responsible for ESFM. The RFA independent reviewer's report identified that whilst implementation of the RFAs has not been perfect, considerable progress has been made. While the state and commonwealth agencies may jointly not have met all the requirements of the RFAs, this does not equate to FCNSW operating in an unlawful manner. Similarly, individual allegations of site-specific breaches of conditions, does not demonstrate that FCNSW is operating in an unlawful manner. These are investigated by the EPA and where appropriate, further regulatory action taken.

The North East Forest Alliance allegation that the application of Single Tree Selection is unlawful is rejected. FCNSW and our regulator (NSW Environment Protection Authority – EPA) have maintained a difference of opinion regarding the current Single Tree Selection conditions and agreed to resolve this via the IFOA remake process. This has led to the development of conditions for the draft IFOA that will overcome this difference of opinion and overcome this disagreement. Despite this, FCNSW has legal advice that the current application of Single Tree Selection is lawful, and this has been supported by an independent investigation following a complaint by environment groups to our certifying body.

The North East Forest Alliance made a series of allegations on illegal or unlawful practice regarding surveys for koalas, rare plants and rainforest protection including one that FCNSW deliberately miss record to make more areas available for harvesting. FCNSW strongly rejects the notion that our surveys are substandard or not done with the intent of triggering protection requirements. In recent years, FCNSW has identified over 1 million individual threatened species, at around 50,000 sites from over 300 different species. This is hardly the result of not looking. However, many of these threatened species are cryptic and we are the first to recognise it is impossible to identify and protect every single individual every time.

This is the basis of the Threatened Species Licence that recognises harm to individuals has potential to occur and mitigates this risk through processes such as surveys and protection zones. When dealing with so many sites, records and complexity in the natural environment it is the unfortunate reality that sometimes systems and processes will break down and features requiring protection are not protected as expected. When this occurs, there are both internal procedures and independent audits by the regulator to review the circumstances and recommend practices to reduce these risks. These internal review processes are required to maintain certification and we are proud to report significant advances in processes to reduce these risks.

Since 2010, FCNSW has undertaken substantial investments in LiDAR acquisition, stream modelling, habitat modelling, survey methods, development of a field-based Map Application, GPS use, utilisation of drone technology and reporting tools to revolutionise our approach to licence compliance and improved forest management. FCNSW calls it precision forestry and the following images provides details of what this looks like.

Figures 1 and 2 compare the revised stream protection proposed. FCNSW acquired the LiDAR data to support this remapping and our staff investigated the best options of modelling stream locations to develop accurate stream maps. Accurate stream maps are crucial to the development of GPS based identification and protection of habitat features.

Figures 3 and 4 are examples of the Map Application that has been developed. This tool allows every record of a threatened species and every tree or feature requiring retention to be identified at the time it is located with GPS accuracy. The tools capture who, what, when and where it was captured and allows the data to be shared between devices automatically. Corporate databases are updated every night as devices are synchronised.

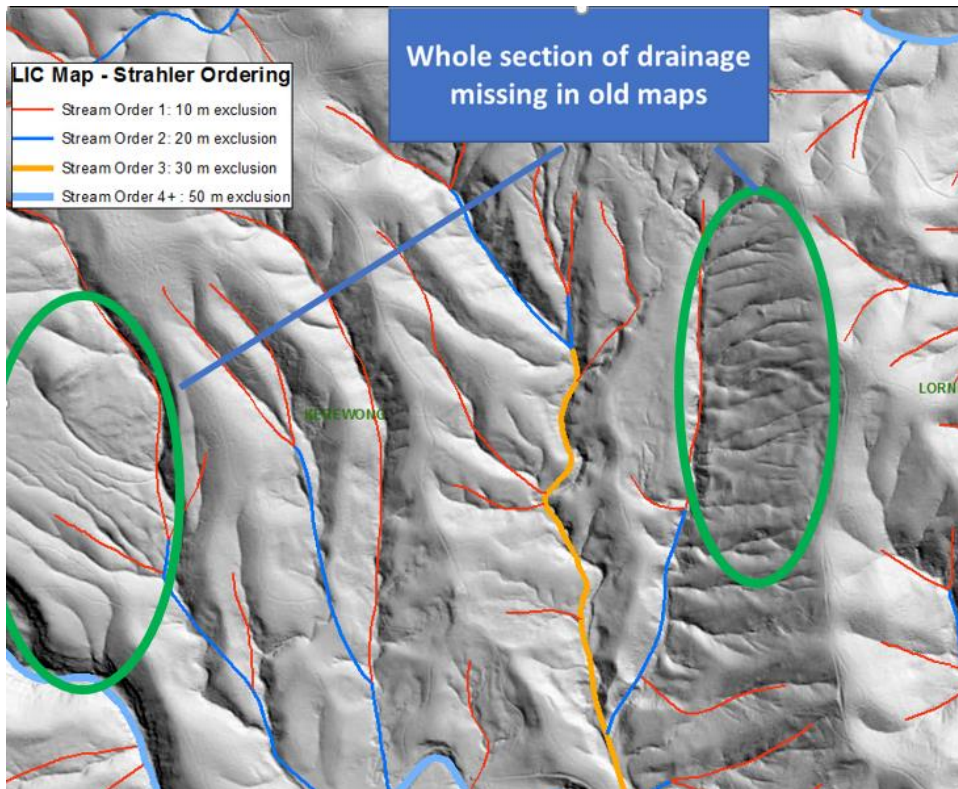


Figure 1: Old Stream (LIC) mapping and classification draped over a LiDAR derived ground surface model.

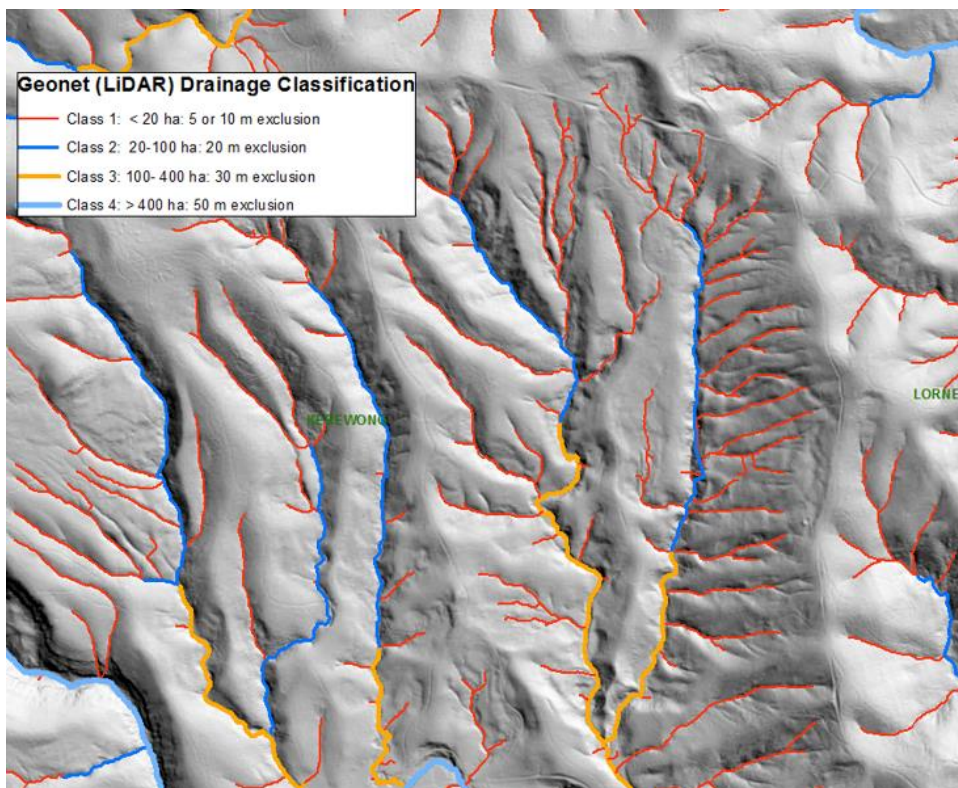


Figure 2: New modelled stream locations (Geonet) and catchment area classification system draped over a LiDAR derived ground surface model. This is the protection model proposed for the new IFOA.



Figure 3: Example of the FCNSW developed Map Application in use in a harvesting machine showing its location in relation to mapped features such as harvest exclusion zones.

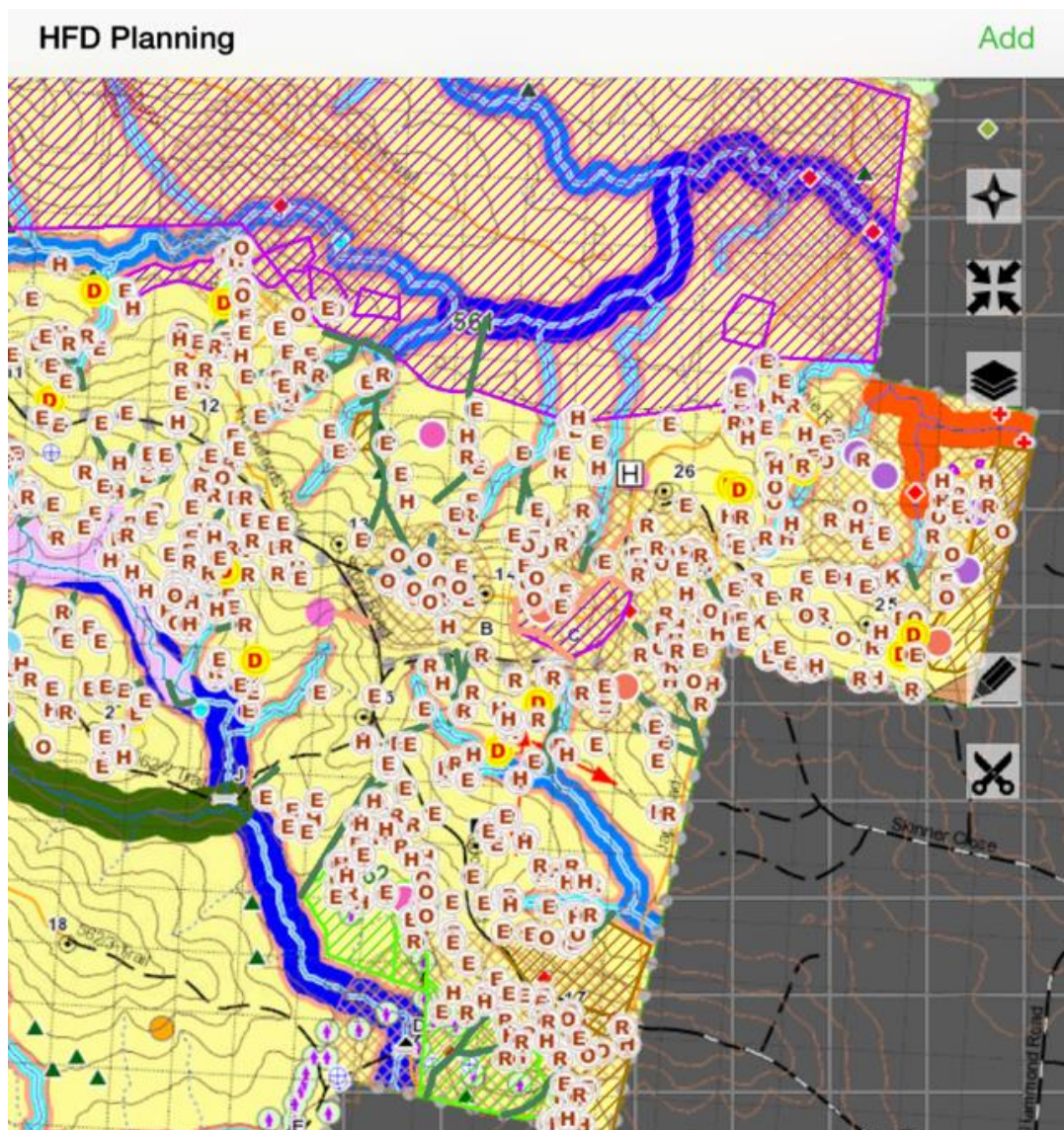


Figure 4: Screen shot of Map Application showing retained tree locations over a harvest plan map.

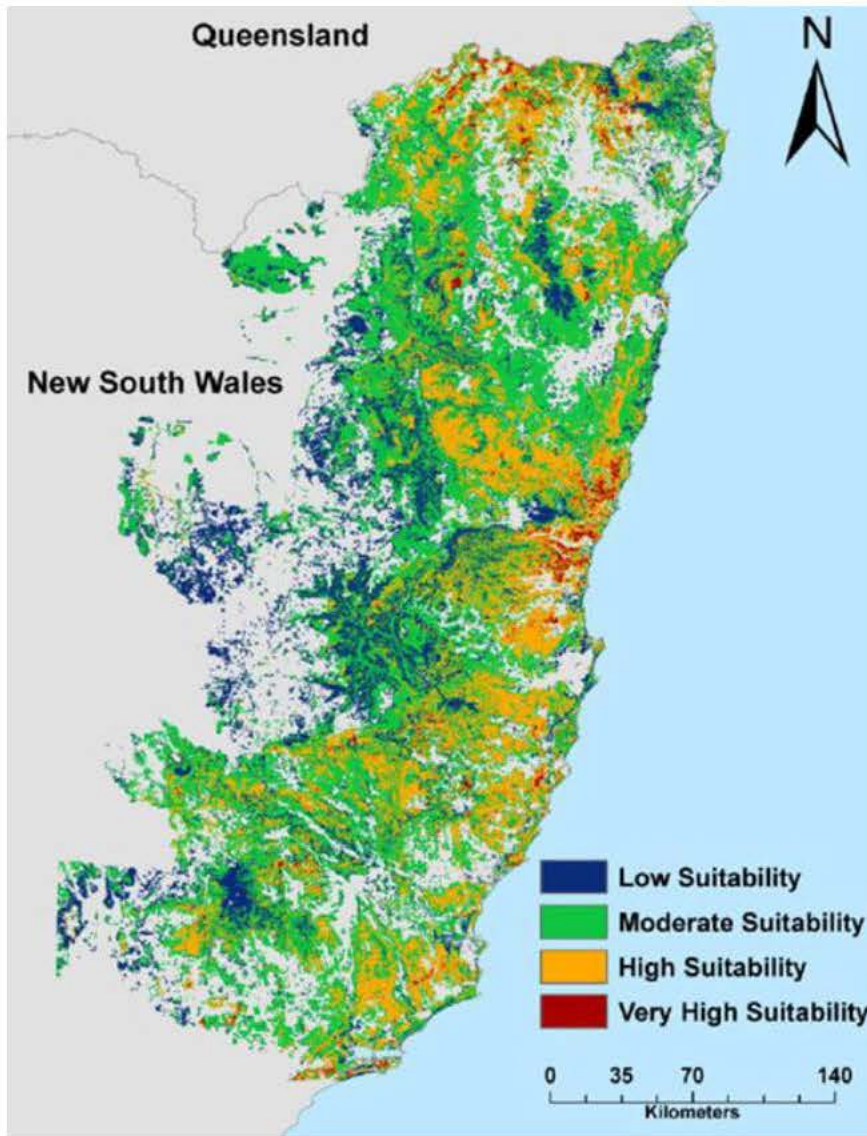


Figure 5: Cross-tenure Koala habitat model developed by DPI in collaboration with FCNSW.

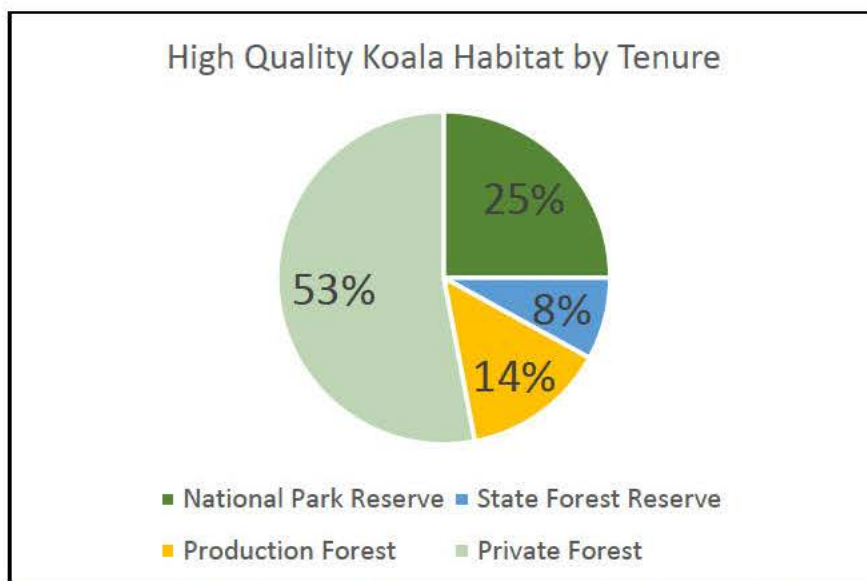


Figure 6: Modelled Koala habitat (1.66M ha) for North Coast NSW by tenure class.

Figure 5 and 6 represent the collaboration on Koala modelling, surveys and research with the Department of Primary Industries – Forest Science team (Dr Brad Law) which has developed a much better understanding of koala habitat and the capacity to monitor populations with new methods.

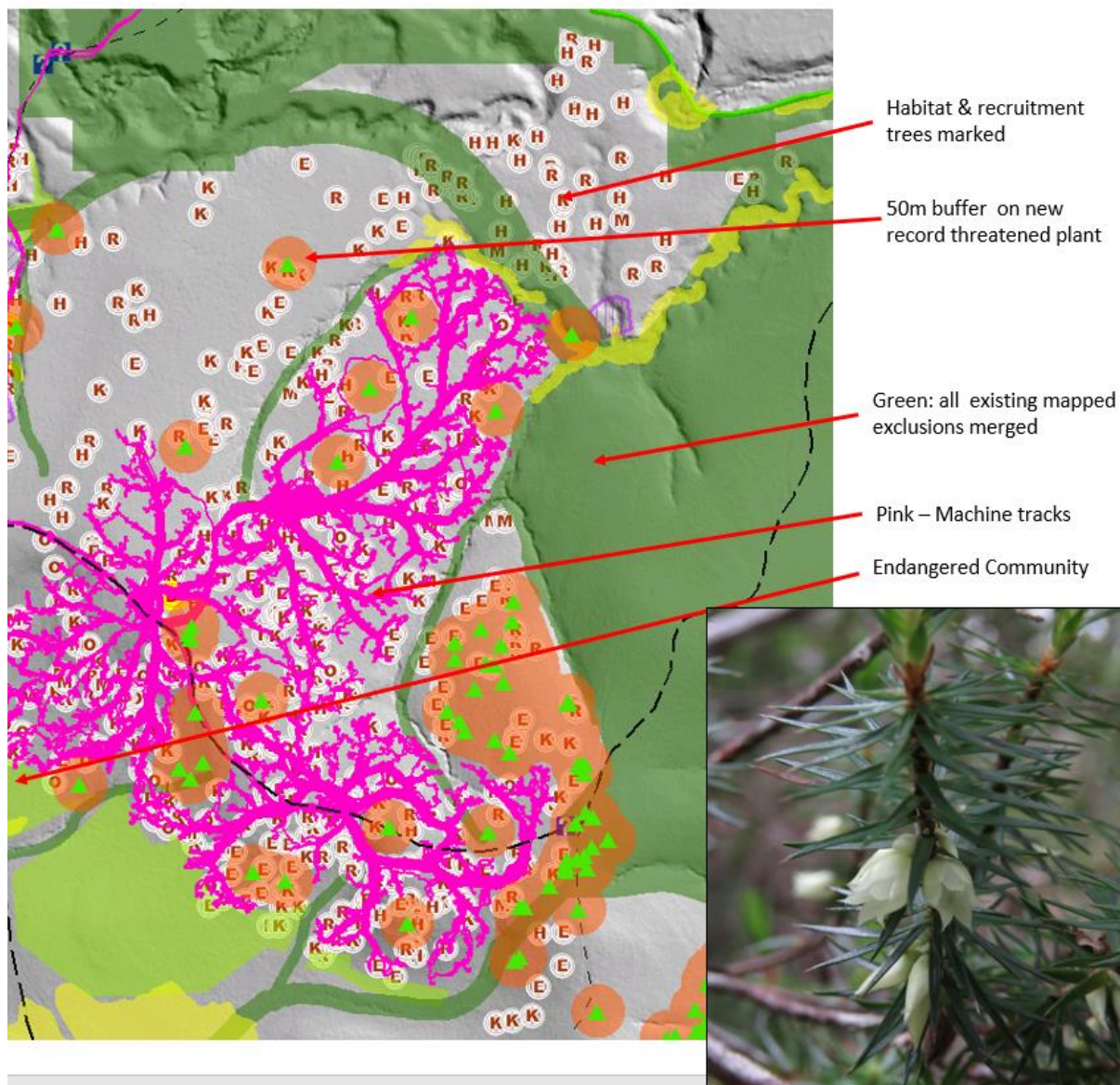


Figure 7 – Example of harvester track locations (pink) captured in the Map Application showing the successful avoidance of the identified rare plant locations (*Melichrus gibberagee*). Over 75 new locations were identified and protected in front of harvesting operations.

Through the implementation of new technology FCNSW is in a far better position to manage the numerous threatened species records and habitat features that occur and to track compliance with licence requirements. This information is available to the regulator to ensure scrutiny of operations is easier and more thorough than ever before.

In regard to the Senate Committee's inquiry I would like to take the opportunity to highlight a few key and relevant facts around the native forests in New South Wales;

- Native forests are generally the best represented communities in the reserve system because of the substantial transfers that occurred during the establishment of Regional Forest Agreements. In fact, over 25% of the NSW North Coast bioregion and 43% of the South East Corner bioregion are protected in the National Park estate.
- FCNSW's activities are independently certified to the AS4708 - sustainable forest management standard.
- The implementation of ESFM principles on State forests means that about one-half of the native State forest estate is permanently protected in NSW.

- The annual area of forest harvested is only about 1% of the total State forest area.
- Since corporatisation, the Hardwood Forest Division which manages the native State forest estate has reported positive economic returns consistently since 2014.
- Native forestry is not a key agent of decline or threat to further extinctions in New South Wales. This is illustrated in many ways, none more so than the enormous number of threatened species we continue to detect in previously harvested and regrown forests.

Yours sincerely

Dean Anderson
General Manager
Hardwood Forests