



## TIMBER NSW

6 November 2015

Mr Nick Roberts  
CEO  
Forestry Corporation of NSW  
121-131 Oratava Avenue  
West Pennant Hills NSW 2119

Dear Mr Roberts,

**Re: Submission on draft Forest Management Plans**

I refer to your organisation's letter of 9 October 2015 inviting feedback on Forestry Corporation's draft Forest Management Plans.

In relation to the Softwood Plantation Division Forest Management Plan we have no specific comment.

Our review of the draft Hardwood Forest Division Forest Management Plan (FMP) has identified a number of issues to which we have responded. Where practicable our comments have been aligned with the draft FMP's section headings.

Management Framework

Under the section titled Management Framework we note that emphasis has been placed on the Forestry Corporation as a new corporation operating independently under a new Forestry Act. An explanation of the broader public forest governance framework is also needed to put this role into context. In particular the draft FMP should make clear how it fits with the following:

- The National Forest Policy Statement
- Australia's Sustainable Forest Management Framework of Criteria and Indicators 2008 - Policy Guidelines
- The three Regional Forest Agreements that respectively cover Eden, Southern and North East NSW
- The four NSW Forest Agreements that respectively cover Eden, Southern, Lower North East and Upper North East NSW
- The four Integrated Forestry Operations Approvals (IFOAs) and the proposed Coastal IFOA Remake

Forestry Corporation's website states that Ecologically Sustainable Forest Management (ESFM) is the guiding philosophy behind the management of Forestry Corporation. Some explanation is therefore warranted around its decision to consolidate six Regional ESFM Plans - that respectively cover Eden, Southern-Tumut, Southern-South Coast, Lower North East and Upper North East NSW - into a single FMP. In

particular it would be beneficial to explain how ESFM will be effectively addressed under the new approach.

Page 11 of the draft FMP states that ‘A separate forest management plan has been produced for the Western Forests’. It is not clear whether this is a new plan (not yet publicly available) that will replace the 2008 vintage Riverina and Western ESFM Regional Plans or not?

Consideration should be given to changing the name of the FMP as in its current form it is only covering around two thirds of the Hardwood Division’s State forests.

The draft FMP states that...this FMP will meet the ESFM Plan requirements outlined in the FAs (Table 1 – p7). The FAs however all require that ESFM Plans must be regionally based (figure 1).

Figure 1 – Extract from Upper North East Forest Agreement

**2.2.1 Regional ESFM Plans**

*SFNSW\** must implement its commitments and obligations under this agreement and *RFA\*s\** through the preparation of a Regional *ESFM\** Plan. The Regional *ESFM\** Plan must have the status of a management plan under the *Forestry Act* 1916. It must be subject to public exhibition and consultation. *SFNSW\** must develop a Regional *ESFM\** Plan by 1 April 2000.

Regional *ESFM\** Plans must outline the process for systematic assessment of *cultural heritage\** to allow for broad *cultural heritage\** planning at a regional level.

Regionally based ESFM Plans remain important to the industry as they are applied at the same scale as that which the industry operates. The ESFM criteria and indicators that are of greatest importance to the timber industry are detailed below in Table 1. Monitoring and reporting on the Forestry Corporation’s compliance with these criteria is in our view fundamental to having a sustainable industry.

Table 1 - ESFM criteria, indicators and targets that are of greatest importance to the timber industry

2. Maintenance of productive capacity of forest ecosystems	2.1.a	Area of forest land and net area of forest land available for timber production.
	2.1.b	Total growing stock of both merchantable and non-merchantable tree species on native forest land available for timber production.
	2.1.d	Annual removal of wood products compared to sustainable volume.
	2.1.f	Area and percent of plantation established meeting effective stocking one year after planting.
	2.1.g	Area and percent of harvested area of native forest effectively regenerated.
	3.1.a	Area and percent of forest affected by processes or agents that may change ecosystem health and vitality. (narrative as interim)
	3. Maintenance of ecosystem health and vitality	
6. Maintenance and enhancement of long term multiple socio-economic benefits to meet the needs of society	6.2.c	Number of visits per annum. (Recreation and tourism)
	6.4.c	Change in condition and number of recorded places, artefacts, sites, buildings or other structures. (Cultural, Social, Spiritual)
	6.5.a	Direct and indirect employment in the forest sector and forest sector employment as a proportion of total employment.

Timber NSW is concerned that ESFM is no longer the guiding philosophy behind the management of Forestry Corporation. Evidence supporting our view includes:

- The six coastal ESFM Plans, originally approved in 2005, were due to be updated in 2010 but this never occurred. The plans are arguably now 5 years out of date.
- ESFM is meant to be based on (amongst others) the development of an internationally competitive forest products industry. The recent North Coast 2023 decision clearly revealed that Forestry Corporation’s management priorities are not aligned with this goal.

- Forestry Corporation only reports ESFM performance at a divisional scale. Divisional scale reporting is of interest to the public but it is of little value to industry that relies on the Forestry Corporation to perform at a regional level.
- Forestry Corporation has not been undertaking its obligations under the existing Regional ESFM Plans. Eden Region provides the best example of the consequence of this non-performance. Ongoing shortfalls at Eden between predicted and actual sawlog yields have remained unaddressed for many years. The failure to monitor, report and act in a timely manner at Eden took away the opportunity to intervene and reinstate sustainable harvesting practices before the region's sawlog resources were irrevocably depleted. This situation starkly contrasts the government's official position in 1998 which stated that the calculated long term sustainable supply up to year 2040 is approximately 26,000 m3 per annum (Eden FA).
- The draft FMP says that the Forestry Corporation will monitor and report biodiversity conservation performance to Montreal criteria standard and monitor operational implementation compliance. No equivalent commitment has been made *to monitor and report on its socio-economic performance* (at either a divisional or regional level). It remains unclear how the Forestry Corporation's performance against the criteria in Table 1 will be achieved.
- Forestry Corporation has already realigned its business and forest management practices to match with its draft FMP.

#### Forest estate and timber production

Timber NSW notes the section titled North coast – transition to sustained yield. Timber NSW expected the draft FMP would have included a comparable section titled Eden – transition to a new resource (or something similar). It is now open knowledge that Eden's sawlog resources have been prematurely exhausted and that this has created a 15 year gap before regrowth resources reach a merchantable sawlog size (using existing sawing technology). To avoid mentioning such a significant issue suggests that the Forestry Corporation no longer subscribes to open and transparent governance.

#### Regeneration Assessments

Effective regeneration is critical and fundamental to ESFM. If a forest management agency is unable to commit to effectively regenerate its forests after having profited from their harvest it should not in our view be in the business of forestry. Further, every hectare of harvested forest not effectively regenerated undermines the long term productivity of the forest and the future viability of the industry.

Timber NSW would like to see the Forestry Corporation commit to meeting specific regeneration targets and a transparent system of monitoring and reporting that ensures that it remains accountable for achieving these targets.

#### Silviculture

Effective matching of silvicultural practice and forest condition is (like effective regeneration) critical and fundamental to ESFM. Timber NSW is pleased to see that the draft FMP gives some consideration to forest silviculture.

Timber NSW is concerned however that the NSW EPA is seeking to remove all reference to silviculture under its Remake of the Coastal IFOAs. The apparent inconsistency between the EPA's position and the draft FMP is deeply concerning.

#### Forest ecosystem health

##### *Biodiversity and forest health*

The biodiversity and forest health section of the draft FMP provides some limited insight into the extent of the problems which are associated with invasive weeds and bell-miner associated dieback. Forestry

Corporation indicates that where practicable it will use low intensity fires to mitigate these problems. Forestry Corporation’s fire management record however suggests that this is not occurring in practice (figure 2).

Declining forest health associated with the reduced use of fire, invasive weeds and bell-miner associated dieback is of critical importance to the industry as it directly affects wood supply and the long term productivity of the forest.

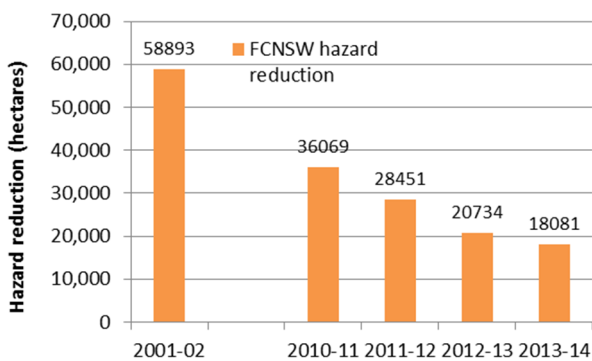
The lack of detail in the biodiversity and forest health section is disappointing as is the absence of any clear commitments or targets. Commitments and targets are considered essential if the rate of spread of forest decline is to be arrested.

*Fire management*

Similarly to the section on biodiversity and forest health, Timber NSW is disappointed by the absence of any targets or commitments. In essence all the draft FMP says is that Forestry Corporation will follow the rules and procedures which have been in place for many decades.

Forestry Corporation’s declining commitment to fire management is highlighted by its hazard reduction record (Figure 2) as well as its reduced expenditure.

Figure 2 – Forestry Corporation Hazard Reduction Areas by Year

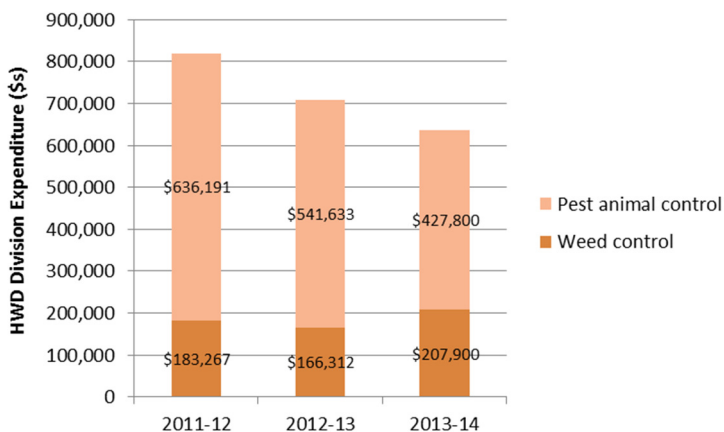


Source: FCNSW sustainability supplement reports

*Pest animal and weed management*

The sections on pest animal management and weed management are similar to the other land management sections. They do not venture beyond being high level “motherhood” statements and fail to declare that the Forestry Corporation is progressively reducing its commitment to these activities which are now at a very low level (figure 3).

Figure 3 - Forestry Corporation expenditure on pests and weeds



Source: FCNSW sustainability supplement report

## Our Community

It is apparent from the section in the draft FMP on Our Community that Forestry Corporation seeks to limit the role of its stakeholders. Timber NSW is disappointed that the Forestry Corporation has failed to acknowledge the interdependence which exists between itself, the community and the industry. Major strategic planning decisions made by the Forestry Corporation can and do have a profound effect on the industry and regional communities. These effects extend well beyond the Forestry Corporation's commercial bottom line.

At the bottom of page 56 the draft FMP states that the draft FMP was placed on public exhibition, comments and submissions were reviewed and stakeholders advised of how their input had been considered. The inclusion of this statement prior to these actions having occurred can be construed as somewhat offensive and suggestive that the Forestry Corporation's consultation is disingenuous and process driven.

In the draft FMP Forestry Corporation provides a schematic of a Continuous improvement cycle (Figure 3) and states:

- The FMS ensures we have a process to identify and resolve issues and continuously improve our operations
- The FMS encapsulates a system of monitoring, auditing and reviewing processes, which allows for continuous improvement and adaptive management

The perilous state of the Eden sawlog supply situation suggests that Forestry Corporation's internal 'continuous improvement processes' may not be working as well as they might. There are some salient lessons to be learnt from the strategic and operational wood supply planning failures that have occurred at Eden. In Timber NSW's view these lessons are unlikely to be learnt while ever the Forestry Corporation continues to downplay them and deny that the community and industry has a role in finding a solution.

## Concluding remarks

Timber NSW notes that the draft FMP is a simple document containing many "motherhood" statements, limited detail and no real commitments beyond those to which the Forestry Corporation is legally bound or which it has a commercial interest.

The plan represents a clear departure from the far more comprehensive regionally based ESFM Plans. Timber NSW acknowledges the need to update the ESFM Plans but does not support the transition to a less transparent divisional scale approach.

Forestry Corporation's new approach will undoubtedly enhance its bottom line but should not be expected to come without cost to government, industry and regional communities over the medium and longer term.

Yours faithfully,



**Maree McCaskill**  
General Manager