



29 April 2009

MEDIA RELEASE

AUDITOR-GENERAL'S REPORT

Sustaining Native Forest Operations

The Auditor-General, Mr Peter Achterstraat, today called for improvements in the management of native forests for the supply of timber in NSW.

"To meet supply commitments, the native forest managed by Forests NSW on the north coast is being cut faster than it is growing back. This will eventually result in a reduction in the available timber", he said.

"Forests NSW will have to rely on its hardwood plantations for future supply but it needs to improve its estimates of these resources so Government knows how much timber it can safely sell.", Mr Achterstraat added.

It was also revealed that native forest operations ran at a loss of over \$14 million in the 2007-08 year.

"I can only see this loss increasing as Forests NSW continues to look for new sources of hardwood timber and the costs of harvest and haulage increase. This will be very difficult to manage", Mr Achterstraat explained.

These were some of the findings that were released today by the NSW Audit Office in a report into 'Sustaining native forest operations'. The audit report looks at whether Forests NSW can manage the supply of hardwood to meet wood supply commitments and sustain our native forests.

Mr Achterstraat outlined his solutions to these problems.

"Forests NSW needs to revisit its estimates of future supply, especially for hardwood plantations and for southern region where reviews are well overdue. The Government needs to ensure the safety valve is reinstated in future contracts allowing a reduction in commitments if the timber is not available. And Forests NSW should also review its pricing in an effort to reduce its losses."

The good news is that Forests NSW should have enough hardwood timber to meet its current commitments until 2023, but Government needs to do a lot more work before it commits to new contracts.

Mr Achterstraat summarised the report by stating:

"Our forests are one of our most important natural resources. Harvesting them must be done sustainably and economically. We need to carefully manage our forests so they will be available for future generations."

Further Information

Barry Underwood, Executive Officer, 9275 7220 or 0403 073 664

The full report is available on the Audit Office's website www.audit.nsw.gov.au