
Appendix one – Responses from agencies

Response from Forestry Corporation of NSW



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13/06/2023
Ref No.: F22/216

Margaret Crawford PSM
Auditor-General for NSW
GOP Box 12
Sydney NSW 2001
E: mail@audit.nsw.gov.au

Dear Ms Crawford

Thank you for your correspondence of 16 May 2023 regarding the final report of the Performance Audit on native forest regulation.

Forestry Corporation has significantly increased its efforts in compliance over the past three years through investment in additional resources, training and technology, and is confident its Forest Management System, which is independently audited on a regular basis, is a solid base for the appropriate procedures and practices to ensure ongoing compliance with the Integrated Forestry Operations Approvals.

Forestry Corporation monitors compliance at multiple levels through on-ground monitoring; quality assurance assessments; and independent thematic and end-to-end internal audits.

The Forest Management System is predicated on continuous improvement and Forestry Corporation will carefully consider the findings and recommendations to pursue any opportunities to improve the compliance framework. Please see overleaf for our responses to the recommendations (Attachment 1).

I would like to thank the team from the Audit Office of NSW for their professionalism and collaborative approach during this audit. The Corporation appreciated the opportunity to meet regularly with your staff during the audit and provide feedback and clarification as required.

If you have any further queries please contact Dr Ross Dickson, General Manager of Governance and Assurance at _____ or via phone at _____

Yours sincerely

A handwritten signature in blue ink, appearing to read "Anshul Chaudhary".

Anshul Chaudhary
CEO

Attachment 1 – Forestry Corporation response to recommendations 13 June 2023

Recommendation	Comment
Ensure all staff have completed relevant training in regulatory requirements to support their work, including the requirements of Integrated Forestry Operations Approvals	As the report noted, the vast majority of relevant staff have been trained as required under the IFOAs. Training programs are run regularly and Forestry Corporation is finalising its training program for future years. Forestry Corporation expects to complete any outstanding training for existing staff performing tasks under the CIFOA over the coming year. Forestry Corporation also has a training module for all staff focused on its Forest Management System.
Ensure consistent data capture of quality assurance assessments, including consistently recording the reason for a 'fail' and confirming whether it has been addressed	Forestry Corporation recognises the opportunity for improvement in the consistency of data capture and will address this through a review of the relevant Standard Operating Procedures.
Improve the consistency of its quality assurance assessment process by developing guidance for the southern and Western regions and monitoring the implementation of guidance by staff across all regions	Forestry Corporation recognises this opportunity for improvement. The Standard Operating Procedure concerning Quality Assurance Audits (QAAs) developed for the north coast is currently being reviewed for application to the south coast and western regions.
More effectively target its compliance and monitoring activities by: <ul style="list-style-type: none"> • targeting compliance activities on the basis of highest risk • collating quality assurance assessment data to identify potential sources of risk and focussing on these activities as part of compliance and monitoring activities 	<p>Forestry Corporation does consider the risks in targeting its compliance and monitoring activities at native forest harvest sites and will work to document these processes and decisions more clearly.</p> <p>The compliance monitoring framework for native forests includes multiple tiers of assurance. QAAs are just one tier and are primarily intended to identify and ensure rectification of any potential compliance issues as well as monitor other aspects of contractual arrangements like safety and commercial performance.</p> <p>Forestry Corporation will consider how compliance monitoring data can feed into the risk assessment process.</p>
Measure its overall rates of compliance to determine if it is meeting its target of 100% compliance.	Forestry Corporation will consider what metrics it could use to better report against compliance targets.
Fully implement the signed Memorandum of Understanding setting out the approach both agencies will take to developing a cooperative relationship	Forestry Corporation and the EPA have already commenced discussions on implementation of the MOU more fully and Forestry Corporation is committed to pursuing these opportunities for a cooperative relationship.

Response from NSW Environment Protection Authority



Your ref: D2307862
Our ref: DOC23/414827

Margaret Crawford PSM
Auditor General for New South Wales
Audit Office of NSW
Level 19, Darling Park Tower 2,
201 Sussex Street, Sydney NSW 2000

13 June 2023

By email: mail@audit.nsw.gov.au

Dear Ms Crawford

Thank you for your correspondence on 16 May 2023 regarding the final Report of the Performance Audit on Regulation of Public Native Forestry. I am grateful for the opportunity to respond to this final Report on this important matter.

Having reviewed the Report in detail, I am pleased to advise that the NSW Environment Protection Authority (EPA) accepts each of the recommendations in the Report pertaining to the EPA, as well as the one recommendation applying to both Forestry Corporation of NSW (FCNSW) and the EPA.

In relation to recommendation 6, concerning risk assessments of Western Integrated Forestry Operations Approval (IFOA) areas, the EPA will document its decision-making process for assessing the risk ratings of the Western IFOAs.

In relation to recommendation 7, relating to the number of staff available to conduct forestry inspections, the EPA will continue to conduct the Forestry Skills Development Program, which will increase the number of staff trained to a high degree.

In relation to recommendation 8, relating to ensuring that the EPA's operational staff have the equipment necessary to undertake forestry operations, we will undertake an audit of all forestry equipment to ensure all officers have access to all necessary equipment.

In relation to the joint recommendation that FCNSW and the EPA fully implement the signed Memorandum of Understanding setting out the approach both agencies will take to develop a cooperative relationship, we will continue to discuss further with FCNSW.

Lastly, I would like to thank you for the collaborative approach your office has taken by engaging with us through various stages of the audit process. I would like to acknowledge that the interactions with your team have been collegiate and professional, and I'd like to commend the Audit Office staff on their transparent and cooperative approach.

Yours sincerely

A handwritten signature in black ink that reads 'Tony Chappel'.

TONY CHAPPEL
Chief Executive Officer

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