

Dear Stakeholder,

**RE: NF McDonnell & Sons Softwoods chain of custody and controlled wood certification – management and protection of High Conservation Values**

Background

NF McDonnell & Sons has a long 65-year history in the timber industry, today employing about 120 people at the Suttontown Mill in Mount Gambier.

The current business model is based on the conversion of small diameter logs into products suitable for the packaging and fencing industries. The mill currently consists of raw material storage, two sawmill lines and final product storage facilities (including sawn timber, woodchip and sawdust).

NF McDonnell & Sons has been independently certified to the FSC chain of custody and controlled wood standards since 2016.

NF McDonnell & Sons is undertaking annual consultations with identified stakeholders regarding the forest management activities of its suppliers. Current suppliers include OneFortyOne, Green Triangle Forest Products (GTFP) and material from small private plantations that are typically one-off suppliers. The management activities relate to supplies of *Pinus radiata* material for 2019 from South Australia and Victoria.

Part of the process requires us to examine the practices of our suppliers of plantation grown softwood logs to ensure that they are managing High Conservation Values (HCV) in their forestry operations.

To qualify, suppliers must demonstrate a strong system of control and that control must be supported by a majority of stakeholders.

There is a published risk assessment developed for Australia which is available from the website [www.info.fsc.org](http://www.info.fsc.org).

We now need to ask you if you believe the control measures implemented by our suppliers to identify and protect HCVs and the risk mitigation measures NF McDonnell & Sons are implementing to avoid trading in material where HCVs have been threatened by management activities are adequate.

For the purpose of this consultation, HCV's are split into six categories, some of which may not apply.

**Please review the information appended to this paper (below) and record your responses in the spaces.**

NF McDonnell & Sons appreciates your time and input into the consideration of our process of assessing our suppliers' management of high conservation values. Please return your comments electronically and email to **Ken Sanders by the 28/11/2018 at [Ken@mcdindustries.com.au](mailto:Ken@mcdindustries.com.au)** Please also email if you would like to be removed from our stakeholder database.

Name:		Date:	
Organisation:			

**Do you agree to have your comments anonymously published by NF McDonnell & Sons? Yes / No**  
(please delete whichever not applicable)

- **HCV 1. Forest areas containing globally, nationally and regionally significant concentrations of biodiversity values (eg., endemism, endangered species refugia).**

**VALUES:**

- areas that contain species that are rare, threatened or endangered, or contain centres of endemism;
- areas that contain species that are depleted or poorly reserved at the IBRA region scale;
- areas with mapped significant seasonal concentrations of species (e.g. migratory staging areas);
- areas of high species/communities diversity; and
- refugia and mosaics

*Supplier Systems*

*Forest Managers interrogate publicly available maps, overlays and databases to identify any rare, threatened or endangered species inhabiting their plantations such as NatureMap and NatureKit. A physical pre-harvest site inspection is also carried out.*



*The Forest Manager, when constructing the harvest plan, will include necessary measures to protect any species found within the plantation area, for example, restricting disturbances to non-sensitive times such as out of breeding season.*

*Areas of remnant native vegetation, threatened species, waterways and associated riparian zones within a plantation are clearly identified on harvest plans and associated maps and are excluded from harvesting operations.*

*Contractors are inducted into the Timber Harvest Plan at each plantation change and are routinely monitored for compliance by the Forest Manager.*

*OneFortyOne have a Conservation Feature Management Plan. The plan describes the identification of Significant Biodiversity Values as wetlands or woodlands that have a condition description of high or better as well as any threatened species. This was the result of a 6-year assessment of conservation features across the estate in collaboration with Glenelg Nature Trust and using tools developed by regional experts. The information is stored in their GIS. OFO have identified 75 threatened species across 300 sites.*

*One Forty One has partnered with Glenelg Nature Trust to undertake environmental projects, assessments and advice. This includes restoring identified woodlands that are depleted or poorly reserved at a regional scale. Bryan Heywood is a Senior Ecologist with Glenelg Nature Trust and has over 20 years experience in a broad range of biodiversity related work in the Limestone Coast/Green Triangle region.*

*Controls are principally conveyed via the Timber Harvest Plans and monitored for implementation via regular harvesting inspections by the supplier. These are audited by NF McDonnell during annual field verification audits.*

*NF McDonnell also source wood from private growers. As they have less capacity and resources to undertake detailed HCV assessments, NF McDonnell undertakes this for them using a Pre-harvest HCV Assessment. This interrogates various databases to identify significant values. The landowner is required to sign off on the Pre-harvest Assessment.*



*Controls within a plantation context include:*

- *identification of significant values on plantation maps*
- *instruction in the Timber Harvest Plans or Pre-Harvest HCV Assessments to exclude operations or access through native vegetation areas*
- *instruction to not damage retain native vegetation*
- *refuelling away from native vegetation and waterways*
- *machinery hygiene and fire prevention capability*

**Do you have any comments regarding whether these controls are sufficient at protecting these values during harvesting operations? Are further controls needed?**

*Your comments*

- **HCV2. Forest areas containing regionally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most, if not all, naturally occurring species exist in natural patterns of distribution and abundance.**

*NF McDonnell is using the interpretation of HCV2 contained in three principal documents – the Australian HCV Evaluation Framework, the international HCV Common Guidance, and the draft 4 of the FSC Australia National Standard.*

*Scale refers to the size and extent of the operation and risk refers to what and where it is being harvested. NF McDonnell only source plantation forests, not native forests. The size of the compartments is generally small from private growers (10-50 hectares) or up to 300 hectares for larger suppliers.*



*FSC Australia in the HCV Evaluation Framework states that large landscape level forests are at a minimum, thousands or tens of thousands of hectares in size; whilst acknowledging that this may be larger or smaller depending on the regional context (e.g. less in heavily fragmented landscapes).*

*Both GTFP and OFO do not have continuous native vegetation areas that would meet this size threshold or the criteria of containing “viable populations of most, if not all, naturally occurring species in natural patterns of distribution and abundance.” Where HCV2 could potentially occur in this region would be national or conservation parks e.g. Grampians National Park.*

*Plantations that occur adjacent to any reserve or conservation park are identified on the Timber Harvest Plan and/or the Pre-Harvest Assessment.*

***Do you agree that it is highly unlikely for HCV2 to occur in the local source area?***

- **HCV 3. Forest areas that are in or contain rare, threatened or endangered ecosystems.**

**VALUES:** Areas with this HCV may include:

- Extant rainforests
- Areas for conservation of important genes or genetically distinct populations;
- Ecosystems that are depleted or poorly reserved at the IBRA bioregion scale
- Old growth forests
- remnant vegetation in heavily cleared landscapes

### *Supplier Systems*

Forest Managers interrogate publicly available maps, overlays and databases such as NatureMap and NatureKit to identify any rare, threatened or endangered ecosystems inhabiting their plantations. A physical pre-harvest site inspection is also carried out. Consultants are engaged to assess suspected endangered EVCs as required.

The Forest Manager, when constructing the harvest plan, will include necessary measures to protect any significant ecosystems found within the plantation area, for example, excluding vehicle and machinery access, ensuring good hygiene practices, and enforcing fire prevention strategies.

Areas of remnant native vegetation and high value wetlands within a plantation are clearly identified on harvest plans and associated maps and are protected from harvesting. Some forest managers will mark the boundary of remnant vegetation patches with flagging tape.

Contractors are inducted into the Timber Harvest Plan at each plantation change and are routinely monitored for compliance by the Forest Manager.

For small one-off suppliers, NF McDonnell & Sons undertake a pre-harvest assessment to identify any endangered ecological communities. If confirmed, controls are stipulated, such as identifying exclusion zones, fire protection measures, machinery hygiene practices etc. The landowner is required to sign off on the Pre-harvest Assessment.

**Do you have any comments regarding whether these controls are sufficient at protecting these values during harvesting operations? Are further controls needed?**

*Your comments*

- **HCV 4. Forest areas that provide basic services of nature in critical situations (eg., watershed protection, erosion control).**

**VALUES: forests which provide:**

- protection from flooding
- protection from erosion,
- barriers from destructive fire
- clean water catchments

**Critical situations encompass:**

- Areas with highly erodible soil
- Areas with steep slopes
- Clean water and/or irrigation supply systems
- Areas which protect against flooding
- Vulnerable areas which support rare or endangered ecosystem functions.

*Supplier Systems*

The register of declared water catchments is used to determine if the harvesting area is within a declared water catchment.



Soil and geomorphic maps are used to identify soil and erosion risks. Pre and post-harvest site inspections are conducted to verify and assess these risks.

The current Code of Practice for Timber Production 2014 requires issues like slope protection, erosion control, setbacks applied to waterways, access tracks, roads, stream crossings, log landings and stream crossings to be addressed. The harvest plan must reflect the Code of Practice requirements and this is checked in the final harvest plan by the appropriate authority. Random Code compliance audits on any harvesting area may be conducted by the relevant local government.

Forest managers liaise with local government regarding pre-harvest road inspections.

Contractors are inducted into the Timber Harvest Plan at each plantation change and are routinely monitored for compliance by the Forest Manager.

For small one-off suppliers, NF McDonnell & Sons undertake a pre-harvest assessment to identify any highly erodible soils and declared water catchments. If confirmed, controls are stipulated, such as modifying harvesting practices and wet weather forest closures. The landowner is required to sign off on the Pre-harvest Assessment.

**Do you have any comments regarding whether these controls are sufficient at protecting these values during harvesting operations? Are further controls needed?**

*Your comments*

- **HCV 5. Forest areas fundamental to meeting basic needs of local communities (eg., subsistence, health).**

*NOTE: NF McDonnell & Sons have determined that the most likely applicable instance that would qualify as HCV5 is waterways or wells that provide irrigation or domestic water supply by which the community is critically dependant. However, stakeholder feedback also highlighted the following:*



According to the Lower Limestone Coast Water Allocation Plan, commercial softwood plantations are deemed to intercept 83% of all groundwater recharge and extract groundwater where the depth to groundwater is less than 6 metres. All plantations in this area of South Australia have a water licence to permit this water use. The levy collected from water licences on behalf of the South East Natural Resources Management Board contributes to better natural resource management in the South East, including water management, planning and administration. The levy also funds education, environmental and sustainable agriculture projects which benefit the community.

***Do you have any comments regarding potential HCV5?***

- **HCV 6. Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities)**

*Supplier Systems*

When developing the harvest plan, a check is made against any known or registered sites for aboriginal or postcolonial cultural heritage. If sites are detected, protection prescriptions are included on the Timber Harvest Plan and communicated to operators.

In addition to working with the public heritage register, OFO staff and select contractors have attended heritage training conducted by local peoples.

Last year in a demonstration of respect, artefacts previously collected many decades ago, were returned to local peoples.

The harvest contractors know that if sites are uncovered they must stop work immediately and inform the appropriate forest manager. The forest manager has incident response guidelines to deal with these situations.

For small one-off suppliers, NF McDonnell & Sons undertake a pre-harvest assessment to identify any areas of high cultural sensitivity. If confirmed, a certificate is issued to confirm if there is any registered cultural heritage. Sites are identified and buffered from forest operations. The landowner is required to sign off on the Pre-harvest Assessment.





**Do you have any comments regarding whether these controls are sufficient at protecting these values during harvesting operations? Are further controls needed?**

*Your comments*

**Control measures employed by NF McDonnell & Sons**

To ensure HCVs are identified and protected during harvesting operations, NF McDonnell & Sons implements a range of control measures, as follows:

- undertaking a systems audit to assess the supplier's processes for identifying special values in the plantation prior to harvesting;
- undertaking HCV assessments for small one-off suppliers (who do not have the systems in place for identifying special values); and
- undertaking field audits to ensure values and being protected from threats of harvesting activities such as mechanical damage, sedimentation run-off, poor hygiene or absent fire prevention strategies.

**In your opinion, are these controls adequate?**

**Do you have any other comments you would like to communicate regarding the supply area or any of the forest management suppliers?**

Thank you for your time. NF McDonnell & Sons will provide a written response to all participating stakeholders on how their comments were considered within 60 days following the submission of your comments.



Craig Nisbet

General Manager - Business

17 October 2018