Memorandum of Administrative Arrangement

for the provision of

Community Service Obligations by ForestrySA

Annual Report 2014-15
ForestrySA / PIRSA



FOREWORD

Funding of ForestrySA's Community Service Obligations (CSOs) supports native forest management, community use of its forest estate and programs for industry development and fire protection.

ForestrySA manages about 25,000 ha of native vegetation across its estate, receives recreational use by almost 150,000 visitors, hosts up to 300 events each year and contributes over 25,000 volunteer hours through its community engagement program.

ForestrySA has worked with a number of agencies and land owners to bring an integrated landscape management approach to fire management and environmental issues.

During January 2015 ForestrySA suffered substantial fire damage from the Sampson Flat fire and assisted in defence of One Four One Plantations Pty Ltd during the Tantanoola fire. These fires destroyed both Native Forest Reserves and plantation areas. Salvage operations commenced soon after the fires. Sampson Flat fire salvage operations will continue in areas accessible during winter and continue while timber quality remains acceptable to domestic and export markets. Several Gumeracha PIRSA trials and demonstration plots were also destroyed or severely damaged during the fire.

ForestrySA restructured the business during June 2014 and has been operating under the new integrated staffing model for the 2014-2015 financial year. ForestrySA has continued to effectively deliver a range of Community Service Obligation programs and projects across the Green Triangle, Mount Lofty Ranges and Mid-North during 2014-15.

Across all its operations, ForestrySA remains committed to protecting forest assets, promoting public participation and achieving the greatest benefit from the management of plantation and native resources for the people of South Australia. This report summarises ForestrySA's CSOs conducted throughout 2014-15.

Jerome Coleman
ACTING CHIEF EXECUTIVE
FORESTRYSA

TABLE OF CONTENTS

1.	IN ⁻	ΓR	OD	U	CT	IO	N

- 2. GOVERNANCE
- 3. POLICY FRAMEWORK
- 4. PURPOSE OF THIS DOCUMENT
- 5. OVERVIEW OF PROGRAMS
 - 5.1 Native forest management
 - 5.2 Community use of forests
 - 5.3 Forest industry development
 - 5.4 Community protection
- 6. ACHIEVEMENTS OF 2013-14
 - 6.1 Native forest management
 - 6.2 Community use of forests
 - 6.3 Forest industry development
 - 6.4 Community protection
- 7. FINANCIAL REPORT
- 8. KEY STATISTICS

1. INTRODUCTION

ForestrySA manages:

- the State owned commercial plantations in the Mount Lofty Ranges and Mid North
- the commercial plantations in the Green Triangle on behalf of OneFortyOne Plantations Pty Ltd (OFO), and
- areas of native vegetation (most of which is gazetted as Native Forest Reserve) within and surrounding the areas of commercial plantation.

In addition to its commercial activities, and in accordance with its Charter, ForestrySA undertakes a number of non-commercial activities for which it receives a Community Service Obligation (CSO¹) contribution from the South Australian Government.

CSO funding supports:

- Native forest management
- Community use of forest reserves
- Forestry industry development
- Community protection (including fire) and forest industry support activities.

2. GOVERNANCE

ForestrySA operates in accordance with:

- The Charter of the South Australian Forestry Corporation which outlines ForestrySA's strategic commercial direction (commercial operations) and community service obligations to manage native forests, provide for community use of its forests, conduct forest industry development (primarily research) and provide community fire protection.
- The South Australian Public Corporations Act 1993 which requires that as a public corporation, ForestrySA must perform its commercial operations in accordance with prudent commercial principles and perform its non-commercial operations in an efficient and effective manner consistent with the requirements of its Charter.
- The South Australian Forestry Corporation Act 2000 which allows ForestrySA to fulfil its statutory functions to be a business enterprise.
- A Memorandum of Administrative Arrangement (MoAA) that identifies the services ForestrySA will deliver with the CSO funding it receives and which describes specific reporting requirements. This MoAA is an agreement between ForestrySA and Primary Industries and Regions South Australia (PIRSA).

¹ Community Service Obligations (CSOs) are non-commercial activities undertaken by government trading enterprises (GTEs) at the direction of government to achieve social policy objectives.

3. POLICY FRAMEWORK

ForestrySA's activities are undertaken in accordance with its **Policy for Sustainable Forest Management**. ForestrySA is committed to sustainable forest management, a safe environment for employees, and compliance with relevant legislative requirements, standards and codes.

The policy seeks to:

- Provide the framework for Sustainable Forest Management practices, processes, systems and review
- Optimise environmental, economic, social and cultural values of forests and lands managed by ForestrySA
- Improve organisational performance and forest management outcomes while ensuring the expectations of all customers, stakeholders and the community are considered
- Protect the health, safety and welfare of all persons involved in ForestrySA activities

The full version of the ForestrySA **Policy for Sustainable Forest Management** is available at www.forestrysa.com.au.

4. PURPOSE OF THIS DOCUMENT

This annual report provides an overview of the CSO funded programs delivered by ForestrySA and a summary of the activities that have been undertaken by ForestrySA during 2014-15, and fulfils one of the reporting requirements under the MoAA.

5. OVERVIEW OF PROGRAMS

5.1 Native forest management

This program supports the management of native vegetation on ForestrySA managed land through the development and implementation of landscape scale measures that protect and enhance biodiversity and heritage values. This includes not only the native forests themselves, but more broadly the protection of both indigenous and European heritage sites that provide connections between people, events and our estate.

ForestrySA manages 25,269 hectares of native forest and other native vegetation, 15,994 hectares of which is gazetted as Native Forest Reserves under the *Forestry Act 1950*. The majority of this native vegetation is surrounded by or adjacent to ForestrySA's commercial softwood plantations.

Native vegetation is managed primarily for the conservation of biodiversity values and contributes significantly to overall biodiversity conservation in South Australia. A diverse range of plants and animals are found, including a number of rare and threatened species. ForestrySA continues to undertake flora and fauna surveys, and maintains species lists for each Native Forest Reserve.

Activities delivered under this program include:

- Native forest management
- Assessment of biodiversity values
- Pest plant and animal control
- Provision of natural history information to the public
- Collaboration for landscape scale outcomes
- Prescribed burning for ecological purposes

Forest Management Plans have been prepared for the Northern Forests (2008), Mount Burr (2010), Mount Gambier (2011) and Penola (2011) Forest Reserves. The Mount Lofty Ranges Management Plan was published in 2014 following public comment. Forest Management Plans describe the resources and values of each forest reserve and identify appropriate management actions.

5.2 Community use of forest reserves

ForestrySA managed land provides the setting for a wide range of recreation activities including: walking, nature studies, picnicking, camping, cycling, cave diving, horse riding and motor sport events. ForestrySA is committed to passive recreational activities which reduce impacts on the environment and to visitors of forestry land. The community use program enhances the visitor experience by providing and maintaining a range of visitor facilities, and by providing educational and information materials and opportunities.

Visitor facilities include camping and picnic areas, tracks and trails, forest information centres and roadside stops, as well as purpose built facilities such as the Cudlee Creek mountain bike trails which is receiving additional attention following the State Governments commitment to establishing the Adelaide and Mount Lofty Ranges as an internationally recognised mountain bike destination.

Forest recreation information and educational materials is provided to the community via forest signs, brochures, maps and the ForestrySA website, www.forestrysa.com.au/Recreation.aspx.

A number of high profile events take place on Forest Reserves including the Scouts RallySA, Birdwood Farm Day and Kona Dirty Weekend at Mount Crawford, KTM 3 Forests Trail Rides in the Bundaleer, Mt Crawford & Second Valley Forests, the Trailblazer Challenge and Bus to Big Trees event in the Kuitpo Forest and the Pines Enduro at Mount Burr, as well as, horse endurance rides.

Services delivered under this program include:

- Development and maintenance of appropriate visitor facilities
- Provision of forest information
- Management and permitting of forest events
- Employment of Rangers for compliance and education activities
- Visitor management

ForestrySA's community use program provides school groups and other organisations with opportunities to assist in the management of native vegetation in a voluntary capacity and to learn more about the values contained within these important native forest remnants.

Recreational activities are managed to avoid commercial forestry operations and to ensure the protection of environmental values.

5.3 Forest industry development

ForestrySA continues to be recognised by the forest industry for developing and maintaining a forest research capability in balance with the work it undertakes as a purely commercial business. CSO funded research constitutes about 50% of ForestrySA's total forest research budget.

Research and the dissemination of information for the benefit of the State and forestry industry, including forestry demonstration and gene conservation plantings are at the core of the program:

- Projects to improve forest productivity and sustainable forest management
- Provision of information and communication services (fact sheets, articles, field days)
- Management of forestry demonstration and gene conservation areas in accordance with management plans developed by PIRSA

The forest industry development program undertakes research projects in defined areas of interest with priority areas identified from a number of published research strategies and as agreed with PIRSA.

Priority areas have been identified using information published by organisations such as:

- Forest and Wood Products Australia
- Individual industry member surveys

Areas of research conducted under the MoAA include:

- Environmental Impacts
- Tree Improvement and Genetics
- Product Improvement and Innovation
- Climate Change and Bioenergy

5.4 Community fire protection

ForestrySA provides a level of fire protection to the community greater than required for the protection of its own commercial assets and greater than provided by equivalent private sector forestry companies.

ForestrySA maintains and operates seven fire spotting towers in the Green Triangle, which provide early detection of fires occurring on both ForestrySA land, and on other plantation growers' land and farmland. A fire tower at Mount Crawford is activated on days of high fire danger. ForestrySA fire crews respond to fires occurring on ForestrySA managed land, other forest owners' land and on other nearby land. ForestrySA also provides trained incident management personnel to assist with the management of fires on other land tenures.

Fire protection of the community is also enhanced through the annual programs of fire break maintenance, prescribed burning and protection work which is carried out on main roads, council roads, power line easements, and other public land. This on-the-ground work comprises of slashing, grading, herbicide application and ploughing to reduce potentially dangerous fuel loads.

6. ACHIEVEMENTS OF 2014-15

The following is a brief overview of CSO activities delivered during 2014-15.

6.1. Native forest management

Pasture Strip (Habitat management and rehabilitation of Wandilo Forest)

2014-15 proved to be another successful year for the project in terms of volunteer engagement, with four schools, Department for Correctional Services, and Red-tailed Black-Cockatoo Recovery Team planting more than 10,000 plants.

Towards the end of 2014-15, ForestrySA reached the 42 month milestone of the project. During the year a review was undertaken of the projects achievements and objectives, and a revised strategy, works program and budget prepared. This was approved by the Native Vegetation Council along with a 6-month extension to October 2016.

Major revisions to the project include a shift in emphasis from broad scale strip revegetation to more involved restoration revegetation. Work has begun on longer-term pre-planting weed control. A small trial involving grading, hand direct seeding around swamps, machine direct seeding and hand planting was recently established.

Approximately 12 hectares of restoration revegetation and a range of follow-up weed control will be undertaken before the project concludes in October 2016.

Biodiversity Corridor Program

Establishment begun at three new corridor areas in 2014-15. These included the second part of Windy Hill to Mt Watch, Long to Woolwash, and Mt Lyon. Works were also undertaken at Dry Creek to Honeysuckle and the first part of Windy Hill to Mt Watch. Preliminary planning has also begun at Wandilo to Grundy Lane corridor. A variety of works were undertaken using both contractors and volunteers including machine and hand direct seeding, and hand planting. Bird monitoring was also undertaken for the 8th consecutive year.

6.2 Community use of forest reserves

Forest Reserves continue to provide a wide range of recreational opportunities for local communities. Camping, horse riding, walking and mountain biking are popular activities undertaken in either native forest or plantation areas. Permits are issued for various activities undertaken on Forest Reserves.

Fleurieu Swamps Rehabilitation Project

In 2011 ForestrySA secured a \$600,000 Commonwealth Biodiversity Fund grant over six years to assist in protection and enhancement of Fleurieu Peninsula Swamps which are a Critically Endangered Ecological Community located throughout the Second Valley Forest Reserve. Four years of restoration work has been undertaken and include: Development of management plans, pest plant and animal control and revegetation projects.

Improved Visitor Information

A number of visitor information signs in the new design format have been manufactured and installed at the Kuitpo Forest Information Centre. A new colour information brochures for Mt Crawford Forest (East) has been developed and printed and is available from the ForestrySA website. A new colour information brochure titled Common Flora Guide Kuitpo and Mt Crawford Forest Reserves has been completed and printed with assistance from the Friends of the Forest group.

Creat-N Trax - KTM 3 Forest's Trail Rides

Another successful round of the Creat-N Trax - KTM 3 Forests Trail Rides were held in the Mt Crawford, Bundaleer & Second Valley Forests. Positive feedback was received from event organisers and participants with 300 riders have enjoying forest trail riding opportunities. Over the last three years the event has raised in excess of \$6,000 for Foodbank who provide food for the less privileged. The event has paid local organisations including Yankalilla Rotary, Murray Bridge Scouts, Wirrabara Progress Association and The Bundaleer Cricket Club a total of \$1900 for food apart from funds they raised on the day which is in excess of event organiser's payments. Other local service providers have also benefited from the event including portaloo hire companies and the EMT Ambulance Service.

Bus to Big Trees

A new music event titled Bus to Big Trees was held in the Kuitpo Forest in November 2014. The event was organised by The Make Ready Lab and involved a bus ride for 250 punters from Adelaide to the venue at the Rocky Creek Hut and adjacent picnic area. A number of bands and solo acts performed in a clearing amongst mature pine trees backed by an impressive light show. Sam Wright directs The Make Ready Lab an Arts and Cultural Management service with a penchant for Festivals, Creative Consultancy, Producing and Programming. He has been involved in Adelaide & Brisbane Festivals, the Woodford Folk Festival and Dark Mofo, Mona in Hobart. He was very pleased with ForestrySA's support for the event and is interested in using forest venues for future events.

Cudlee Creek Forest – Mawson Network Trails

ForestrySA continues to work in partnership with Bicycle SA and volunteers in development of the Cudlee Creek Forest – Mawson Network Trails. The Friends of the Forests volunteer group the Human Projectiles, who incorporated in 2014 and have worked with ForestrySA to attract \$21,000 grant funding for trail development and signage projects for the Cudlee Creek Forest mountain bike trails.

Operation Flinders 100

The annual fundraiser, Operations Flinders 100 (formerly *Trailblazer Challenge*) was held, attracting teams which competed over 18, 34, 50 or 100 kilometre distances. Commencing at the Adelaide University Sportsgrounds, the course takes competitors through scenic walking trails of the Adelaide Hills and Mount Lofty Ranges with participants of the 100 kilometre distance finishing at the Kuitpo Forest Information Centre.

ForestrySA has been a committed supporter of the event through numerous name changes since its conception in 1999

6.3 Forest Industry Development

Gumeracha trials and demonstration plantings

The January 2015 Sampson Flat fire burnt through all the Gumeracha trials and demonstration plots destroying or severely damaging them. An evaluation of trails has occurred and several of the trial areas will revert back to commercial plantation forestry while the remaining will be left for demonstration purposes and reassessed at a later date.

Eucalyptus leucoxylon Seed Source Trial

As these trials are approaching 5-6 years of age they will be measured and assessed with a view to converting some or all of them to seed orchards by culling poorly performing individuals and families. Over the following years improved seed can be supplied to growers interested in either planting this species operationally, for rehabilitation or testing purposes.

The Gumeracha planting of this trial fortunately survived the Samson Flat fire with only minor damage.



Gumeracha E. leucoxylon trial after Samson Flat fire.

Bundaleer Species Comparison Trial

The trees in this trial have been monitored for recovery. Areas that have not recovered sufficiently will be cleared and re-established with the same or similar species over the next few years.

MLR Short and Long term Water Monitoring

Water sampling has taken place as required over the whole year with activity concentrated in the winter months around significant wet weather and where stream flow was evident. Reporting to PIRSA and the EPA, as well as internally to FSA has taken place according to agreed schedules. No significant detections of herbicide used by ForestrySA were made. Herbicides not used by ForestrySA were found in some samples at low levels. These have most likely come from non-ForestrySA sites upstream of our activities.

Forest Health Surveillance and Reporting

Annual Sirex control programs with nematode inoculation of trap trees throughout the Green Triangle and Mount Lofty Ranges and Mid North have been completed as required over the autumn/winter period. Trap-tree plot programs in all locations are ongoing. Benefits from these programs flow to the wider radiata pine plantation industry and farm forestry community through maintenance and improvement of regional forest health.

In the Green Triangle aerial surveillance activities were conducted in cooperation with other growers to enhance a broader understanding of issues across the industry taking account of the mosaic-like structure of land holdings.

In the previous year the Pine aphid (*Essigella*) biocontrol program reported establishment of the *Diaeretus* wasp throughout north-eastern Victoria. Despite surveys taken at various times across the year it has not yet been found in the Green Triangle Region.

ForestrySA staff attended the National Sirex Steering Committee meeting in Canberra. The meeting noted there is variation in success of Biological Control Program between states with the SA program working very well. Investigations to determine why other states have had poorer results are needed. These plans are being managed by that committee with cooperation from various members.

FWPA remote sensing project - evapotranspiration across the Green Triangle. Early in the year initial plantation operation data (location maps of thinning and clearfall) was provided to CSIRO as part of the initial calibration efforts. More detailed and extensive data was later provided to enable broader scale calibration of the ET model.

The project was largely on track at the conclusion of the financial year. The final report and recommendations are due in the first half of 2015/16.

Australian Plantation Industry Herbicide Research Consortium (APIHRC)

Management (measures, analysis, reporting) of previous year's trials and establishment of 2013 and 2014 herbicide screening trials proceeded on time over the year. Only a single site testing herbicide prescriptions in Pinus radiata plantings was established by ForestrySA in early 2015. A bluegum grower site was not available for consideration.

lps following fire

Following the Tantanoola fire (Mile Hill Road) the opportunity was taken to place panel traps in appropriate stands for a period of up to three months (or until the end of their flight period) to monitor lps populations. Eight Panel traps were established in total and were checked on a monthly basis. Rapid salvage harvesting prevented some traps from running to completion. Results are yet to be finalised.

This information when tied in with research on *Ips grandicollis* populations in untreated *Pinus radiata* logging residues will give a scientifically tested insight into conditions that may produce crop damaging populations of *Ips grandicollis* in neighbouring stands.

Giant Pine Scale

The discovery in Melbourne and Adelaide of *Marchalina hellinica* - giant pine scale (GIPS) occurred during the period. A draft national response plan was developed by the Victorian Government, considered and approved during the first half of 2015. ForestrySA staff visited infected sites in eastern Melbourne to inspect the program first hand (hosted by Vic DEPI under appropriate protocols) and recorded video which has been instructive in showing ForestrySA staff what the pest looks like and likely patterns of infection on *Pinus radiata*.

Staff are represented on the Biosecurity SA Project Reference Group overseeing the Incident Response team which is managing the outbreak in Dernancourt, Adelaide.



Giant Pine Scale infection on Radiata pine in Melbourne.

WeedChem

WeedChem is an in-house ForestrySA herbicide prescription, chemical information and weed identification system that provides guidance to users on the best methods of controlling weeds in particular situations and environmental conditions. A WeedChem conversion project aimed at providing wider industry access was submitted to FWPA during the year and was received favourably. Once project contributors are finalised and a satisfactory project hosting system (webbased, remote secure access) is defined this project can move forward. Completion is expected by June 2016.

Field Demonstrations

A watching brief on UAV technology has been in place over the year. Early testing of quad-copter capabilities for assessment of plot-based weed mapping and identification suggests there is potential for further development.

Securing Intellectual Property

CSO/ForestrySA trial meta-data base

Significant effort was put into structuring a database of all ForestrySA research trials including CSO supported work. To date over 400 have been listed and classified according to the CSO Areas of Interest defined under the Forest Industry Development Program. Seventy five trials have been classified as CSO directly supported trials to date. Many historical trials with reliable data and reporting available could be classified this way subject to their potential interest to the broader industry being determined.

This work will be ongoing for a period of time but is required to capture accumulated knowledge in a "single location".

CSO/ForestrySA trial data

ForestrySA uses a long-established proprietary system for measuring, recording, storing and partially analysing field trial data. Over time there is as risk that staff and system changes will result in data becoming stranded in unsupported systems that make retrieval at best expensive or at worst impossible. During the year progress was made in developing coding that allows semi-automatic conversion of data stored in existing Excel workbooks to a flat text file structure that should be easy to store and understand well into the future. In conjunction with standardised report storage formats capturing the underlying raw data in this way ensures that it will remain accessible to future data managers irrespective of what happens to current software-based systems.

6.4 Community Fire Protection

Season 2014-15

ForestrySA operates seven fire towers in the Green Triangle region and one in the Mount Lofty Ranges for early fire detection. Due to the dry conditions experienced over the 2014/15 fire season, the towers were operated on 96 days – slightly higher than average.

Across the State ForestrySA fire crews attended 51 fires for the season, including 16 fires on private land or land managed by other agencies. Two major fires occurred on 2 January 2015; the Sampson Flat fire in the Mt Lofty Ranges and the Tantanoola fire in the Green Triangle.

The Sampson Flat Fire burnt through 12,500 hectares of land including ForestrySA Native Forest Reserve, commercial plantations and private land. ForestrySA firefighting crew and equipment from the Mount Lofty Ranges and Green Triangle assisted other agencies in managing this fire event.

The Tantanoola fire burnt through 862 hectares of land including 267 hectares of ForestrySA Native Forest Reserve, 277 hectares of One Forty One Plantations Pty Ltd plantations and private land.

Prescribed burns reduce the hazard in areas of native forest, help to protect adjoining assets and contribute to biodiversity conservation objectives.

Three prescribed burns totalling 74 hectares were completed in the Mount Lofty Ranges during spring. No burns were completed in autumn as early autumn opening rain closed the burn season off. Large tracts of Sampson Flat fire affected land has been cleared and residue burnt contributing towards reduced fuel levels across the area.

Four prescribed burns totalling 120 hectares were completed in the Green Triangle during autumn.

ForestrySA is a member of three fire cooperatives in the South East, Southern Flinders and Mount Lofty Ranges regions. The cooperatives were formed in 2009 and are comprised of ForestrySA, CFS, DEWNR and SA Water representatives. The agencies work together to develop and implement integrated prescribed burning programs, and to deliver integrated bushfire response arrangements.

ForestrySA continues to participate in the Heads of Agencies for Public Land Fire Management Committee, the State Bushfire Coordination Committee and regional Bushfire Management Committees.

In November 2014, ForestrySA arranged for a trial with DEWNR to provide seasonal fire crew to Mt Crawford and Wirrabara. ForestrySA also employed seasonal crew at Kuitpo, in the Mid-North and the Green Triangle.

The DEWNR trial enabled DEWNR to man firefighting equipment and provide bushfire response capabilities. The program was modelled on the SAWater (SAW) and DEWNR Seasonal Crew arrangement which has been implemented for the past nine years. The crew were initially appointed for a 4½ month term and later extended to a 6 month term to assist ForestrySA with residue burning.

DEWNR engage up to 80 fire fighters annually to support their firefighting and prescribed burn programs over a 9 month period. Supply of sufficient labour to man ForestrySA fire trucks was rarely an issue and crew were professional and disciplined in their approach to firefighting and maintenance of equipment. DEWNR crews expressed satisfaction by working at a variety of tasks which ForestrySA offers.

7. FINANCIAL REPORT

Operating statement for the financial year ended 30 June 2015

	COMMUNITY FORESTRY (\$000)	FOREST INDUSTRY DEV. (\$000)	COMM. FIRE PROTECTION (\$000)	2014-15	2013-14	2012-13
INCOME						
CSO funds	2,300	486	458	3,897,202	3,189,520	3,117,073
Additional funding			665			
TOTAL INCOME	2,300	486	1,581	3,897,202	3,189,520	3,117,073
EXPENSES						
Salary & wages	636,535	98,678	972,960	1,708,175	1,831,949	1,533,921
Plant & equip.	29,880	431	7,001	37,312	9,460	16,028
Materials	34,933	212	7,452	55,776	64,203	70,678
Contracts & services	751,207	53,707	769,424	1,574,338	671,351	686,846
Vehicles	124,953	3,578	51,805	76,726	405,211	366,439
Staff related expenses	9,519	1,777	22,830	34,126	89,778	35,081
Information technology	-	-	15,600	15,600	24,138	27,640
Building & property	75,257	-	32,333	107,590	30,338	47,720
Administration & finance	19,517	5,610	313,560	338,688	1,198,115	1,212,505
TOTAL EXPENSES	1,681	163	2,102	3,948,330	4,324,544	3,996,808

Additional funding was approved via the 2014/15 Mid-Year Budget Review process. It provides funding past the End Date of the current MoAA and includes funding for prescribed burning and firefighting costs.