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Facts and Figures

2006-07

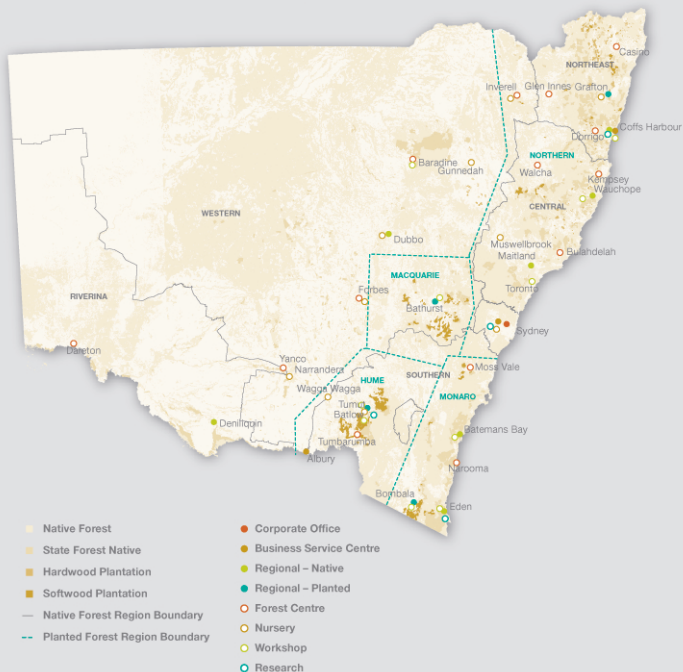


Forests NSW is a public trading enterprise within
NSW Department of Primary Industries

Our organisation

Forests NSW is a public trading enterprise responsible for sustainably managing more than two million hectares of public native forests and an expanding estate of hardwood and softwood planted forests.

Our goal is to manage the forests under our care to provide the widest range of benefits to the present and future generations of people in NSW.



Forest statistics

Currency	2007	2003
Scope	Australia	NSW
Total land area (million ha)	768	80
Total population (million)	20	7
Forests as a percentage of land area	21%	34%
Total forest area (million ha)	164.4	26.9
Native forest area (million ha)	162.7	26.6
Plantation forest area (million ha)	1.74	0.34
New area of plantation planted ha/year (average 1996-2005)	70 000	13 872*
Native forest area in production forests (million ha)	23	2
Native forest area in nature conservation reserves (million ha)	22	5
Area of native forest harvested annually	<1%	<1%
Total carbon in forests	10 500 Mt	n/r
Total exports of wood products	\$2.09 billion	n/r
Major exports to	Japan (47%), New Zealand (21%) & China (20%)	n/r
Total imports of wood products	\$4.1 billion	n/r
Major imports from	New Zealand (19%), Indonesia (9%), United States (8%)	n/r
Number of people employed in forest product industries	>83 000	>15 000
Value of turnover in forest products industries	\$18 billion	\$4 billion
Forestry contribution to GDP	1%	25%

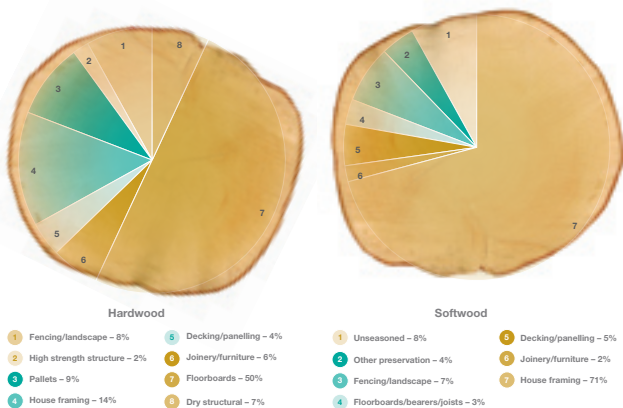
Sources: DAFF State of the Forests Report 2003, DAFF Forests at a Glance 2007,

*DAFF National Plantations Inventory 2007

Economic benefits

- *2.73 million* m³ of sawlogs, *1.80 million* tonnes of pulpwood and over *50 000* m³ of other timber products harvested
- *538 471* national greenhouse gas abatement certificates created representing the equivalent number of tonnes stored
- *1 299 042* hectares of planted and native State forest available for timber harvest
- *23 515* hectares of plantation accredited for carbon trading
- *\$25 600* profit per employee generated
- *\$16 million* distribution to NSW Government

Sawlog product mix from hardwood forests (native and plantation) and softwood plantations



Forests NSW major customers

Manufacture area	Customer	Products/Services
Plywood	Norply, Big River Timbers, Ausply and Carter Holt Harvey	Plywood flooring and stairs, structural bracing, Formply (concrete construction) and external cladding
Major softwood sawmillers	Weyerhaeuser, Carter Holt Harvey, Hyne & Son, Boral Timber, Integrated Forest Products, Auswest, Penrose Pine, Mesray, Colenden, Willmott Forest Products and Summers	Structural softwood timber for dwelling construction and renovation markets, internal joinery (e.g. windows and architraves) and furniture timbers, landscape timbers, treated softwood poles and treated decking
MDF and particleboard	Carter Holt Harvey and Monsbent	Medium Density Flooring and particleboard products such as flooring, cabinets, bench tops and furniture
Softwood preservation	Willmott Timbers, Penrose Pine, Blayney Treated Pine and Pacpine	Treated timber for outdoor applications such as decks, pergolas and landscape timbers
Pulp and paper	South East Fiber Exports, Midway and Sawmillers Export Limited, Norske Skog and Visy	Newsprint, writing paper, cardboard and personal hygiene paper products
Major hardwood sawmillers	Boral, Koppers, Blue Ridge Hardwoods, Baradine Sawmills, Coffs Harbour Hardwoods, Ford Timbers, Hurfords, Big River Timbers, Thora, Davis & Herbert, Hardwood Resources, Australian Solar Timbers, ITC Timber and Baradine Sawmilling Company	Kiln dried and green structural timber, strip flooring, furniture and joinery timber, bridge and engineering timber products, power poles, plywood products and external cladding decking
Investors	Rothschild, ST Microelectronics and TEPCO	Plantation investment and carbon credit
Utilities and Infrastructure	Optus, Vodafone, Telstra, Crown Castle and Country Energy	Telecommunications and electricity supplier

5 year comparison as at 30 June 2007

Revenue*

Profit

Trading profit*

Significant items and biological assets revaluation**

Profit/(Loss) from ordinary activities (before tax)

Distribution to Government

Distribution payable

Capital expenditure

Balance sheet

Value of biological assets***

Total assets

Borrowings

Total equity****

Ratios % (excluding abnormals and Market Value Increment (MVI))

Return on equity*

Return on assets*

Debt to equity

Return on equity (including MVI)

Sawlogs ('000 of cubic metres)

Native forest hardwood sawlogs

Plantation hardwood sawlogs

Plantation softwood sawlogs

Cypress pine sawlogs

Other products

Total

Pulp (tonnes)

Native forest hardwood

Plantation hardwood pulpwood

Plantation softwood pulpwood

Total

* Exclusive of forest revaluation, capital grants and superannuation fund interest and significant items

** Inclusive of forest revaluations, capital grants and superannuation fund interest

	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000
	270 550	259 747	247 546	240 634	219 515
	28 037 (166 357) (138 320)	31 116 (19 696) 11 420	36 819 (29 163) 7 656	37 860 17 392 55 252	23 959 (11 805) 12 154
	16 000	26 322	32 544	13 096	4 162
	45 039	31 451	31 531	36 315	32 235
	1 403 831 2 703 913 159 743 1 921 105	1 558 674 2 528 907 138 276 1 816 670	1 594 934 2 643 403 138 062 1 842 342	1 609 389 2 588 164 121 273 2 127 270	1 573 389 2 360 725 135 576 1 903 624
	1.41% 1.07% 8.01% (7.25%)	1.71% 1.20% 7.61% (1.74%)	2.00% 1.41% 7.49% (0.17%)	1.78% 1.53% 5.70% 2.20%	1.26% 1.02% 7.12% 4.26%
	567 106 1 955 58 48 2 734	665 65 1 964 71 57 2 822	639 74 1 829 94 90 2 726	707 80 1 859 101 93 2 840	683 71 1 578 110 169 2 611
	552 65 1 188 1 805	504 40 983 1 527	468 36 1 042 1 546	491 35 1 045 1 571	541 41 940 1 522

*** Biological Assets represent the commercial value of Forests NSW timber resources
(previous year's figures altered accordingly)

**** Australian Equivalents to International Accounting Standards (AEIFRS) was effective from 01/07/04

Social, environmental and economic management



Economic Revenue ('000)

- Revenue associated with timber sales and delivery – \$223 621
- Other revenue – \$30 594
- Grants for specific services rendered – \$16 335



Environmental

Native forest harvest operations

- Permanently excluded from harvest operations – 503 107 ha
- Harvest operation 2006-07 – 45 945 ha
- Available for harvest – 949 441 ha
- Unavailable for harvest – 486 639 ha

Social

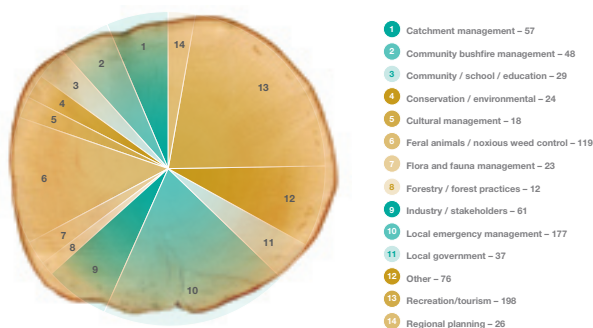
Permits for activities

- Educational activities – 78
- Other activities – 335

Social benefits

- **1 045** people directly employed by Forests NSW, with an estimated **5 952** people employed in forest-dependant industries and over **15 000** jobs in regional New South Wales
- **18** volunteer programs with **154** participants in State forests
- **905** regional community forums attended
- **232** recreational facilities managed
- **\$4.2** million spent on education, with more than **5 500** participants in educational events and programs run by Forests NSW
- **96** additional sites of Aboriginal cultural heritage significance identified and protected
- **62** additional employees and contractors trained in Aboriginal cultural heritage awareness

Forests NSW participation in public forums



Our staff

	Men	Women	REERM*	Persons with Disability	Aboriginal and Torres Strait Islanders	Total staff**	Expenditure on HR management (\$M)
1999-00	965	253	45	74	26	1 218	n/r
2005-06	860	209	78	70	25	1 069	1.34
2006-07	820	225	49	48	23	1 045	1.10

* Racial, Ethnic and Ethno/Religious Minority Groups

** Excludes casual staff

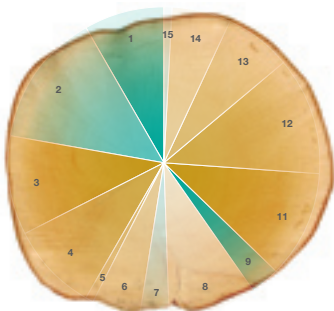
Management of cultural heritage

	2001-2002	2005-06	2006-07
Natural features	1	1	0
Sites of historic importance	0	0	0
Art and ceremonial sites	0	6	1
Sites associated with tools, artefacts and hunting	44	76	60
Sites associated with traditional Aboriginal life	6	50	35
Not classified	0	0	0
Total Aboriginal sites found	51	133	96
Number of cultural heritage surveys	n/d	260	243
Total Heritage sites (post settlement) managed	554	271	275
Area managed for cultural heritage	176	4 234	1 114
Agreements for co-management of Land (No.)	3	4	4
Agreements for co-management of Land (ha)	1 730	55 022	53 550
Partnerships	19	11	6
Land with recognised Native title	0	0	30 782

Environmental benefits

- Total forest estate over *2.49 million* hectares
- *54* targeted species found during surveys, with *2 256* sightings
- *\$1.36 million* spent on pest animal and weed control
- *3.9%* of State forests burnt by wildfire
- *24%* of State forests treated by fuel management strategies
- *\$11.2 million* spent on fire management and control
- *9.8%* of State forests primarily managed to protect water catchments
- *6 527* hectares of new plantations established
- *99.99%* regulatory compliance
- *4.2 million* tonnes of CO₂ sequestered by plantations

Extent of forest type



- 1 White cypress pine forest – 8%
- 2 Un-classified – 14%
- 3 Stringybark forest – 10%
- 4 Spotted gum forest – 9%
- 5 Snow gum woodland – 1%
- 6 River red gum forest – 5%
- 7 Rainforest – 3%
- 8 Other inland eucalypt types – 9%
- 9 Non forest – 3%
- 10 Non eucalypt forest – 0%
- 11 Mixed coastal eucalypt – 11%
- 12 Messmate forest – 12%
- 13 Blue gum forest – 7%
- 14 Blackbutt forest – 6%
- 15 Alpine ash forest – 1%

Native forest structure in RFA* areas



- 1 Young Regrowth Area – 16%
- 2 Regrowth Area – 24%
- 3 Rainforest Area – 7%
- 4 Not Assigned Area – 4%
- 5 Mature Area – 42%
- 6 High Conservation Old Growth Area – 7%

* Regional Forest Agreement

Sustainability

- 1 299 042 hectares of State forest available for timber harvesting
- 503 107 hectares in State forest reserves
- 690 502 hectares of other forest managed for ecological function
- 37% of softwood plantation successfully established
- Actual annual yield of high quality sawlogs as percentage of allowable volume: 93% from native hardwood forests; 96% from cypress forests and 98% from softwood plantations

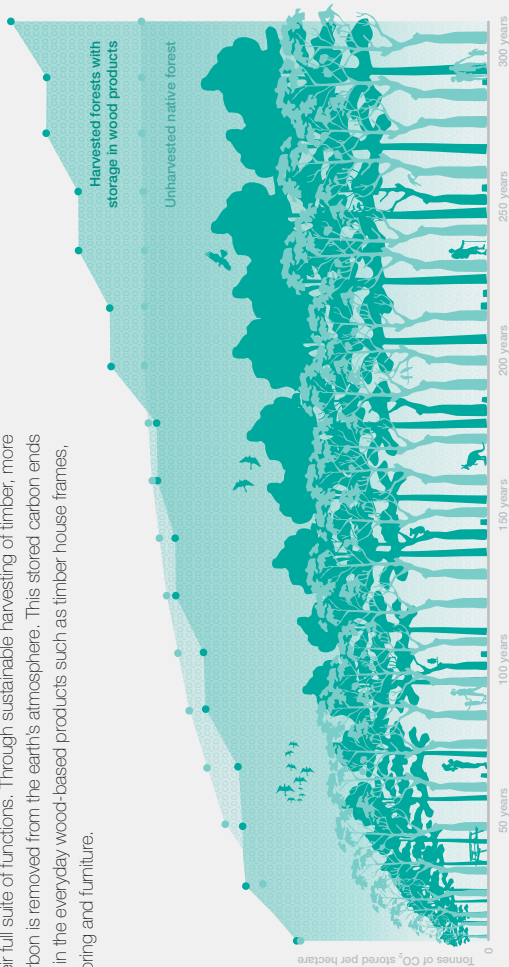
Forest Management Certification

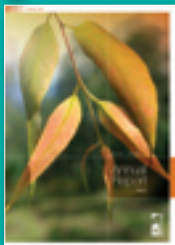
- Independent assurance that Forests NSW forest management practice is consistent with internationally recognised principles of sustainable forest management
- Australian Forestry Standard (AFS) and Programme for the Endorsement of Forest Certification schemes (PEFC) logos show that timber has been produced in adherence to internationally recognised requirements
- 2 555 681 hectares within scope of Forests NSW AFS certification



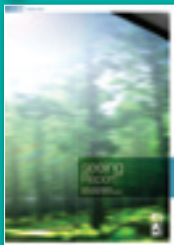
Carbon storage in harvested and unharvested forests

This illustration shows one of the major advantages of forests managed for their full suite of functions. Through sustainable harvesting of timber, more carbon is removed from the earth's atmosphere. This stored carbon ends up in the everyday wood-based products such as timber house frames, flooring and furniture.





Annual Report 2006-07



Social Environmental and
Economic (Seeing) Report
2006-07



Facts and Figures
2006-07



This document has been prepared as a summary. More detailed information can be found in Forests NSW Annual and Seeing (Sustainability) Reports online at www.dpi.nsw.gov.au/forests

For more information or hard copies of these documents contact Forests NSW Information Centre

T 02 9871 3377 or 1300 655 687

E Cumberland@sf.nsw.gov.au

W www.dpi.nsw.gov.au/forests

8277 November 2007

Forests NSW is a public trading enterprise within NSW Department of Primary Industries