

1. Great Southern's Response to extracts from submissions to the inquiry into forestry and mining operations on the Tiwi Islands

1. Great Southern Limited ("Great Southern") took over Sylvatech Limited ("Sylvatech"), the operator of the Tiwi Forestry Project, in 2005. Soon after the takeover, Great Southern appointed an independent auditor to prepare a Voluntary Audit Report. Great Southern provided a draft copy of the Voluntary Audit Report to the Department of Environment, Water, Heritage & the Arts ("DEWHA") in April 2006.
2. The Voluntary Environmental Audit ("VEA") Report identified that there may have been potential plantation incursions into buffer zones. Great Southern communicated the findings of the VEA to the DEWHA, the Tiwi Land Council, and wider Tiwi Community as soon as the Company became aware that potential plantation incursions into buffer zones had occurred. Great Southern has acted transparently and proactively to keep the Tiwi Community fully informed.
3. Great Southern has and continues to work closely with local scientific experts and the Tiwi Land Council to develop and improve survey techniques for the threatened species located on the Tiwi Islands. For example, Great Southern has completed a population viability analysis for the Red Goshawk. The Tiwi Masked owl has been radio-tracked on the Tiwi Islands for the past 2 years and a population census for Tiwi Masked owl is carried out monthly. It is worth noting this represents the first Tiwi Masked Owls ever caught and tracked. The Partridge Pigeon population and foraging behaviour data is continually been collected and analysed. Finally, the continued Butler's Dunnart surveys carried out by Great Southern throughout Melville Island have had excellent results with known locations of Butler's Dunnart increasing by 600%. The threatened species data is shared with the relevant experts and contributes to the Recovery Plans for these species.
4. Great Southern takes its environmental compliance and performance very seriously. However, it should be noted that the plantation incursions into the buffer zones occurred between 2004 and 2006 and the incursions amounted to less than 1% of the total buffer zone area. Additionally, the findings of the Federal Government investigation showed that the plantation incursions into the buffer zones were inadvertent and did not result in significant commercial benefits to Sylvatech or evidence of harm to matters of national environmental significance.
5. Great Southern is committed to operating in a safe and environmentally responsible manner. A brief overview of Great Southern's *ISO 14001* certified Health Safety and Environment Management System is contained in our original submission.

6. No NT Government Planning laws have been breached.
7. Soon after the Great Southern acquired Sylvatech, Great Southern became aware of the limitations of the mapping data (this mapping data was supplied by the Northern Territory Government to the Tiwi Land Council) for the Tiwi Islands. This became apparent to the Great Southern through field work on selected plantation development sites. In response, Great Southern arranged and paid for aerial imagery for the entire Tiwi Islands and independent analysis of the data to more accurately map the rainforests of the Tiwi Islands at a cost to Great Southern of approximately \$300,000.

In November 2006, Great Southern became aware of potential plantation incursions into buffer zones of rainforests. A preliminary assessment, using the aerial imagery and the new mapping data for the rainforests indicated that there may be plantation incursions into buffer zones. Great Southern formally notified DEWHA and the Tiwi Land Council of the findings and committed to conducting a full audit using the new mapping data to more accurately ascertain the extent of the incursions. This audit was carried out in consultation with DEWHA.

8. Compliance with condition 2 of the EPBC Approval has been demonstrated. It is Condition 3 that stipulates buffer zone widths and requirements.
9. No rainforests on the Tiwi Islands were cleared. Moreover, no plantation incursions into threatened species buffer zones occurred.
10. The DEWHA has visited the Tiwi Islands and assessed the plantations, procedures and performance every 2 years commencing from 2005.
11. An independent consultant was engaged by Great Southern and approved to conduct the audit by the Federal Government as meeting the requirements of the Department and of Condition 11 of the EPBC Approval – i.e., independent and qualified. The VEA made no assessment of the impact or seriousness of the potential plantation incursions
12. The VEA found that up to 741 ha of plantation incursions into rainforest buffer zones may have occurred between 2004 and 2006. The VEA also found that activities had occurred to meet the requirements of the conditions, but that supplementary actions were required with regards to some aspects of the threatened species surveys and ecological studies.
13. Federal Government investigations commenced in 2007. Great Southern admitted that contraventions of the EPBC Act Approval had occurred, but the Minister agreed that:

- The contravention of the Approval was inadvertent and did not result in significant commercial benefits to Sylvatech or evidence of harm to matters of national environmental significance.
- The incursions occurred as a consequence of definitional issues, limited vegetation and digital mapping used at that time as well as procedural failures in planning and ground truthing of plantation areas.
- These deficiencies have since been rectified.

Great Southern was neither prosecuted nor fined. Amended conditions were imposed on the EPBC Act approval and a bond of \$1m was paid to ensure compliance by Great Southern with the amended conditions. Great Southern also agreed to pay an annual financial contribution of \$450,000 per annum over three calendar years to contribute to environmental works and projects, including protection of habitats for listed species under the EPBC Act.

14. As the Tiwi Island Forestry Project is managed in partnership with the Tiwi Land Council, Great Southern does not believe that Great Southern has been involved in destroying natural and cultural values. However Great Southern recognises that Great Southern is not in a position to answer this allegation and hopes that the Senate Committee takes the time to seek comment from the Tiwi Land Council.

15. Great Southern and the Tiwi Land Council can demonstrate and are proud of the employment and training opportunities that were created prior to the occurrence of the plantation incursions. No additional jobs or training have been provided as a result of the plantation incursions into the buffer zones however opportunities for the Tiwi Community to be involved in the work to offset impacts and be a part of the rehabilitation effort are purposefully built into the conditions. Great Southern fully supports this position and path.

Great Southern believes that the measures put in place by the Federal Government to resolve the issues of plantation incursions are suitable and adequate given the following:

- The plantation incursions were inadvertent (or accidental) and were not systematic. The measures put in place by the Federal Government are commensurate with the breaches.
- The data, supplied by the NT Government to the Tiwi Land Council lacked accuracy. Great Southern independently sourced data to improve mapping of protected features.
- Great Southern and the Tiwi Land Council worked closely with the Federal Government and NT Government to resolve the issues with regards to data and the development of definitions and field techniques to meet the intent of the EPBC conditions.
- No incursions into buffer zones have occurred since 2006.
- Great Southern has acted transparently and communicated with the TLC and the Tiwi Community at all times.

- The large volume of work that has been conducted by Great Southern on the threatened species management, identification of protected features, enhanced understanding of environmental management issues, and community awareness.

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2. Extracts from submissions to the inquiry into forestry and mining operations on the Tiwi Islands

Late last year, as community concerns about the plantations grew, the Northern Territory government did its own assessment on how things were going on the Tiwi's. The assessment was forwarded to Canberra to inform the prosecution brief for the Australian government solicitor.

[A spokesman for the company said Great Southern had conducted an independent audit of the Tiwi forestry project after taking it over from Sylvatech and "chose to share certain of these findings with the government" ¹]. [Company literature recently distributed to Tiwi Island communities admits clearing of protective buffer zones "happened accidentally" in some places because of outdated maps and technology²].

[It is obvious that there has been a poor level of compliance with the biodiversity related conditions mandated by the Federal Minister³]. [The breaches appear to be widespread and systematic⁴]. [The lack of action on some surveys works clearly to the advantage of the forestry company³].

(1)

[I became concerned with the large quantities of fertiliser released into the environment. Landing sites where refilling of fertiliser dispensers occurred, became saturated with large quantities of fertiliser; in some instances I saw piles of wasted fertiliser on the ground up to 1 meter in height. Following the daily rainfall, these areas mobilised and were washed towards native forest and water ways. I saw no strategies in place to minimise this waste, nor to prevent contamination of native forests or water ways. In addition, field workers were not provided with adequate safety gear, and had daily skin contact with the chemical which contained mercury (I only know this from reading the labels associated with the chemicals being used at the time). There was no safety brief given on the safe handling of this chemical, and protective eye wear during dispensing was only provided after one worker got some of the chemicals into his eyes and needed medical attention. Gloves were not provided and workers were expected to use a cup to scoop the fertiliser for each tree planted, giving a high skin exposure to all workers.

The impact of clearing and machinery on soil quality and stability:

Soil conservation during tree planting was inadequate and poor. Tractors were used with mechanical tree planters on the back, one person drove, whilst the planter sat in the back planting seedlings and adding fertiliser. Dust was a major issue when dry, and the person in the back required a scarf over their mouth and nose, and protective glasses to work in the conditions (not provided by the company). Following rainfall, the soil quickly became saturated and tractors were often bogged, requiring more vehicles and tractors to help remove the bogged tractor. I witnessed damage caused by machinery which resulted in very deep ruts (>1m), and often we were told to continue working, rather than wait for the soil to dry enough to support machinery. The movement of soil following heavy rains (which occur daily in the wet season) was also visually evident. The natural creation of water drains facilitated the movement of soil and fertiliser towards native forests and water ways and caused damage to roads. Soil loss from erosion both from wind and water must be incredibly high and warrants proper investigation.

The OH&S of field staff:

As with many industries in the Northern Territory, OH & S procedures were inadequate. Safety was a major concern for all workers and maintenance of equipment was poor. In once incident I was driving a supervisor's car at 60km/hr on a dirt road when the front wheel came off. The car was only 3 years old, and had recently had a wheel change and the wheel nuts were left loose. Luckily, I managed to bring the car to a safe stop, and the 4 passengers and I were unharmed. We had no spare wheel or tyre changing equipment and had to wait for a passing tractor to lift the car so we could reattach the damaged rogue wheel and we had to use wheel nuts taken from the other three wheels to hold it in place in order to continue our journey. I never filled in an incident report for this event, nor was asked to, despite it being common knowledge. There were many incidents like this one, which had the potential to cause loss of life and serious injury. The isolation and remote location of Melville Island should not prevent this company from having routine safety audits, and in fact, they should be random and regular given the poor standard that they have demonstrated in the past.

(2)

The lack of transparency and the secluded nature of the operations:

The most alarming aspect of the operations occurring on the Tiwi Islands is the secluded nature of the land clearing and conversion process. Without invitation, it is difficult to gain access to Melville Island as there are no resources to house and transport visitors, except with the company itself. As a result, operations are able to occur without the usual scrutiny given to many forestry projects across Australia. This allows for breeches in licensing requirements to go unnoticed and unreported to regulatory bodies. During my stay on the island in 2004, I felt that the managers of the forest operations exploited this isolation and felt they had a free licence to proceed as they desired at the expense of the local islanders and the natural environment.^{5]}

[In 2006 it was established by the Environment Centre NT, Traditional Owners and other stakeholders that Great Southern had breached environmental and planning

laws in the Tiwi Island landclearing operations⁶. [The company itself admitted that it had 'accidentally' cleared buffers⁷].

Given the seriousness of the breaches over several years, the operators of the project should have been prosecuted and approval for the landclearing immediately withdrawn. *[Analysis of mapping imagery and documents, and field trips and survey work showed that operators of the plantation project had seriously and repeatedly breached most if not all of the buffer requirements set out in Condition 2 of the EPBC Act Conditions relating to approvals for landclearing on Melville Island⁸. [Sensitive rainforest patches of high conservation significance were cleared, in violation of the prescription in Condition 2 that vegetation not be cleared within 400m of wet rainforests. Forest around sensitive nesting sites for the Red Goshawk and the Masked Owl was cleared⁹].*

Condition 5 required submission of tranche plans no greater than 5,000 ha to the Minister for all forest slated for clearing. Ecological studies of threatened species and their habitats were required by Condition 5, and plans for the monitoring of the impacts on listed threatened species by Condition 7.

[Until 2007, the Commonwealth, through the Department of Environment and Heritage, failed to ensure compliance with the eleven legally binding conditions placed on the project under the EPBC Act¹⁰].

[Findings of a retrospective Voluntary Environmental Audit conducted by a consultant employed Great Southern revealed that there had indeed been serious breaches of some of the eleven conditions associated with the approval given under the EPBC Act¹¹. [These included logging of around 7,000 ha of buffers around rainforest patches, and a lack of clarity and rigour in compliance with condition relating to threatened species¹²].

[In 2008 the Federal Government investigation into the alleged breaches found that serious violations of the environmental conditions had occurred, and Great Southern was 'fined'. What was described by some as a 'fine', was in fact money paid into a bond account, and, more importantly from a social perspective, payment of \$1.35 million to the Tiwi Land Council for an Aboriginal ranger program¹³].

[There is an inherent conflict of interest that arises when large companies, who are involved in the destruction of natural and cultural values, are able to garner social license by funding employment and training prospects and opportunities in the remediation and management of their activities¹⁴]. This argument is especially relevant in relation to companies in violation of environmental conditions such as Great Southern.

[The Federal Government's imposition of measures has created an ethical issue by enabling Great Southern to promote employment and training opportunities as positive corporate social responsible behavior when in fact, these measures are in substantial part, the outcome of fines for serious corporate mis-management, non-compliance as well as regulatory failure¹⁵].