

Comments on Statewide Assessment of Public Land (Discussion Paper) August 2016
(Victorian Environmental Assessment Council)

Professor David Lindenmayer

David Blair

Lachlan McBurney

Fenner School of Environment and Society

The Australian National University

Canberra, ACT 2601

I welcome the draft report prepared by VEAC. The report contains a considerable body of useful information and I acknowledge the large amount of work that has gone into its preparation.

My comments on the Discussion paper are based on 34 years of experience in working in the wet ash-type eucalypt forests of the Central Highlands of Victoria.

Inadequacy of the existing reserve system in the ash-type eucalypt forests of the Central Highlands of Victoria

Box 5.1 discusses the principles of reserve design as being Comprehensive, Adequate and Representative (*viz*: the CAR principles). The key issue in the montane ash forests of the Central Highlands of Victoria is that existing reserve system is **inadequate** to conserve iconic species such as Leadbeater's Possum (Todd et al. 2016). That is, the current reserve system does not meet the adequacy requirement under the CAR principles (*sensu* (Commonwealth of Australia 1999)).

Work on the viability of populations of Leadbeater's Possum led by scientists from the Victorian Government has indicated that almost all of the existing montane ash forest will need to be reserved to ensure the medium to long-term persistence of wild populations of Leadbeater's Possum (Todd et al. 2016). These conclusions are entirely consistent with the results of new reserve design work led by researchers at the University of Melbourne which also shows that almost all of the existing montane ash forest will need to be reserved to ensure the medium to long-term persistence of wild populations of Leadbeater's Possum (Taylor et al., unpublished data). Thus, adequacy for the Mountain Ash and Alpine Ash ecosystems means that almost all of the entire extent in the Central Highlands of Victoria region needs formal protection.

The IUCN have developed a new protocol to guide the formal assessment of ecosystems (Keith et al. 2013) similar to that employed for assessing the conservation status of individual species. A detailed ecosystem assessment of the Mountain Ash ecosystem in the Central Highlands of Victoria was completed by (Burns et al. 2015). This assessment demonstrated that the Mountain Ash ecosystem should be classified as Critically Endangered because of: (1) the extremely limited remaining areas of old growth forest (1.16% of the extent of the ecosystem, or 1/30th-1/60th of what it was historically; see (Lindenmayer et al. 2015)), (2) the rapid decline in populations of large old hollow-bearing trees in Mountain Ash forests (see (Lindenmayer et al. 2012) (Lindenmayer et al. 2016a)) which are keystone structures in the Mountain Ash ecosystem, and, (3) the extensive alteration of key ecological processes in Mountain Ash forests including fire regimes and large old tree recruitment (Burns et al. 2015). The assessment and Critically Endangered status of the Mountain Ash ecosystem is now formally recognized by the IUCN (<http://iucnrle.org/assessments/>). Increased levels of protection of Mountain Ash forests are urgently required to limit the risks of ecosystem collapse (*sensu* (Lindenmayer et al. 2016b)) of the Mountain Ash ecosystem (see (Burns et al. 2015)).

Inaccurate data on the economic and employment status of the native forest timber industry in Victoria

On p.110 The Discussion paper claims that the native forest logging industry supports 21 000 direct jobs and up to 50 000 indirect jobs. There is also a claim that the industry generates an annual income of \$6.7 billion annually. The citation for these values is the industry itself (VAFI). However, there is no evidence to provide a substantive basis for these claims and a government document such as this one should most definitely not parrot unsubstantiated industry claims.

A detailed economic and environmental accounting study using the international accounting standard developed by the United Nations (System of Economic and Environmental Accounting [(United Nations 2012)]) has been completed for the Central Highlands region of Victoria (Keith et al. 2016). The Central Highlands region of Victoria is the most productive and heavily logged native forest region in Victoria and the detailed economic and environmental accounting study revealed that, statewide, the number of direct jobs for VicForests (statewide) was 107 and the number of contractors directly harvesting and hauling timber in the Central Highlands region was a maximum ~400 (Table 6.3 in (Keith et al. 2016)). In addition, there are 800 employees at the Maryvale pulpmill, but only 42% of the feedstock to run the mill is sourced from native forests (the remainder is plantation timber or recycled paper). Interesting, work conducted by others has revealed similar figures for the total number of direct employees in the Victorian native forest industry on a statewide basis. For example, the study by (Price Waterhouse Coopers 2016) (p. 11) stated that:

In 2013 the harvest and haulage sector directly employed 405 people, thus illustrating a minimal direct contribution to the State's total employment

On page 7, the same report (Price Waterhouse Coopers 2016) states that:

The overall Victorian forestry sector is estimated to have employed significantly fewer people in 2014 than in 2001. The contraction in employment across the period is estimated to be close to 30 per cent. The forestry sector's contribution to GSP declined significantly by 18 per cent across the same period 2001-14. This finding is supported by other research prepared for the Australian forestry industry.

Notably, other forest regions in eastern Victoria support far smaller workforce than in the Central Highlands of Victoria. This is, in part, because native forest logging operations in regions like East Gippsland are uneconomic and have been for a decade (see key VicForests documentation; e.g. (VicForests 2013)).

The key issue is that Discussion Paper on Statewide Assessment of Public Land has clearly overstated the value of the native forest logging industry. Perhaps as important, the Discussion Paper on Statewide Assessment of Public Land has not adequately presented information on alternative values of public land such as native forests so that readers and policy makers can appropriately weigh the respective values of public land. For example, the detailed economic and environmental accounting study by (Keith et al. 2016) showed that the Industry Value-added value (IVA) of the native forest logging industry was \$29 per ha per year whereas the equivalent IVA for the water industry was \$2033 per ha per year and for the tourist industry was \$354 per ha per year. Importantly water and tourism are largely compatible uses of native forest whereas native forest logging significantly impairs water values (e.g. see (Langford et al. 1982) (Vertessy et al. 2001)) and also tourism values. Critically this suggests that there are important values of natural ecosystems that have not been adequately represented in Discussion Paper on Statewide Assessment of Public Land and a better balance in how these non-wood values is clearly warranted; particularly as this document is focused on public land and the public should rightly expect to see maximum value returned for the management of its assets.

Summary

The Discussion Paper on Statewide Assessment of Public Land has two key deficiencies.

First, the issue of the inadequacy of the current reserve system in the Central Highlands of Victoria needs to be addressed, particularly in terms of the risks of extinction of the Critically Endangered Leadbeater's Possum and the risks of ecosystem collapse of the Critically Endangered Mountain Ash ecosystem.

Second, the full range of economic values of public forests needs to be better examined and in a more balanced way than is currently presented in the Discussion Paper on Statewide Assessment of

Public Land. The presentation to date on the value of the native forest logging industry lacks rigour and substance and is not evidence-based or analysis-based.

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