

SUBMISSION

Victorian Environmental Assessment Council
Central West Investigation

August 2017

About the Victorian forest, fibre and wood products industry

The forest, fibre and wood products industry is a vital industry for Victoria and a key contributor to the state's economy. The industry is a major driver of economic activity and jobs in Victoria, generating \$7 billion in sales and service income annually.¹ Much of the income generated by the industry remains in local communities, particularly so in rural and regional Victoria.

Throughout the state, the industry directly employs approximately 21,000 people. Around 90% of these directly employed workers are in primary and secondary processing roles; essentially timber manufacturing applications, such as appearance product manufacturers, furniture manufacturers, and timber fabricators.

Indirectly, the industry also supports a further 40,000 to 50,000 jobs through flow on economic activity. This includes value-adding roles, such as the nearly 10,000 people who work making timber furniture, cabinetry and in joinery manufacturing.²

For Victoria's industry to best position itself to meet future market demand, both nationally and internationally, there is an immediate and ongoing need for consistent policy settings, at the local, state and national levels. Forestry is a long-term business and needs the security of a long-term vision to be a strong, viable and sustainable industry. Security of resource is paramount for a successful industry in short, medium and long-term.

About VAFI

VAFI is the peak representative body for the Victorian forest, fibre and wood products industry. VAFI represents the entire lifecycle of forestry and wood products, including forest owners and growers, harvest and haul businesses, wood and paper processors, manufacturers and associated businesses across both the native forest and plantations sectors. We support and encourage best practice in industry and forest management.

The long-term vision for the forest, fibre and wood products industry in Victoria is that of growth, stability and sustainability. The forest, fibre and wood products industry is a 21st century employer and wealth generator. It is a sunrise, not a sunset industry. What the industry needs from all levels of government – national, state and local - is clarity and consistency in policy positions and decisions that support the long-term future of the forest, fibre and wood products industry.

¹ ABS (2016) 8155.0 Australian Industry, 2014-15

² Schirmer, J (2010) *Socio-economic characteristics of Victoria's forestry industries*

Introduction

VAFI appreciates the opportunity to offer comment on the Victorian Environment Assessment Council (VEAC) Central West Investigation. This initial submission outlines the following issues:

- The Investigation Terms of Reference create the potential for a disproportionate focus on creating new conservation reserves.
- State forests are managed for, and provide communities with, multiple productive, social and conservation values.
- Evaluation of land values should incorporate the full social and downstream economic value of timber supply from productive forests.
- Any proposals for changes in land tenure should clearly present projected gains and losses across all land values.
- The Investigation boundaries around Wellsford State forest may prevent a fair assessment of forest management outcomes.

Terms of Reference

VAFI notes that Clause (a) of the investigation Terms of Reference (ToR) direct VEAC to “*identify and evaluate the condition, natural and biodiversity values and cultural, social and economic values*”. However, Clause (b) directs VEAC to focus recommendations solely on management to “*conserve and enhance the natural and cultural values.*”

VAFI believes that the focus of the ToR, therefore, creates the potential for VEAC to propose management approaches or tenure changes that substitute economic, and natural and cultural uses for only natural and cultural uses, such as the creation of new formal conservation reserves. Victoria’s State forests, which are valued by local residents for a broad suite of values, are successfully managed for multiple uses (see below). VAFI’s position is that the Investigation should give priority to multiple-use forest management to enhance natural values without removing the economic and social benefits that are vital to local communities.

The economic and social value of State forests in Western Victoria

In western Victoria, VicForests supplies timber to 70 customers, with a total value at the mill door of \$1.1 million.³ Supply includes eucalypt species from Mount Cole and Pyrenees State forests which is processed by local sawmills in the region. The Wellsford State forest is a Box-ironbark forest which supplies high quality timbers obtained through low impact selective harvesting. This type of harvesting maintains forest structure, which is beneficial for the overall health of the forest. State forests in the region are also an important source of firewood for local residents.

Recent assessments of the economic value of timber harvested from State forests have typically been limited to the sales revenue generated by VicForests.⁴ However, this is a significant

³ Source: VicForests

⁴ For example: VEAC (2017) *Statewide Assessment of Public Land Discussion Paper*, p109; and DELWP (2017) *A review of the effectiveness and impact of establishing timber harvesting exclusion zones around Leadbeater’s Possum colonies*, Dept of Environment, Land, Water & Planning

underestimate of the economic contribution of value-adding businesses that rely on this resource. Hardwood timbers from State forests are used in numerous high value products (such as furniture, flooring and cabinetry) and the Investigation should assess the complete economic value of the timber resource through the value chain as far greater than the just the stumpage value. This is a crucial aspect of the Investigation and, if needed, VAFI can offer further advice on obtaining the necessary information.

The social importance of commercial forestry and its associated businesses in the region is evident in the strong value placed on forest management by local communities. The local interest group, The Friends of Mount Cole, was formed by residents to advocate for a balanced approach to land management. The broad membership of the group seeks to maintain the economic and social benefits gained by active forest harvesting and management rather than the more limited values of formal conservation reserves.

Given the strong social and economic role played by State forests, it is crucial for businesses and communities that any proposals generated by the Investigation do not result in a reduction in the area of State forest managed for multiples uses, or the total supply of timber from zones managed for timber production.

State forests are managed for multiple values

Additional to the extensive areas of formal and reserves in the Investigation area, Victoria's State forests are managed for multiple purposes and are valued by local communities for a wide range of services. These include:

- High quality timber;
- Firewood;
- Other forest products (e.g. honey, tree seeds);
- Recreation (e.g. hiking, camping, off-road driving, horse riding, trail biking);
- Game hunting; and
- Prospecting.

The Investigation should acknowledge the role of sustainable forest management practices in maintaining these values and recognise that there are a range of uses that would be removed or significantly restricted if areas of state forest were to be reclassified (e.g. to national parks). There should also be an adequate assessment of any trade-offs that will occur between social and economic, and natural values under a new regime.

VAFI recommends that the Investigation include rigorous analyses of the social and economic losses or gains that will arise from changes in land management. These should be presented clearly with any draft proposals allowing communities to analyse the full range of outcomes and provide informed input to VEAC.

Forests in west Victoria have a long history of management for commercial forestry. For example all the forests present in Mt Cole are regrowth from harvesting over the last 150 years. Sustainable forest management and silviculture does not prevent the maintenance of natural, cultural and social values. Rather, they go hand-in-hand. Public land in the region already has extensive areas of conservation management. Timber harvested in State forests is sourced

primarily from General Management Zones (GMZ), which are managed for multiple uses. State forests also contain Special Protection Zones (SPZ), where timber harvesting is excluded, and Special Management Zones (SMZ), where harvesting is restricted.

SPZs and SMZs areas are managed by VicForests for conservation and social values. They create an “informal” reserve system in addition to national parks, but their value and extent is often not recognised. The Midlands Forest Management Area (FMA) – where the majority of the Investigation area occurs – has approximately 52,000 hectares of SPZ and SMZ (62% of State forest in the FMA) compared to 35,000 hectares of GMZ. This is in addition to 80,000 hectares managed as national parks. Similarly, the Bendigo FMA, which covers a smaller part of the Investigation area, already has approximately 57% of public land managed solely for conservation.⁵

Existing reserves provide crucial natural values for Victoria but are already well represented in the region. VAFI recommends, therefore, that the Investigation should not seek to increase conservation reserves but should give priority to maintaining the balance of all uses and values across the entire landscape.

VEAC’s recent assessment of the biodiversity importance of public forests in the east of Victoria found little appreciable difference between State forests and national parks.⁶ This suggests that historic State forest management has not damaged forest health. Appropriate forest management in public forests can provide a sustainable timber resource while also contributing to environmental benefits, such as: control of pest plants and animals; and mitigating fire risk through reducing the fine fuel load and controlling stand density. Within the Investigation region, forestry can also be effective in controlling the spread of *Armillaria* fungus, which is prevalent in the region and is a cause of tree mortality. Retaining commercial forestry will also maintain the skills base and machinery that are a key element of rapid response to, and control of, bushfires.

VAFI recommends that the Central West Investigation should build on this finding and undertake comprehensive analysis of: a) forest health and structure in State forests with comparable national parks and, b) the costs per hectare of management.

⁵ VicForests *pers comms*

⁶ VEAC (2017) *Conservation values of state forests Assessment report*. Victorian Environment Assessment Council.

Wellsford State forest

VAFI members have expressed concern that the Wellsford State forest has been included in the Investigation area but has been isolated from any adjacent public forests in reserves. This selective zoning effectively prevents any meaningful assessment of ecosystem health in the State forest compared to alternative management regimes in adjacent conservation reserves, and may lead to incorrect conclusions as to the most appropriate management regime for the forest.

In 2001, the Environmental Conservation Council (VEAC's predecessor) recommended that Wellsford State forest be retained under the State forest classification.⁷ In 2008, the Bendigo Forest Management Plan concluded that biodiversity values could be adequately protected under State forest management.⁸ In the context of previous reporting, any recommendation by VEAC for a change in classification would, therefore, need an extensive rationale outlining recent changes in condition or circumstances.

Conclusion

Given the importance of State forests to residents and businesses in the Investigation area, VAFI recommends that the Central West Investigation should:

- Prioritise management outcomes that balance the full suite of social, economic, cultural and natural values and benefits drawn from public forests;
- Make a rigorous analysis of any trade-offs in forest values arising from proposed changes to management, incorporating the full value of timber along the supply chain; and
- Make findings accessible to residents as the basis for extensive engagement on all final proposals.

⁷ ECC (2001) *Box-Ironbark Forests and Woodlands Investigation - Final Report*. Environment Conservation Council.

⁸ DSE (2008) *Bendigo Forest Management Area - Forest Management Plan*, Dept of Sustainability and Environment.