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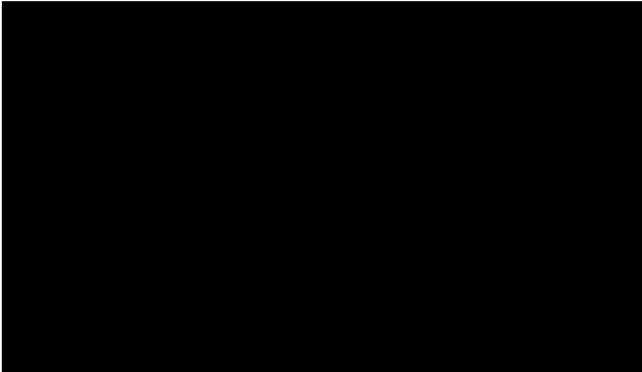
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June 29 2019

RFA Modernisation Program Engagement

IFA Response to the Independent Consultation Paper by Dr William Jackson (May 2019)

Please find attached our submission to the engagement process for Victoria's RFA Modernisation Program, in the form of a response to the Jackson paper.



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RFA Modernisation Program

IFA Response to the Independent Consultation Paper by Dr William Jackson (May 2019)

General comment:

We have identified the following concerns that occur through-out the paper:

- Undue inclusion of private forest in total forest area which somewhat dilutes the pre-existing levels of reservation which already apply almost exclusively only to public land forests. As the RFA is concerned with only public lands, private forests should not be relevant.
- Undue reliance on data from the *State of the Forests Victoria 2018 Report* which misuses gross available area as a proxy for net harvestable area of forest, thereby creating a false impression that over one-third of Victoria's public forests are open for timber production. In reality, after deducting unsuitable areas and management exclusions, the proportion of Victorian public forest being actually managed for long-term timber supply is just 6%.
- Undue reliance on data from the *State of the Forests Victoria 2018 Report* in relation to the value of log sales as an inappropriate proxy for the value of the timber industry. In reality the value of and employment within the state's native hardwood timber industry is perhaps a magnitude larger once account is taken of the value of wood products manufactured from the logs it obtains from State Forests.
- The use of the word 'protected' in relation to CAR reserves is problematic given that simply placing forests in reserves does not actually protect them from their key threats – such as unnatural fire regimes, pest plants and animals, and climate change – which all transcend land tenure boundaries.
- **Our over-arching concern is that the paper in its current form establishes an imperative for modernising/improving the Victorian RFAs by grossly overstating the potential extent of timber harvesting, while effectively understating the existing levels of public land habitat protection for biodiversity, and downplaying the true value of the existing native forest hardwood industry to Victoria.**

Specific comments:

p. 14: Proportional coverage of the CAR reserve system

The paper states that “Overall, the CAR reserve system covers about 49% of Victoria's remaining forests”

It is clear from the discussion in the paper that this figure is a proportion of total forest area, including private native forests and plantations which comprise 1.45 million hectares. However, as the Regional Forest Agreements are concerned only with public forests, it is not relevant to include private forests in that context.

When private native forests and plantations are excluded from consideration, the CAR reserve system comprises 59% of the state's public forest area. It is also a reality, that a substantial majority of the 41% of forest which is outside the CAR reserve system is reserved by management

prescription, is not located within reasonable proximity to the timber industry, or are unsuitable and not used for any purpose. These areas are also effectively acting primarily as conservation reserves. It is for this reason that just 6% of the state’s public forests are being used for long-term timber supply.

With respect to Regional Forest Agreements, this is a far more relevant figure than what the paper has cited. Accordingly, the report should clarify just how much of Victoria’s public native forests actually comprise the net harvestable area, because relying on proportions of only dedicated reserves substantially understates the reality of forest conservation and creates a false imperative to declare more reserves.

p. 20, Table 3: Leadbeater’s Possum habitat in reserves – just 41%.

This figure, created by concentrating only on CAR reserves, substantially understates the real level of effective protection for Leadbeater’s Possum. It seems also to be based on a proportion of all (both public and private) forests, whereas, the Regional Forest Agreement is only concerned with public land. Further to this, as there is very little harvesting of private native forest in Victoria, it is likely that most privately-owned mountain ash forest is also effectively acting as conservation reserve, whereas this 41% figure effectively assumes that it will be harvested (ie. is not protected).

An analysis of the Central Highlands Forest Management Plan (1998) and the Gippsland Regional Forest Agreement (2000) shows that in fact at that time (almost 20 years ago), 60.6% of the public land Wet Forest EVC, dominated by mountain ash (*Eucalyptus regnans*), was contained in CAR reserves, other reserve categories, and other lands not used for timber production that effectively also act as conservation reserves (see table below).

RFA region	EVC	Public land area (ha)	Timber Available	CAR Reserves ^C	Other Reserves ^D	Total Reserves	% Reserved
Central Highlands ^A	Wet Forest	113,815	44,388	56,907	12,520	69,427	61.0%
Gippsland ^B	Wet Forest	31,948	13,028	17,833	1,087	18,920	59.2%
Totals		145,763	57,416	74,740	13,607	88,347	60.6 %

A This information is taken from the Central Highlands Forest Management Plan (1998), Appendix C

B This information is taken from the Gippsland Regional Forest Agreement (2000), Table 2

C CAR Reserves include dedicated formal reserves, State Forest SPZ, and areas reserved by timber harvesting prescriptions

D Other reserve categories include State Forest SMZ, Other parks and reserves, Other unused public lands

Note: Differing reporting formats between the two regions meant that getting consistent information required accessing two different types of documents – a Regional Forest Agreement and a Forest Management Plan

This 60.6% figure, although almost 20 years old, far exceeds the 41% habitat protection for Leadbeater’s Possum nominated in Table 3 on p.20 of the Jackson report. Given the increase in reserves since then, particularly the recent growth of 12.6 ha buffers placed around every possum detection, it is estimated that the current level of Leadbeater’s Possum habitat protection in mountain ash forest is close to 70% of the total forest area.

Further to this, the possum is known to occur in Sub-Alpine Woodland dominated by snow gum (*Eucalyptus pauciflora*). Approximately 30,000 ha of this forest type occurs in the combined area of forest contained in the Central Highlands and Gippsland regions, and all of it is reserved or unsuitable for timber production.

Further to this, recent research by McBride et al has found Leadbeater's Possum in high elevation mixed species forests at least 15 km from the closest mountain ash forest. This strongly suggests that the possum's range is far wider than it has been previously thought to be, and further reinforces the view that the claim of just 41% of the possum's habitat being in reserves is now obsolete.

We would wonder how many of the other of the nominated species' supposed levels of protection contained in Table 3 of the Jackson report, similarly cite proportions of all public plus private forests to create a misleading impression of the level of protection on the public land estate which the RFA applies to.

p.22: Arresting the decline of threatened species

The paper states that: *"More effort is needed to stop the overall decline of threatened species and improve the extent, condition and connectivity of forest habitats."* and, *"The likely impact of climate change on threatened species, threatened ecological communities and key threatening processes, and the adaptation mechanisms needed to address these impacts, requires attention in the modernisation of the RFAs and Victoria's forest management system."*

These are fine ideas, but how can more effort be directed to improving the extent and connectivity of forest habitats without buying private forest and adding it the public estate? This is surely unlikely to happen and is in any case outside the scope of the RFA.

We would agree that climate change needs to be addressed in the Victorian RFA, but would argue that this is a good argument for maintaining timber industries which create renewable wood products that store carbon, while simultaneously employing a workforce that is integral to managing fire which is regarded as increasing in frequency and severity under climate change.

Any inference that re-badging more State forest as National Park or other form of conservation reserve is needed to address climate change is naïve. For a start, native forest harvesting in Australia is widely acknowledged to have never been responsible for any animal and plant extinctions, but more importantly the real 'threats' to biodiversity are blind to land tenure and do not respect its boundaries. Accordingly expecting new parks and reserves to do anything to combat these threats is nothing more than an illusion.

p. 24: Area of forest available for wood production --- use of a gross area that substantially overstates the reality of what is actually harvestable.

The report states: *"Out of an estimated 6.43 million hectares of forested public land in Victoria, about 2.29 million hectares is considered available for harvest"*

This is a theoretical and highly misleading figure because it assumes that timber harvesting is actually possible in all State Forests that are contained in the General Management and Special Management Zones. This is not the case as most are unsuitable for a range of reasons (lack of productivity, topographic constraints, species unsuitability, uneconomic accessibility, or lack of proximity to industry); or are productive but excluded by operational management standards and prescriptions (such as stream buffers) designed to minimise environmental impacts during harvesting.

The figure of 2.29 million hectares of forest available for harvest is drawn from the *State of the Forests 2018 Report (Victoria)*, Table 21 (p.92) which cites only gross figures. Previous Victorian State of the Forests Reports have cited the net harvestable area after taking account of the many exclusions from the gross available area. For example, in 2006, just a net 600,000 hectares of the

gross area of State Forest that was at that point cited as legally available for timber production (ie. 3.312 million hectares) was actually harvestable. This figure is derived from the *Estimates of Sawlog Resources for Forest Management Areas* (Department of Natural Resources and Environment, 2002) produced as part of the Bracks' Government's *Our Forests Our Future* Policy.

It is inconceivable that with around 600,000 ha of public forest harvestable in 2006, that we would now have 2.29 million hectares harvestable in 2018. Indeed, with the native forest industry now concentrated in eastern Victoria, it is generally acknowledged that the net harvestable area of Victorian forest is around 450,000 hectares (about 6% of the Victoria's total public forest area).

The use of a gross figure in this way suggests that available for-use forests are far more prevalent than is actually the case, and can create a false imperative to increase the area of reserves.

p.24/25: Area of annual timber harvesting

The report says: (p.24) *"The area of State forest harvested for timber between 2011-12 and 2016-17 was between 4,400 and 5,600 hectares per year."* However, on p.25 it says *"... 20,627 hectares of native forest has been harvested in that period"* - which equals ~ 3,440 ha/yr.

Which is the correct figure?

p.25: Forest regeneration following harvesting

The report states: *"Since 2011-12, 20,627 hectares of native forest has been harvested and 18,578 hectares have been regenerated"*.

The cited approximate 2,000 hectare shortfall in regenerated forests is somewhat misleading because it creates an impression that no effort has been made to regenerate these areas that probably have no trees. In fact, the shortfall more correctly represents areas which have failed to meet the mandatory regeneration survey standard which equates to about 2,500 eucalypt trees per hectare at two to three years after harvesting.

Accordingly, these sub-standard regeneration areas may actually have anywhere between 500 – 2400 eucalypts per hectare plus dense regeneration of understorey species. Furthermore, such areas are usually treated to improve their sub-standard tree stocking in order to elevate them above the standard, and this may take several years. So, the ~ 2,000 hectare shortfall would be comprised of areas that are in most cases still being treated to improve their stocking.

p.25: Failure of RFA's to achieve long-term stability of wood supply

The report states: *"Improvement needed - The Victorian RFAs have not achieved long-term stability of supply for the timber industry. Reductions in the area available for harvest have resulted from increases in the area of formal and informal reserves and from the effect of fires."*

It is pertinent to note here that the inability of the Victorian RFAs to achieve long term stability of timber supply does not reflect any failing of the RFA's themselves, but has in-part been due to political decisions by the Victorian Government that contravened some of the original RFA's not long after they were signed ie. the decision to end timber harvesting in the Otways in 2003 to facilitate a new national park, the introduction of Community Forest Management in the Wombat Forest in 2002 which ultimately led to the closure of the local industry, the reservation of 45,000 ha of old forest in East Gippsland in 2006, and the buy-out of sawmill licences throughout the state from 2003 onwards. It is also fair to say that some of these changes were responses to resource inventory data showing a need to reduce the harvest to arrest unsustainability issues.

We are not sure how any improvement to this situation can be gained, given that the Victorian Government has in the past felt no compunction to abide by the RFA when it has felt the need to woo green voters; and it could also do the same again if it wanted to simply declare another national park that shut the industry out of the forests currently designated for use.

p.26: Climate change adaption

The report states: *“No mention is made of climate change or adaptation in the Victorian RFAs. Moreover, Victoria’s approach to forest management planning and park management planning does not clearly include mechanisms to enable the level of adaptive capacity that will be necessary to cope with climate change”.*

It is pertinent to point out here that adaptive management in response to climate change is far more achievable under State Forest management compared with CAR reserve management. Multiple-use State Forests allow for a wider range of uses (including commercial) and are consequently associated with a far greater management flexibility. Whereas CAR reserves, especially dedicated national parks and conservation reserves have management restrictions that can prevent actions, such as for example, broadscale thinning to lower between-tree drought stress in a drying climate.

p.27: Serious challenges to forest health

The report states: *“Improvement needed - Invasive species, fire and climate change, as well as the interaction between these three environmental pressures, are serious challenges to forest health in Victoria”*

As timber production is a joint priority for the RFA, it is pertinent to note that invasive species such as weeds and feral animals have very little impact on timber resources, and the impact of fire can be mitigated (but never eliminated) by more fuel reduction burning. There also seems to be a growing acknowledgement that there may be a positive aspect to higher levels of CO₂ in the atmosphere in terms of more rapid growth of vegetation, including trees, and that slightly increased temps may help some species.

p.29: Value of logs

The report states: *“In 2016-17 wood products produced from State forests included 544,700m³ of sawlogs valued at \$56.9 million, 757,300m³ of pulpwood valued at \$45.4 million and 14,000m³ of other products valued at \$0.5 million (Commissioner for Environmental Sustainability 2019)”.*

These figures look like the value to the State of the sale of logs to the industry, rather than the value added total socio-economic value of the wood products subsequently derived from their processing which would be far greater. For example, the 2015 Deloitte Access Economics study of only the Central Highlands native forest timber industry found that it generated a total value of over \$500 million per annum to the regional economy after taking account of the whole value chain of harvest – log processing – wood products manufacture – retail.

Referring to the value of the industry as only equating the revenue and employment attributable only to the sale of logs to the industry has been deceptively used by anti-forestry activists as a tactic to grossly understate the industry’s true value to the Victorian and regional economies. Accordingly, the figures used above should be clarified to inform readers of what they are actually referring to.

p.30: Trade deficit in wood products

The report states: *“The value of wood imports into Australia exceeds the value of exports, indicating a trade deficit in wood products (ABARES 2018).”*

The actual trade deficit figure is over \$2 billion per annum, which could be viewed as an indictment for a country with a small population and a relative abundance of forests. In fact, Australian ranks sixth in the world for per capita forest cover at around 6 ha/person, well above the global average of 0.6 ha/person.

This should be a major consideration in the RFA process, given that most of our forests are already reserved or otherwise not used for wood supply. Indeed, the progressive closure of our own native hardwood industry has already significantly transferred our demand for decorative and durable hardwood products onto other countries, especially developing countries in the Asia-Pacific region which are often far less well-equipped to manage their forests in a sustainable manner.

p. 32: Statistics on employment of people who depend on forests but work outside the forestry sector.

The report states: *“Statistics on employment of people who depend on forests, but who work outside the forestry sector are not readily available.”*

We are unsure of what this mean – do sawmill workers, for example, count as part of the forestry sector for the purposes of this paper, or does it only mean those actually working within the forest? The Deloitte Access Economics report of 2015 in relation to the Central Highlands native hardwood sector (and was more recently updated for the whole state), certainly provides information about the whole industry in terms of employment both within the forest and outside it in log processing and product manufacture. What is probably harder to determine is numbers employed in processing and selling minor produce such as firewood or posts.

The report also states: *“In 2005-06, 22,500 people were employed in the forestry industry (Department of Sustainability and Environment 2009), it is estimated that this number had declined to 16,735 in 2016 (Commissioner for Environmental Sustainability 2019).”*

We suspect that this figure may include employment in the plantations sector which mostly occurs on private land or leased public land which is outside the scope of the RFA. Surely this isn't relevant to a critique of the RFAs and potential improvements.

p.40: VEAC investigations – referred to as Good Practice!

The report says: *“The VEAC investigations are based on good practice. They provide evidence-based recommendations and the investigation process includes extensive public consultation.”*

Unfortunately, this is a very optimistic assessment of a process that is demonstrably flawed by an undue focus on only one forest value – biodiversity conservation – in contravention of the agency's statutory responsibility to independently achieve a balance for all stakeholders.

The just completed Central West Forests investigation exemplifies the problem that has also been evident in previous VEAC investigations, including into northern Victoria's red gum forests from 2005-08. In both cases, the dramatic expansion of national parks and other reserves at the expense of multiple-use State Forests has been strongly opposed by those rural and regional communities that live within and around these forests and rely on them for low impact lifestyle and community services.

VEAC have never credibly explained why the current mix of public land tenures is inadequate in their various regional investigations, and appears to be engaged in achieving the 'green' agenda of associated environmental groups to place all or most Victorian public lands into national parks to supposedly 'protect' them.

However, regional and rural Victorians recognise that this is little more than an illusion of environmental protection given that the key threats to forests, such as unnatural fire regimes, pest plants, feral carnivores, and climate change, transcend land tenure boundaries. These threats need active management which is typically minimal under national park and conservation reserve tenures because of the political misconception that such areas have been 'saved'.

The level of hostility to VEAC in regional areas is substantial, and it is disappointing that this reality would be ignored in this report. From the perspective of those directly disadvantaged by VEAC-inspired changes to public lands, their investigations are founded on dubious 'evidence' hidden behind a tick-box process of manufactured community engagement which should not be confused with real engagement that actually takes notice of the needs of all stakeholders.

p.45: Encouraging investment and innovation

The report says: *"The RFA modernisation process should also consider opportunities to encourage investment in innovation and new market opportunities."*

We would agree with this aim, and point to a study undertaken in western Victoria by Owen Bassett and Peter Fagg which identified power poles as an opportunity because it is in demand and could yield revenue from low impact thinning operations. We are not sure why this opportunity doesn't appear to have been seriously investigated.

Prepared by [REDACTED]
29 June 2019