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Foreword

VicForests Ecologically Sustainable Forest Management Plan reflects a commitment by VicForests to actively manage our forests to deliver social and economic benefits to the Victorian community whilst sustaining and protecting environmental values. The core principle of Ecologically Sustainable Forest Management is that the benefits flowing from active forest management must be above and beyond those that are only framed in economic or regulatory terms.

We recognise that the appropriate management of our forests is important to everyone in the community, regardless of whether they live in the city, in rural or regional areas. Victoria’s native forests are valued for their beauty, biodiversity, provision of clean drinking water, carbon storage, recreation, cultural and historic significance and the renewable timber and non-timber products and services they generate. It is VicForests responsibility to ensure the forests vested in our care are managed to the highest possible standards and our activities continue to support the range of interests and rights of all our stakeholders.

VicForests has developed this Ecologically Sustainable Forest Management Plan to clearly communicate the policy settings we operate under, describe our responsibilities and invite ongoing collaboration with stakeholders to help us realise continual improvement in the way we manage Victoria’s unique native forests.

This five-year plan also presents strategies and objectives across 11 focus areas. We have adopted these focus areas because they best echoed what stakeholders believe are areas critical to achieving VicForests aim to be an ecologically responsible, socially accepted and economically viable forest manager. They are also an impartial reflection of our desire to achieve and maintain both Australian Forestry Standard and Forest Stewardship Council third-party certification and become recognised leaders in sustainable native forest management.

We hope this plan opens the doors for our stakeholders to engage with us in a meaningful and constructive way, provide feedback on our focus areas and strategies, and take the opportunity to learn more about VicForests operations and future directions.

Robert Green

Chief Executive Officer, VicForests
How to Interpret this Plan

This Ecologically Sustainable Forest Management Plan is a key strategic document within VicForests’ Ecologically Sustainable Forest Management System. It represents the culmination of our efforts to date to collaborate with our stakeholders and incorporate feedback in line with our legal obligations, core business values and Ecologically Sustainable Forest Management Policy commitments.

This Plan covers the 2.29 million hectares of State Forest managed across Victoria by VicForests, through two Forest Management Units. The 11 focus areas and objectives outlined in this Plan were guided by stakeholder feedback during our two stage Forest Management Plan consultation and are founded in VicForests’ commitment to ecologically, socially and economically responsible forest management over a range of time and landscape scales.

VicForests’ Ecologically Sustainable Forest Management Plan is not intended to replace the Department of Environment, Land, Water and Planning’s regional Forest Management Plans, which outline information and minimum prescriptive management actions resulting from Victoria’s Regional Forest Agreement process. Rather, this Plan complements the sustainable forest management principles established through Government policy and legislation, with the additional aim of providing our stakeholders with a clearer strategic overview of how VicForests will manage the forests vested in our care and complementary to that which is already specified in existing government instruments.

Each focus area within this Plan contains an overarching goal, describes our five year strategic forest management objectives, and provides an overview of current management approaches, new strategic directions and processes for achieving these. Throughout this Plan, the reader is directed towards other relevant documents should they wish to seek more information.

For clarity, each document referenced throughout this Plan is highlighted according to document ownership as follows:

- **Documents in Black Italics** refer to Commonwealth or State Acts and Statutes
- **Documents referenced in Grey Italics** refer to State Government owned documents
- **Documents referenced in Blue Italics** refer to VicForests owned documents

Working definitions for words or phrases displayed in **Bold Black Italics** are included in our Glossary of Terms in Appendix 1.
Feedback
VicForests will review this plan annually, whereby any feedback from stakeholders will be considered.

Feedback and comments on this document can be directed at any time to:

Manager Forest Practices
VicForests
P.O. Box 191
Melbourne Vic 3001

Phone: +61 9608 9500
Fax: +61 9608 9588
Email: vfs.admin@vicforests.com.au

Or visit our Website: www.vicforests.com.au for more information.
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Executive Summary

VicForests Vision
VicForests’ is committed to playing a key role in maintaining the ecological integrity of Victoria’s State forests and actively contributing to the economic viability of the Victorian Timber Industry.

This Plan is a critical step towards achieving our mission in which we position ourselves as a leading timber harvesting and sales business by implementing innovative commercial practices, outstanding forest management and a focus on staff development. Our end to end best-practice operations will be informed by credible science, increased stakeholder involvement and an adaptive review system. In striving for high standards of regulatory compliance and transparency we aim to build community respect in our approach, including accepted and well-balanced delivery of all values from Victoria’s State forests now and for future generations.

Ecologically Sustainable Forest Management
VicForests recognises that for the long-term sustainability of the native forest timber industry, and to demonstrate leadership in ecological forest management, we must further develop and continuously improve our practices and explore alternative perspectives. Our approach has evolved over several years to incorporate an increased focus on the inter-relationships between all components of an ecosystem.

Our working definition of Ecologically Sustainable Forest Management is guided by the National Forest Policy Statement, which describes it as:

“Active forest management that integrates timber production with intrinsic, environmental, social, cultural, and economic benefits to ensure that all these values are maintained for current and future generations.”

In embracing this definition, we are committed to ensuring that VicForests’ management activities promote long term and landscape-scale benefits while continuing to adapt to modern science and research findings. Underpinning this is our firm belief that beautiful, natural timber from responsibly managed forests should be recognised across Australia and internationally as the environmental product of choice. Within a carbon-conscious society, and an expanding human population, renewable, carbon-storing timber will play an increasingly critical role in providing for society’s needs in perpetuity.

VicForests Ecologically Sustainable Forest Management Plan places a greater emphasis on understanding the inter-relationships of all components of an ecosystem, actively assessing and reporting the impacts of our activities and aiming to balance the benefits over the long-term. VicForests’ understands that beyond our regulatory and commercial requirements, it is our responsibility to deliver better social and ecological outcomes.

VicForests’ Ecologically Sustainable Forest Management Plan has been developed with 11 focus areas in mind to help us achieve our goal to be an ecologically responsible, economically viable and

socially conscious forest manager and service provider. Each focus area may not be applied equally across every aspect of our business, but rather prioritisation of objectives will occur within a risk management context.

**Ecologically Sustainable Forest Management Focus Area Objectives**

1 **Regulatory Compliance**
VicForests will maintain an Ecologically Sustainable Forest Management System that supports relevant Government legislation and policy and is compatible with Australian Forestry Standard and Forest Stewardship Council principles and criteria.

**Objectives**
- Achieve and maintain third-party certification
- Manage compliance with the Code of Practice for Timber Production
- Continuously improve the Ecologically Sustainable Forest Management System

2 **Science-based Decision Making**
VicForests will engage in credible and relevant research to understand ecosystem condition and inform forest management practice.

3 **Science-based Decision Making**
VicForests will engage in credible and relevant research to understand ecosystem condition and inform forest management practice.

4 **Science-based Decision Making**
VicForests will engage in credible and relevant research to understand ecosystem condition and inform forest management practice.

5 **Science-based Decision Making**
VicForests will engage in credible and relevant research to understand ecosystem condition and inform forest management practice.

**Objectives**
- Enhance capacity to deliver research programs
- Undertake research to inform improvements to biodiversity management
- Cultivate new research and advisory partnerships

3 **Biodiversity and High Conservation Values**
VicForests will assess and protect conservation values with consideration to the scale, intensity and risk of our operations.

**Objectives**
- Maintain and implement a High Conservation Value Strategy
- Incorporate stakeholder perspectives relevant to biodiversity conservation
- Assess and protect biodiversity values at operational and landscape scales

4 **Long-term Economic Development**
VicForests will provide sustainably-sourced, renewable products that support local economies and employment.

**Objectives**
- Maximise timber product recovery and associated services
- Meet commitments to customers and contractors
- Diversify and develop new markets
- Demonstrate benefits from our activities to Victorian economy

5 **Social and Environmental Services**
VicForests will be an active contributor to rural communities that depend on or benefit from Victorian State forest management.

**Objectives**
- Support Regional Community interests
- Actively contribute to bushfire management and suppression
6 Landscape-scale Resource Planning
VicForests will maintain the productive capacity of State forests to ensure the future sustainability of all values.

Objectives
- Understand the available forest resource
- Maintain production in accordance with sustainable harvest principles
- Effectively manage risks and uncertainties in timber resource modelling

7 Adaptive Practices
VicForests will ensure harvesting practices adapt to consider new scientific information and stakeholder feedback.

Objectives
- Implement timber harvesting systems that balance silvicultural and ecological objectives
- Monitor long-term impacts and benefits of harvesting practices
- Continuously review and evolve silvicultural practice

8 Regrowing Forests
VicForests will regrow all forests harvested in line with natural forest management principles.

Objectives
- Maintain forest health and vitality
- Maintain a sufficiently stocked viable and representative seed store
- Minimise risks to known values during regeneration

9 Cultural Heritage
VicForests will respect native title rights, traditional uses and customary tenures, and protect all cultural heritage values.

Objectives
- Improve processes for cultural heritage management
- Support traditional owner settlement agreements
- Strengthen relationships with Indigenous groups

10 Stakeholder Involvement
VicForests will provide opportunity to engage and provide feedback on our forest management planning and operations.

Objectives
- Increase opportunities for direct engagement
- Use stakeholder feedback to improve practices or processes
- Resolve all disputes fairly and efficiently

11 Transparency
VicForests will build respect and understanding with our stakeholders through clear public reporting and access to relevant information.

Objectives
- Provide stakeholders with progress against VicForests Ecologically Sustainable Forest Management objectives
- Be responsive to stakeholder enquiries and complaints
- Provide public access to VicForests information
Introduction

Our Role
VicForests is a Victorian state-owned business established on 28th October 2003 by Order in Council under the State Owned Enterprises Act 1992 to undertake the management and sale of timber resources in Victorian State forests on a commercial basis.

In accordance with the Order, VicForests' role is to:

- estimate the available timber resources
- undertake the sale and supply of timber resources, and related management activities, in Victorian State forests on a commercial basis or as agreed by the Treasurer and the Minister
- develop and manage an open and competitive sales system for timber resources;
- manage forest regeneration
- pursue other commercial activities as agreed by the Treasurer and the Minister.

When undertaking these functions, VicForests must:

- operate our business or pursue our undertakings as efficiently as possible consistent with prudent commercial practice
- deliver sustainable value for money services
- undertake our commercial activities in a manner which will maximise the long-term economic returns to Victoria
- operate in a framework consistent with Victorian Government policies and priorities.

Our Core Business

Who We Are
VicForests is proud to be recognised as a credible, successful and dynamic native forestry business that provides a sustainable contribution to Victoria. We achieve this by living our values every day.

Safe
We aim for zero harm in all that we do

Sustainable
We respect and care for our environment and the communities in which we operate

Professional
We operate in an ethical, efficient and accountable manner

Customer Focused
We are responsible in our commercial dealings

Respect
We treat others in a manner in that we would like to be treated

Where We Are Going
Vision
To play a key role in maintaining the ecological integrity of Victoria’s State forests and the economic viability of the Victorian timber industry.

Mission
VicForests is a leading native forest timber harvesting and sales
business. VicForests is committed to building a strong commercial and performance-based culture through innovative commercial practices, staff development and outstanding forest management.

**Strategic Direction**

To maintain our strong commercial forestry business so that we can continue to make a significant contribution to the Victorian economy.

To respect the forests in which we operate and build strong environmental systems that sustain our unique Victorian biodiversity.

To grow our business through the efficient and effective delivery of Government policy objectives.

**How We Are Going to Get There**

**Safely** We are committed to achieving Zero Harm (safety) within all of our workplaces.

**Passionate, Talented People** We are passionate, talented and experienced people who are respected for our integrity, commitment and professionalism.

**Sustainable Business Practices** We focus on what matters to the business and getting that right. We follow clearly stated and objectively measured success indicators to demonstrate our achievements.

**Respecting Stakeholders** We acknowledge the scrutiny that we are under and actively engage with a wide range of stakeholders so as to build strong relationships with those interested in our business.

**Responsive to Government** We are respected for being a trusted, no-fuss advisor to Government and will continue to deliver efficient and effective outcomes to the State.

**Contribution to Victoria** We continue to make a significant contribution to the economy, especially in rural and regional Victoria.

**Land to which this Plan Applies**

Victoria has around 7.12 million hectares of *native forests* on public land that provide a wealth of environmental, economic and social benefits to the state. More than 3.98 million hectares of Victoria’s total public forest area are dedicated conservation areas in the form of National Parks and Conservation Reserves. The remaining 3.14 million hectares is *State forest* that can be spatially represented by the Forest Management Zoning Scheme (FMZ Scheme). The FMZ Scheme includes three main management zones: the Special Protection Zone (SPZ); the Special Management Zone (SMZ); and the General Management Zone (GMZ), which collectively identify the areas of *State forest* managed for conservation, production of timber and non-timber forest products, and maintenance of social and economic values including recreation and *cultural heritage*[^2]. *General Management Zones* and *Special Management Zones* are potentially available for timber harvesting activities as defined within the *Forest Management Zoning scheme. Special Protection Zones*.

National Parks and other formal reserves are permanently excluded from harvest, unless special circumstances warrant limited, specific activities. A forth zone called Forest Park also exists which allows for the removal of minor forest produce, including domestic and commercial firewood. The most significant areas of Forest Park exist in the Portland and Otway Forest Management Areas in the west of the State.

For forest management, planning and customer supply purposes across the Victorian Forest estate, VicForests delineates two Forest Management Units.

**Eastern Forest Management Unit**

VicForests’ Eastern Forest Management Unit is comprised of 1.82 million hectares of State forest east of the Hume Highway, as defined by the Allocation Order 2013. This Forest Management Unit is the primary source of Victorian native-forest hardwood timber used for high-end, building and functional purposes.

The Eastern Forest Management Unit is managed through North East, West Gippsland and East Gippsland operations regions.

**Western Forest Management Unit**

VicForests’ Western Forest Management Unit is comprised of 570,000 hectares of State forest west of the Hume Highway managed under delegation from the State Minister for Agriculture. This Forest Management Unit is VicForests’ hub of small-scale commercial firewood and community-based forestry and is managed through a single Community Forestry operations region.

The Wood Utilisation Plan specifies the Defined Forest Area for the Western Forest Management Unit, which is the area planned for harvest during the term of the Wood Utilisation Plan. The current Defined Forest Area for the 2014/15 to 2016/17 Wood Utilisation Plan is 33,067 hectares. This area will change annually as the Wood Utilisation Plan is renewed.

**Administrative Planning Hierarchy**

Each Forest Management Unit is further sub-divided by the following hierarchy of administrative planning units:

**Forest Management Areas** are the main administrative unit described in many of VicForests’ planning and contractual arrangements and are comprised of aggregates of Forest Blocks.

**Forest Blocks** are small administrative units usually delineated by natural features and encompassing approximately 2,000 hectares of forest each. Forest Blocks are used to identify the source location of the forecasted sustainable yield targets within each Forest Management Area.

**Forest Coupes** are the smallest administrative units used for planning and define the discrete area within which timber harvesting takes place. In the Eastern Forest

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3 Refer to Department of Environment, Land, Water and Planning Forest Management Plans for forest zoning descriptions and allowable activities.

Management Unit each coupe must be approved within a Timber Release Plan. In the Western Forest Management Unit each coupe is approved through a Wood Utilisation Plan. All coupes are described in detail and managed through a Forest Coupe Plan. 

![Figure 1 VicForests Forest Management Units indicating operational regions and areas of public forest by tenure. VicForests only operates in State forest. In the Eastern Forest Management Unit (delineated by the red line) the forest is allocated, in the Western Forest Management Unit it is not.](image)

Forest Types
For the purposes of planning, harvest and sale, we group forests into forest types, which differ by Forest Management Unit. The Allocation Order and Wood Utilisation Plan also use these broad forest types when describing the allocated area and timber resources vested to VicForests (Table 1 and Table 2).

Eastern Forest Management Unit
The Eastern Forest Management Unit, through the Timber Release Plan, is classified into 2 main forest types:

Ash Forest Type
Ash Forest is a term used to convey tall open wet forests dominated by Mountain Ash.

---

\(^5\) Coupe sizes are limited by the Code of Forest Practice for Timber Production and relevant silviculture prescriptions. Refer to the Adaptive Practices Focus Area for coupe size limitations for each silvicultural system.
(Eucalyptus regnans), Alpine Ash (E. delegatensis) and/or Shining Gum (E. nitens). These forests are generally naturally dominated by a single overstorey species but may be mixed with other species; most commonly Messmate (E. obliqua) and Manna Gum (E. viminalis). Ash forests depend on high intensity fires, abundant light and regular rainfall to regenerate and tend to be site-specific forests occupying the mountainous regions of Victoria.

**Mixed Species Forest Type**

For management purposes, VicForests further divides Mixed Species Forests into low elevation and high elevation forest types because each has distinctively different silvicultural needs related to their species composition and site characteristics.

**Low Elevation Mixed Species** forests occupy extensive areas of the North East, West Gippsland and East Gippsland, and comprise much of the coastal and foothill forests of Victoria. They are generally located at elevations less than 700m and contain key overstorey species such as Silvertop (E. sieberi), Mountain Grey Gum (E. cypellocarpa), Messmate (E. obliqua), Yellow Stringybark (E. muelleriana) and White Stringybark (E. globoidea). This forest type is comparable to areas of Foothill Mixed Species and Coastal Mixed Species Forest Types in the Western Forest Management Unit.

**High Elevation Mixed Species** forests occupy extensive areas of East Gippsland. They are generally located at elevations greater than 700m and contain overstorey species mixtures of Messmate (E. obliqua), Cut-tail (E. fastigata), Errinundra Shining Gum (E. denticulata), Mountain Grey Gum (E. cypellocarpa) and/or Manna Gum (E. viminalis). This forest type includes areas comparable to Alpine Mixed Species and Mountain Mixed Species forest types in the Western Forest Management Unit.

**Table 1** The 2013 Allocation Order to VicForests in hectares, indicating the approximate percentage of the allocated Forest Type within each Forest Management Area in the Eastern Forest Management Unit.

<table>
<thead>
<tr>
<th></th>
<th>Ash (%)</th>
<th>Mixed Species (%)</th>
<th>Total Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benalla-Mansfield</td>
<td>6%</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>Central</td>
<td>21%</td>
<td>6%</td>
<td>27%</td>
</tr>
<tr>
<td>Central Gippsland</td>
<td>28%</td>
<td>19%</td>
<td>47%</td>
</tr>
<tr>
<td>Dandenong</td>
<td>8%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>East Gippsland</td>
<td>2%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>North-East</td>
<td>19%</td>
<td>21%</td>
<td>40%</td>
</tr>
<tr>
<td>Tambo</td>
<td>16%</td>
<td>15%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Total Area (hectares)</strong></td>
<td><strong>241,000</strong></td>
<td><strong>1,579,000</strong></td>
<td><strong>1,820,000</strong></td>
</tr>
</tbody>
</table>
Western Forest Management Unit
The Western Forest Management Unit is classified into a number of forest types through the Wood Utilisation Plan:

Red Gum Forest Type
Red Gum forests are dominated by Red Gum (*E. camaldulensis*) and may be dryland or riverine. The Red Gum forests that VicForests operate in are located in the Mid-Murray and Horsham Forest Management Areas.

Box Ironbark Species Forest Type
Box Ironbark forests are predominantly located around the Central Goldfields regions and are up to 20m tall. They feature Red Ironbark (*E. tricarpa / sideroxylon*), Grey Box (*E. macrocarpa*), Yellow Gum (*E. leucoxylon*) and a mix of Red Stringybark (*E. macrorhyncha*), Long Leaf Box (*E. goniocalyx*) and Red Box (*E. polyanthemos*).

Foothill Mixed Species Forest Type
Foothill Mixed Species forests are utilised in the Otway, Midlands and Portland Forest Management Areas at elevations between 300 and 700m. They are similar in overstorey species composition to the Low Elevation Forest Type in the Eastern Forest Management Unit, but may also contain a wide range of Stringybark, Box, Peppermint and Gum Species.

Mountain Mixed Species Forest Type
Mountain Mixed Species forests of the Otways are comparable to the High Elevation Mixed Species Forest Type in the Eastern Forest Management Unit. They occur at elevations above 700m and generally contain overstorey species mixtures of Mountain Ash (*E. regnans*), Messmate (*E. obliqua*), Mountain Grey Gum (*E. cypellocarpa*), Manna Gum (*E. viminalis*) and Blue Gum (*E. globulus*).

Coastal Mixed Species Forest Type
Coastal Mixed Species forests occur at elevations below 300m in the Otway and Portland Forest Management Areas. Overstorey species include Red Stringybark (*E. macrorhyncha*) and Brown Stringybark (*E. baxteri*).

Alpine Mixed Species
Alpine Mixed Species forests occur at high elevations between 900 and 1700m and contain overstorey species mixtures of Narrow-leaf Peppermint (*E. radiata*), Broad-leaf Peppermint (*E. dives*), Mountain Gum (*E. dalrympleana*), Candlebark (*E. rubida*) and Brittle Gum (*E. mannifera*).

Plantation
There are some small areas of Sugar Gum (*E. cladocalyx*) plantation within areas of State forest which fall under VicForests’ delegation.
Table 2 The 2014/15 to 2016/17 Wood Utilisation Plan Schedule in hectares, indicating the approximate area of the scheduled Forest Type within each Forest Management Area (Note there is currently no scheduled Alpine Mixed Species)

<table>
<thead>
<tr>
<th></th>
<th>Box-Ironbark</th>
<th>Coastal Mixed Species</th>
<th>Foothill Mixed Species</th>
<th>Mountain Mixed Species</th>
<th>Red Gum</th>
<th>Sugar Gum Plantation</th>
<th>Total Area (hectares):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bendigo</td>
<td>9,518</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>202</td>
<td>9,720</td>
</tr>
<tr>
<td>Horsham</td>
<td>990</td>
<td>3,201</td>
<td></td>
<td>5,815</td>
<td>294</td>
<td></td>
<td>10,300</td>
</tr>
<tr>
<td>Mid-Murray</td>
<td>2,142</td>
<td>1,292</td>
<td></td>
<td></td>
<td></td>
<td>2,271</td>
<td>3,434</td>
</tr>
<tr>
<td>Midlands</td>
<td>1,615</td>
<td>3,094</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,710</td>
</tr>
<tr>
<td>Otway</td>
<td>98</td>
<td>2,531</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,629</td>
</tr>
<tr>
<td>Total Area (hectares):</td>
<td>10,508</td>
<td>98</td>
<td>9,489</td>
<td>4,386</td>
<td>8,086</td>
<td>496</td>
<td>33,065</td>
</tr>
</tbody>
</table>

VicForests’ Business Units
VicForests’ manages the forests under our care through Business Units (Figure 2). These were initially established to manage VicForests traditional forest management business across the Eastern Forest Management Unit. This activity is characterised by integrated conservation, timber harvesting and forest management at the landscape scale and competitive sales processes are used to derive the highest value from harvested products. More recently, with the transfer of operations from the former Department of Environment and Primary Industries to VicForests, the Community Forestry Business Unit was established. This business unit manages on-ground operations and consolidation of our new responsibilities in the Western Forest Management Unit and small-scale operations in Gippsland. It is noteworthy to mention this Business Unit separately, as the newest addition to VicForests operations.

Community Forestry Business Unit
The establishment of a separate Community Forestry Business Unit within VicForests’ structure occurred upon the transfer of duties, powers and functions relating to small-scale commercial timber harvesting in western Victoria and other firewood operations previously managed by the former Department of Environment and Primary Industries Forest Services Unit to VicForests in 2014. This transfer of responsibilities occurred via a Machinery of Government change and generated Instruments of Delegation from the relevant Minister and Secretary, with the expectation that VicForests will transition this function to a more commercial footing by 2020.

The Community Forestry Business Unit is subject to the same regulatory and reporting requirements as managed through VicForests Business Management Systems and as outlined in this Plan, however there are some slight differences in the administration and allocation of wood resources between this Business Unit and other VicForests Operations. Where they exist, these differences are delineated in this Plan.
**VicForests Business Management Systems**

VicForests maintains a range of adaptive Business Management Systems that define how we operate. These systems form the basis for our planning, implementation, reporting, monitoring and continuous improvement processes and ensure efficient and effective business delivery. VicForests Business Management Systems include the following:

- Ecologically Sustainable Forest Management System
- Occupational Health and Safety Management System
- Financial Management System
- Information Technology Management System
- Stakeholder Management System

The Ecologically Sustainable Forest Management System is the system relevant to our forest management activities and is underpinned by the *Ecologically Sustainable Forest Management Policy* and this Plan.

VicForests’ Business Management Systems have been developed in line with the International Organisation for Standardisation’s AS/NZS ISO 14000 *management system* standards⁶ and each contains the following elements:

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⁶ Refer to [http://www.iso.org/iso/iso14000](http://www.iso.org/iso/iso14000) (accessed 26/10/2014)
Introduction

- **A Policy**, that sets out the goals committed to under the system
- **Strategies and Plans**, which articulate the strategic direction and define the objectives, targets, priorities, budgets and projects within the system
- **Monitoring** and **Reporting**, to track performance against the objectives and targets
- **Corrective Action and Incident Reporting**, to manage incidents and implementation of corrective actions that improve the system.
- **Audits**, to inform management regarding compliance, process gaps and other issues relating to the system
- **A Management Review**, to assess and address system performance improvement
- **Risk identification and controls**, to systematically identify, rate and propose management of key risks associated with the system
- **Processes for Legal and Certification requirements** to identify and assure that the system provides appropriate compliance with expected standards
- **A description of responsibility and accountability** within the system
- **Training and competency** requirements for the implementation of the system
- **Record Management** processes to identify and manage all documents and records appropriately
- **Communication Processes** to identify elements of the system that need to be communicated to **stakeholders** and describe how this will be achieved.

**VicForests’ Legal Framework for Forest Management**

There are several government instruments that define VicForests’ responsibilities for harvesting and selling timber within a broader context of conservation, public land management and **cultural heritage**. The key primary legislative instruments directly feed into our Ecologically Sustainable Forest Management System, informing development of our **policies, procedures** and **instructions** as summarised in.

**National Forest Policy Statement 1992**

Under the 1992 Federal Government’s **National Forest Policy Statement**, Commonwealth, State and Territory governments agreed on broad goals for managing Australia’s **native forests** that support the concept of **sustainable** forest management. The aim was to conserve **biodiversity**, heritage and cultural values, and at the same time develop a dynamic, competitive and **sustainable** forest products industry. The governments’ approach was guided by the Montréal Process, which is the international framework established in 1994 to monitor, measure, assess and report on national forest trends and management. At the time of writing of this **Ecologically Sustainable Forest Management Plan** in 2015, the **National Forest Policy Statement** was under review by Federal and State governments.

**Regional Forest Agreements**

**Regional Forest Agreements** were a key element of the **National Forest Policy Statement**’s approach and sought a reasonable balance between conserving Australia’s forest estate and enabling its enduring use for economic production and recreation at the regional level. Ten Regional Forest Agreements were developed across Australia in four stages\(^7\), each resulting from **scientific ‘Comprehensive Regional Assessments’** of the environment, heritage, social and economic uses and values of native forests. These assessments were founded on a set

of nationally-agreed criteria, called the JANIS\textsuperscript{8} criteria, and involved widespread consultation with key stakeholders.

The agreements resulted in the establishment of a ‘Comprehensive Adequate and Representative’ (CAR) reserve system for forests across Australia and form the basis for the long-term forest management planning outcomes at State and regional scales. The area of forest protected within this reserve system has increased significantly since the inception of the Regional Forest Agreements. All conservation values not included in the CAR reserve system, including occurrences of rare and endangered forest ecosystems, are protected through adherence with the operational goals and mandatory actions outlined within the Code of Practice for Timber Production.

\textbf{Figure 3} Diagrammatic representation of VicForests’ Ecologically Sustainable Forest Management System in the context of governments’ legal framework for sustainable forest management

\textsuperscript{8} ‘JANIS’ stands for the Joint ANZECC/MCFFA National Forest Policy Statement Implementation Subcommittee, which developed the criteria
Sustainable Forests (Timber) Act 2004
VicForests’ authority to access timber resources from Victoria’s State forests in the Eastern Forest Management Unit is legislated under the Sustainable Forests (timber) Act 2004.

The Sustainable Forests (Timber) Act 2004 was established by the Victorian Government to provide a legal framework for sustainable forest management through the development of a Sustainability Charter and establishment of an Allocation Order.

Allocation Order
Under the Sustainable Forests (Timber) Act 2004, VicForests acquires its legal rights to State forest timber resources in the Eastern Forest Management Unit through the establishment of an Allocation Order, which is provided by the Minister for Agriculture and published in the Victorian Government Gazette. The Allocation Order:

- Allocates timber resources in State forests to VicForests for the purposes of harvesting and selling
- Permits VicForests to undertake management activities associated with timber harvesting and selling
- Describes the forest types allocated to VicForests
- Shows the extent and location of the allocated forest types
- Designates the total area in hectares available for harvest in each forest type
- Describes the maximum area that may be harvested in defined five-year periods
- Specifies any other conditions and limitations that apply to the allocated timber resources.

Sustainability Charter
The Sustainable Forests (Timber) Act 2004 requires VicForests to develop initiatives and targets that respond to and support the objectives set out in the Sustainability Charter. The Sustainability Charter for Victoria’s State forests defines the direction of forest management to meet environmental, socio-economic and governance objectives consistent with the Montreal Process. It commits the Department of Environment, Land, Water and Planning, the Department of Economic Development, Jobs and Resources and VicForests to the following set of objectives for managing Victoria’s State forests:

- Maintain and conserve biodiversity in State forests
- Maintain and improve the capacity of forest ecosystems to produce wood and non-wood products
- Promote healthy forests by actively managing disturbance
- Maintain and conserve the soil and water resources of State forests
- Maintain and better understand the role of Victoria’s State forests in global carbon cycles
- Maintain and enhance the socio-economic benefits of State forests to Victorian communities
- Ensure Victoria’s legal, institutional and economic frameworks effectively support the sustainable management of State forests

VicForests must include these initiatives and targets in our annual Statement of Corporate Intent (required under the State Owned Enterprises Act 1992) and report on the status,
performance or achievement of the initiatives and targets in our annual *Sustainability Report* and our *Annual Report* of operations (required under the *Financial Management Act 1994*).

Additional reporting on achievements under the *Sustainability Charter* occurs through the Victorian Governments’ 5-yearly *Victoria’s State of the Forests Report*.

**Timber Release Plan**
The Timber Release Plan is a 5-year rolling schedule of areas to be harvested from the *Allocation Order* and is prepared in accordance with the *Sustainable Forests (Timber) Act 2004*.

**Forests Act 1958**
The *Forests Act* was established for the management and protection of *State forests* in Victoria. Through this Act the Minister may grant a licence to harvest and remove forest produce from *State forests* except where that timber is vested under the *Sustainable Forests (Timber) Act 2004*.

VicForests issues licences to access and sell wood resources from Victoria’s *State forests* in the Western *Forest Management Unit*, and other forest areas managed by VicForests’ Community Forestry Business Unit, through the *Forests Act 1958* under delegation from the State governments’ Minister for Agriculture.

**Wood Utilisation Plan**
The *Wood Utilisation Plan* describes the *Defined Forest Area* that is accessible to VicForests. Wood resources managed by the Community Forestry Business Unit remain the property of the State, but are managed by VicForests according to a *Wood Utilisation Plan* which is a 3-year rolling schedule of areas to be harvested.

**Conservation Forests and Lands Act 1987**
The *Conservation Forests and Lands Act 1987* addresses requirements for the protection of land, water and wildlife prior to the commencement of harvesting or construction activities, as met through approval of the *Timber Release Plan* and *Wood Utilisation Plan* processes, and enforces compliance with the *Code of Practice for Timber Production*.

**Code of Practice for Timber Production 2014**
The *Code of Practice for Timber Production 2014* is the key legislative instrument providing direction and guidance to forest managers and operators on regulatory requirements for achieving sound environmental performance. The *Code* incorporates the *Management Standards and Procedures for timber harvesting operations in Victoria’s State forests (Management Standards and Procedures)*, which specify minimum environmental and operational *prescriptions* that must be followed by VicForests in meeting the objectives of the *Conservation Forests and Lands Act 1987*, the *Forests Act 1988* and the *Flora and Fauna Guarantee Act 1988*.

VicForests is obligated to comply with the *Code of Practice for Timber Production* under the *Sustainable Forests (Timber) Act 2004*.

**Other Forest Manager Roles and Responsibilities**
The Victorian Government, Local Governments, Parks Victoria, Catchment Management Authorities, Committees of Management, Regional Coastal Boards and Water Corporations
all have different land use rights and responsibilities in managing Public Land in Victoria. These organisations are key stakeholders in VicForests operations.

Providing ministerial oversight are; the Minister for Agriculture, who is accountable for sustainable timber harvesting and is the relevant minister overseeing VicForests; and the Treasurer, who is VicForests’ sole shareholder.

**Department of Environment, Land, Water and Planning**
The Victorian Department of Environment, Land, Water and Planning has custodial or ownership rights over Public Land in Victoria and is responsible for managing Victoria’s entire publicly-owned State forest estate and regulating compliance of VicForests’ activities with the Code of Practice for Timber Production. The Department of Environment, Land, Water and Planning’s’ broader management roles span responsibilities in fire suppression, biodiversity, pest plants and animals, forest diseases, road maintenance, recreation and administering non-commercial firewood and non-forest produce licences.

The Department of Environment, Land, Water and Planning’ specific roles in relation to VicForests include:

- Regulating all commercial forest uses, including timber harvesting across the state
- Preparing and amending regional Forest Management Plans, including forest management zoning
- Developing commercial forest policy for Victoria
- Developing other regulatory instruments such as the Management Standards and Procedures
- Preparing and amending Flora and Fauna Guarantee Action Statements
- Auditing VicForests’ operations against the Code of Practice for Timber Production
- Monitoring and reporting on sustainable forest management across the whole state
- Administering and approval of Regeneration Burn Plans

**Department of Economic Development, Jobs Transport and Resources**
The Victorian Department of Economic Development, Jobs, Transport and Resources includes the Forest Industry portfolio under the Minister for Agriculture and with respect to VicForests, is responsible for:

- Creating conditions to sustainably develop the Victorian economy and grow employment
- Managing the allocation and vesting of timber resources to VicForests (the Allocation Order)
- Monitoring, along with the Department of Treasury and Finance, VicForests’ corporate governance compliance
- Managing public safety zones for timber harvesting operations across the state
- Protestor management

**Other Government Agencies**
VicForests regularly liaises with a variety of other government agencies in the course of our core business. These agencies and their associated responsibilities and key legislation relevant to public land management are listed in Appendix 4.
Other Land Use Rights, Tenure and Agreements

VicForests recognises and respects that many other groups, organisations and individuals hold both customary and land use rights or tenure agreements within or neighbouring the areas we operate in. These may include:

- Organisations with Public or Crown Land management rights or tenure agreements
- Private land owners, including local community neighbours with water allocation licences for domestic use or food and crop irrigation
- Registered Aboriginal Parties and Aboriginal Groups with established Native Title Rights or Land Use Activity Agreements established under the Traditional Owners Settlement Act (2010)
- Individuals and non-timber Industry Associations representing individuals with licensed use rights such as those with firewood, apiary, grazing, water or mining licences.
1 Regulatory Compliance

VicForests will maintain an Ecologically Sustainable Forest Management System that supports Government legislation and policy and is compatible with Australian Forestry Standard and Forest Stewardship Council principles and criteria.

Background

Regulatory compliance underpins all that VicForests does. Our compliance objectives represent VicForests’ commitment to being ecological responsible, socially acceptable and economic viable. VicForests conducts forestry operations within a comprehensive legal framework consisting of a range of policies, agreements, laws, codes, plans, and procedures devised and managed by the State and Federal Governments. As our regulatory body, the Department of Environment, Land, Water and Planning advises VicForests on regulatory and technical issues as required and independently audits and enforces compliance with the Code of Forest Practice for Timber Production. This, however, forms just one component of VicForests’ overall regulatory environment.

As a business, VicForests has pledged to go beyond our minimum legal responsibilities to demonstrate that we will do everything in our power to operate in line with internationally recognised standards and stakeholder expectations. A significant component of this involves VicForests’ ambitions for maintaining Australian Forestry Standard (AFS) certification for our Eastern Forest Management Unit, achieving Australian Forestry Standard certification for our Western Forest Management Unit and achieving Forest Stewardship Council Controlled Wood status for all VicForests operations. These certification systems have guided many of the objectives under this Ecologically Sustainable Forest Management Plan; the principles of which are being incorporated across our business within our Ecologically Sustainable Forest Management System.

The development of this Ecologically Sustainable Forest Management Plan and supporting system represents VicForests’ aim to enhance the way we do business and meet our third-party certification objectives. Stakeholder expectations and VicForests’ regulatory environment are continuously evolving and we commit to evolving with them.

Ecologically Sustainable Forest Management System

VicForests Ecologically Sustainable Forest Management System of documents, registers and reports ensure we continue to meet or exceed our regulatory compliance and third-party certification objectives. The system framework has been designed to be compatible with the International Organisation for Standardisation’s AS/NZS ISO 14001:2004 Environmental Management Standard.

Forest Management Certification

In Australia, forest managers and owners have the option of certifying their forests against either the Australian Forestry Standard, which is internationally recognised under the Programme for the Endorsement of Forest Certification, or the Forest Stewardship Council interim Australian national standards. Currently, approximately 10.6 million hectares of native and plantation forests is certified in Australia, consisting of 10.1 million hectares to
the Australian Forestry Standard and 900,000 hectares to the Forest Stewardship Council standard. Around 400,000 hectares of forest is certified under both schemes. VicForests recognises and respects that our voluntary pursuit of third-party certification is important to our stakeholders. Certification will help us meet our aims to strengthen stakeholder respect in what we do and continue to supply responsibly managed timber to society.

**Australian Forestry Standard**

VicForests’ Eastern Forest Management Unit has been certified to the Australian Forestry Standard (AS-4708) since 2007. This ongoing certification means that our Business Management Systems continue to demonstrate compliance under nine internationally recognised sustainable forest management criteria. Given the relatively recent transfer of timber harvesting operations to VicForests in western Victoria, these operations are not yet certified, however we are actively working to achieve Australian Forestry Standard Certification for our Western Forest Management Unit.

VicForests is committed to maintaining our eastern operations certification under the Australian Forestry Standard and achieving certification for our western operations. We will continue to develop our Ecologically Sustainable Forest Management System to ensure our ongoing compliance with this Standard.

**Forest Stewardship Council**

VicForests is currently working towards Forest Stewardship Council Controlled Wood Standards for Forest Management Enterprises (FSC-STD-30-010), with a view to seeking full Forest Stewardship Council Forest Management Certification at a later date.

By meeting the criteria specified under Forest Stewardship Council Controlled Wood Standards for Forest Management Enterprises (FSC-STD-30-010), VicForests will provide extra assurance that wood produced from forests we manage is sourced from harvesting operations that:

- are legal;
- do not violate traditional or civil rights;
- do not threaten High Conservation Values;
- do not convert natural forest to plantations or non-forested areas; and
- do not contain genetically modified trees.

**Staff Training and Competency**

Due to the complexity and prolific number of documents that make up VicForests’ regulatory and certification framework, VicForests has developed and manages two key procedural documents that form the basis of staff and contractor competencies and compliance.

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10 Refer to Appendix 2 For a summary of current third-party certification principles and criteria
11 More detail about the Australian Forestry Standard can be found at: www.forestrystandard.org.au
12 More detail about the Forest Stewardship Councils Australian standards can be found at: http://au.fsc.org/
requirements. The Operating Procedures Regulatory Handbook summarises VicForests’ minimum regulatory and certification requirements into a single document to be used by staff and the Utilisation Procedures provide our harvesting and haulage contractors with their mandatory requirements in managing and conducting operations.

Both of these documents are supported by a range of process-based instructions, that all staff must be competent in undertaking.

**VicForests Training Program**

The training of our staff and contractors is crucial to continued high levels of regulatory and certification compliance within our operations. The purpose of this training is to ensure that all our staff have the appropriate skills, knowledge and behaviours to undertake sound scientific and risk-based decision-making.

VicForests has developed a number of pathways to ensure we deliver effective and expert training to our staff. These include:

- Staff performance management reviews to identify training gaps
- Informal team-driven training sessions
- On-the-job role-based training days
- Formal instruction and process-based training sessions
- Targeted topic-based training delivered by external experts
- Online E-learning training modules
- Externally-developed accredited training courses
- Internally produced YouTube videos and informative fact sheets

Where field identification skills are involved, such as for biodiversity and threatened species, a combination of office-based and in-field training will be undertaken. As new information arises, VicForests will deliver timely refresher training.

VicForests also takes responsibility for the effective training of our contractors in our operational procedures and instructions. All contractors are inducted to VicForests’ operations through our Contractor Information Handbook and we will continue to foster opportunities for two-way engagement with our contractors.

**Investigations and Incident Monitoring**

Adaptive management and ongoing compliance is driven by VicForests’ monitoring and incident reporting, which relate to all aspects of our social, economic and environmental performance. The following monitoring activities are of particular importance to the delivery of our Regulatory Compliance objectives and our ability to maintain an Ecologically Sustainable Forest Management System that will support third-party certification.

**Auditing**

Regular internal and external audits enable VicForests to demonstrate legislative and certification compliance through our Ecologically Sustainable Forest Management System. We view all audits as opportunities to improve our processes and where areas are identified for improvement, these are addressed through Corrective Action Incident Reports. Progress

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13 Refer to Appendix 5 for a full list of VicForests’ audits
against identified corrective actions is subsequently monitored through internal audits until they are resolved.

Alleged breaches of VicForests’ regulatory or certification requirements are taken very seriously and may be identified by our staff, our contractors or by a third-party. VicForests will ensure all alleged breaches are subject to an internal investigation and development of corrective actions that will be dealt with in appropriate timeframes.

**Corrective Action and Incident Reporting**
Corrective Action and Incident Reports are VicForests’ main tool for managing incidences of non-compliance or alleged breaches with our Ecologically Sustainable Forest Management System. They are also the vehicle through which performance improvements are actioned. Corrective Action and Incident Reporting ensures that emerging risks or issues are identified, investigated and resolved in a consistent, systematic and coordinated way and in accordance with the level of risk posed by the issue. The primary objective of Corrective Action and Incident Reporting is to provide a process through which continual improvement across our business can be realised.

### Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Achieve and maintain third-party certification</strong></td>
<td>Maintain certification with Australian Forestry Standard (AS 4708)</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Undertake a gap audit against AFS (AS4708) for Forest Management activities in western Victoria (Community Forestry Business Unit)</td>
<td>December 2015</td>
</tr>
<tr>
<td></td>
<td>Undertake a certification audit against AFS (AS4708) for forest management activities in western Victoria.</td>
<td>September 2016</td>
</tr>
<tr>
<td></td>
<td>Undertake a certification audit against FSC Controlled Wood Standard for Forest Management Enterprises (STD-30-010)</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Undertake a certification audit against FSC Forest Management principles and criteria in our Eastern Forest Management Unit</td>
<td>July 2018</td>
</tr>
<tr>
<td><strong>Manage compliance with the Code of Practice for Timber Production</strong></td>
<td>No unauthorised breaches of exclusion areas in 2015/16</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Develop procedures for road construction and waterway crossings to better manage compliance with the Code</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>95% of Coupes to have a Monthly Coupe Monitoring Record</td>
<td>Annual</td>
</tr>
<tr>
<td>Continuously improve the Ecologically Sustainable Forest management System</td>
<td>Provide responses or corrective actions to DELWP Forest Audit Program Recommendations within 3 months of receiving audit report</td>
<td>Annual</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td></td>
<td>Undertake a review of the Ecologically Sustainable Forest Management objectives and targets</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Incorporate community forestry operations and processes into the Ecologically Sustainable Forest Management System</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Maintain staff competencies in ESFMS Awareness and Regulatory Framework</td>
<td>June 2016</td>
</tr>
</tbody>
</table>
2 Science-based Decision Making

VicForests will engage in credible and relevant research to understand ecosystem condition and ensure forest management practice is informed by science.

Background

VicForests have made a commitment to science-based decision making in meeting stakeholder’s expectations that we will use credible, up-to-date scientific knowledge to underpin all our activities. We acknowledge that improved transparency around our application of science is critical to our efforts to build stakeholder trust in what we do, and we want to demonstrate that our planning systems and operations are founded in, and evolve around, the results of *best-practice* forest management research.

To VicForests, science-based decision making means interacting and collaborating with relevant academic communities and staying up-to-date with current Australian and international literature to inform sound and well-considered forest management practices. The information we gain from effective research and monitoring programs provides a crucial link in VicForests’ *adaptive management* cycle, which aims to improve operational activities and processes over time, whilst potentially influencing broader scale forest management policies.

VicForests’ commitment to continual improvement and *adaptive management* for *biodiversity* and other values requires science and research to be at the forefront of our thinking. In recent decades there have been significant advances in the scientific communities’ knowledge around *sustainable* forest management, ecosystem dynamics and *biodiversity* management. To capture these advances, VicForests has established an internal Research and Development Committee that will drive research priorities and ensure science-based decision making continues to be a rapidly expanding focus area within our business.

Research and Development Strategy

VicForests’ internal Research and Development Committee is charged with oversight and delivery of VicForests’ *Research and Development Strategy*.

The *Research and Development Strategy* identifies decision support tools that ensure our research programs and scientific endeavours contribute to the ongoing improvement of our practices in the long-term. It also provides a strategic framework for the delivery of research projects within the following four target areas:

1. **Process Development**: includes research to drive on-going improvement of practices and *management systems*;
2. **Targeted Research**: includes research looking at specific questions or issues;
3. **Monitoring**: includes smaller ongoing management projects that target specific areas over a period of time;
4. **Scientific Engagement**: includes making use of key relationships and scientific literature to ensure on-going development of best practice processes;

The Strategy commits us to actively participating in new research in a variety of capacities over various temporal and spatial scales and developing research projects that enhance our
ability to deliver environmentally responsible, socially acceptable and economically viable forest management.

**Research and Development Plan**

VicForests’ *Research and Development Plan* is our vehicle for planning and delivering research projects in line with the overarching *Research and Development Strategy*. It is a rolling plan that is updated every 18 months with new approved and proposed projects.

All research projects must be aligned with VicForests’ business priorities and identify knowledge gaps or emerging environmental risks that may be reconciled through further scientific research and information gathering. Project proposals are assessed using a risk matrix that rank projects based on business risk, risk mitigation benefit, project cost and auxiliary project benefits. This approach ensures that our research and monitoring projects are best placed to address our *Ecologically Sustainable Forest Management* objectives and are budgeted appropriately.

**Transferring Science into Practice**

VicForests is enthusiastic about our expanding research program and understand that the key to its success lies with our ability to successfully leverage relationships with the scientific community and incorporate findings into practice. Engaging with experts is the logical way for VicForests to ensure scientific knowledge is effectively incorporated within our systems and staff training programs. VicForests will collaborate with experts to advise on research opportunities and outcomes, undertake peer review of critical forest assessment and monitoring programs, and help us to further understand and prioritise emerging risks.

This approach will utilise existing relationships formed with external peers through the development of our *Research and Development Strategy* and will provide the potential to generate new collaborative partnerships with research institutions that have relevant expertise.

To ensure our Ecologically Sustainable Management System\(^{14}\) reflects the latest science, VicForests will:

- Share our findings with other organisations and the academic community through the publication of peer-reviewed scientific papers.
- Incorporate research project findings through updates to our Ecologically Sustainable Forest Management System. Where no relevant documentation already exists, VicForests will develop new *Instructions* or *Procedures*.
- Implement training programs for all staff in new operational directions based on scientific findings
- Undertake annual *Management System* Reviews\(^{15}\)

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\(^{14}\) Refer to the Regulatory Compliance Focus Area for a description of VicForests’ Business Management System

\(^{15}\) Refer to the Adaptive Practices Focus Area for more information
Establish Collaborative Research Partnerships

Building relationships with the scientific community and with organisations that have similar research interests to VicForests is one of the primary objectives of our Research and Development Strategy. Depending on the resourcing and expertise required to deliver a project, VicForests may pursue any of the following options to help us achieve our objectives:

- **VicForests’ Research** – developing and delivering projects internally
- **Collaborative Research** – combining resources, capacity and expertise with other forestry and land management agencies, research institutions, universities or interested organisations
- **Funded Research** – directly funding a research organisation or consultant to undertake research on behalf of VicForests
- **Supported Research** – developing bids and/or seeking grants to fund research projects
- **Applied Research** – adopting and reporting on operational and adaptive management learnings from day-to-day operations

VicForests’ current partnerships with the University of Tasmania and the University of Melbourne have enabled us to develop a number of collaborative research and monitoring...
projects that will be critical to our achievement of science-based adaptive management and continual improvement. These partnerships also provide us the opportunity to connect with students. VicForests is keen to play a role in developing the forest-managers of the future, and we will continue to offer research projects and industry supervision opportunities to students in the form of logistical support, materials, funding, and regional forest officer contacts.

In meeting our objectives to embed science in all that we do and to invite new partnerships, we will also propose research projects to universities and other potential collaborators to assist us in addressing identified knowledge gaps.

### Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance capacity to deliver research programs</td>
<td>The VicForests Research and Development committee to meet quarterly to set strategic direction and review progress</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Undertake research to inform improvements to forest management</td>
<td>Complete the ARC Accelerated Habitat Development Project and develop a plan for operationalising feasible findings</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Complete the ARC Ecologically Sustainable Forest Management Project and develop a plan for operationalising feasible findings</td>
<td>June 2018</td>
</tr>
<tr>
<td></td>
<td>Undertake landscape-level assessment of forest stand characteristics using LiDAR to help identify production areas from habitat areas</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Complete Mt Cole harvesting trial to gauge the extent of issues associated with Armillaria root-rot disease and impacts of browsing on regeneration.</td>
<td>December 2016</td>
</tr>
<tr>
<td>Cultivate new research and advisory partnerships</td>
<td>Establish a Forest Practices Advisory Group of relevant experts to undertake peer review or advise on forest-related research</td>
<td>June 2018</td>
</tr>
<tr>
<td></td>
<td>Apply for representation on the Leadbeater’s Possum Recovery Plan Consultative Committee</td>
<td>June 2016</td>
</tr>
</tbody>
</table>
3 **Biodiversity and High Conservation Values**

VicForests will assess and protect conservation values with consideration to the scale, intensity and risk of our operations.

**Background**

VicForests recognises that conservation of *biodiversity* (including *threatened* species) values is critical to maintaining the natural function of Victoria’s *native forests* and is one of the most pressing issues for many of our *stakeholders*. VicForests’ planning and operational processes are fundamentally based on supporting the dedicated and informal reserve system in public forests and implementing management rules to ensure *biodiversity* values are appropriately identified, protected and managed. VicForests’ overarching philosophy on the conservation of *biodiversity*, ecosystem, cultural and social values stems from the core principles of *sustainable* forest management that are within the *National Forest Policy Statement*.

At a State level, Victorian *biodiversity* and *threatened* species management is underpinned by the *Flora and Fauna Guarantee Act 1988*; which provides for the listing of *threatened* species, ecosystems and key threatening processes; and *Action Statements*; which provide guidance for managing species listed under the *Flora and Fauna Guarantee Act 1988*. The Department of Environment, Land, Water and Planning is responsible for *Action Statements*, and VicForests has a legal imperative to ensure *prescriptions* within them are adhered to.

To help us meet legislative and stakeholder expectations for managing *biodiversity* values, VicForests has developed a framework of targeted *Policies, Procedures and Instructions*. This management framework is designed to provide an adaptive, multi-tiered approach to *biodiversity* protection and will contribute to long-term sustainability of the forest industry by proactively integrating *biodiversity* management and timber harvesting within our day-to-day operations.²⁶

An important component within this framework is VicForests’ process for identification and management of significant values that require protection above and beyond other conservation values. VicForests defines these as *High Conservation Values*; which are values or forest attributes of considerable conservation importance that face substantial threat of severe or irreversible damage. The concept of *High Conservation Value* was developed by the Forest Stewardship Council in 1999 to guide land managers in achieving *sustainable* forest management through recognition that some values demand a higher degree of protection than others.²⁷,²⁸

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²⁸ For more information please refer to our *High Conservation Values Strategy*
Victoria’s ‘Comprehensive, Adequate and Representative’ Reserve System

Victorian Regional Forest Agreements describe a **Comprehensive, Adequate, Representative reserve system** for public forests\(^\text{19}\) that comprises:

- **Dedicated reserves** – forest areas established by legislation specifically for conservation purposes, e.g. national parks, state parks, flora and fauna reserves

- **Informal reserves** – areas of **State forests** and other public land that are set aside for conservation through the forest management zoning scheme, as outlined in Department of Environment, Land, Water and Planning *Forest Management Plans*

**Values Protected by Prescription** – areas of **State forests** and other public land that are protected from timber harvesting and other productive uses via management **prescriptions** outlined in the *Code of Practice for Timber Production*

By the completion of the Regional Forest Agreement process in 2000, 3.9 million hectares of dedicated and **informal reserves** were established Victoria to meet the JANIS criteria\(^\text{20}\). At the time of writing of this plan, approximately 780,000 hectares of additional reserves have been established across the state since 2000, resulting in a total of 4.7 million hectares of Victoria’s **native forest** now protected within dedicated and **informal reserves**\(^\text{21, 22}\).

The Victorian Regional Forest Agreements are currently being reviewed by the Department of Environment, Land, Water and Planning, associated with which is a review of the forest management zoning scheme that governs the Victorian **State forest informal reserves** system. Given the fluid nature of **biodiversity** over time and the impacts of several recent landscape-scale bushfires across Victoria’s forest estate, these reviews will enable strengthening of the reserves system, providing more certainty to management agencies and the public that **biodiversity** values are being appropriately protected.

To complement this, VicForests will continue to identify and manage **biodiversity** values outside the dedicated reserves system through precautionary and rigorous processes.

**Identifying Biodiversity and High Conservation Values**

Failure to properly identify **biodiversity** or **High Conservation Values** that are not within the **Comprehensive, Adequate, Representative reserve system** is a significant risk to VicForests’ business. VicForests identifies, manages and protects all **biodiversity** values, including **High Conservation Values**, in line with the **precautionary principle**, as outlined in VicForests’ **High Conservation Value Strategy**. Our process incorporates landscape-scale assessments and **coupe**-based pre-harvest and post-harvest surveys. For every **coupe**, before any timber harvesting takes place, we assess the risk that our operations might


\(^{20}\) Refer to the Introduction to this Plan under the Regional Forest Agreements subheading


\(^{22}\) Department of Sustainability and Environment (2003), *Victoria's State of the Forests Report 2003*, Department of Sustainability and Environment, Victoria, Australia.
negatively impact *biodiversity* values. This process is dynamic and evolutionary by necessity - as new information comes to light we must be able to adapt our practices, occasionally at relatively short notice.

### The Precautionary Principle

VicForests has established a compliance culture that is underpinned by a strong focus on risk management guided by the *precautionary principle*. The enforceable and binding nature of the *precautionary principle* is embedded in Section 2.2.2 (Conservation of Biodiversity) of the *Code of Practice for Timber Production* and indirectly imposed by the Department of Environment, Land, Water and Planning's *Management Standards and Procedures*. Internally, VicForests' *biodiversity* and threatened species management framework guides any decision-making process or *adaptive management* response to an issue that triggers use of the *precautionary principle*.

Although the *precautionary principle* is tied to conservation of *biodiversity* values in legislative instruments relevant to VicForests, in practice we extend the definition to include conservation of other values, including water, soil, *cultural heritage*, recreation, other regional industries, community health and visual amenity.

In implementing the *precautionary principle*, VicForests uses a risk assessment approach to design actions proportionate to the threat of severe and irreversible damage. We will apply the principle when an assessment of planned or active operational areas proves:

- a) there is a real threat of serious or irreversible damage to the environment; and
- b) the threat is attended by material scientific uncertainty as to the damage to the environment.

If both a) and b) are present, forest management activities in the area of concern are put on hold and cannot commence or resume until all of the following questions apply:

1. is the threat of serious or irreversible damage to the environment negligible?
2. is the threat of serious or irreversible damage to the environment able to be addressed by *adaptive management*? and
3. is the measure proposed to be implemented proportionate to the threat?

In cases where there is a lack of scientific evidence to support informed decision-making, VicForests’ response will often include the development and implementation of research proposals to address the knowledge gap.

### Pre-Harvest Surveys

VicForests carries out *biodiversity* surveys across all areas planned for harvest to identify key ecological communities, threatened species and/or their habitat, and the presence of *High Conservation Values* prior to the commencement of harvesting operations. Survey intensity depends on risk factors related to the *coupé* and is determined through a hierarchical decision-making process. Pre-harvest surveys consist of:

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Biodiversity and High Conservation Values

1. Desktop assessments (all coupes)
2. Field assessments (all coupes)
3. Targeted species surveys (at selected coupes, depending on risk)
4. Targeted research and monitoring (for selected species, depending on risk)

VicForests often employs external contractors to undertake targeted surveys for threatened species and their habitat. The selection of coupes requiring a targeted species survey occurs based on a set of risk criteria defined for each species. For example, in East Gippsland, Long-footed Potoroo surveys are triggered when:

- The **coupe** contains greater than 1 hectare of modelled old-growth or is found to have old-growth characteristics

And may be triggered when:

- The **coupe** contains ecological vegetation class 29, 30, 31, 32, 35, 38, or 39
- The **coupe** displays threatened fauna habitat or has records of previous Long-footed Potoroo sightings, or:
- The **coupe** displays characteristics which VicForests considers warrant a survey

Whenever a potential biodiversity value is called to our attention, VicForests will decide whether it is a candidate for **High Conservation Value** by considering all available information at both a **coupe** and landscape-scale. If an identified value is not given High Conservation Value status, VicForests will record the justification for the decision and adopt a precautionary approach to management of that value into the future.

Managing Biodiversity and High Conservation Values

If a biodiversity value is identified at any stage of a pre-harvest survey, VicForests will implement appropriate actions to manage the value. Often this will include establishment of one of the following protection measures by VicForests within or around a **coupe**:

- **VicForests Reserve Areas** – areas within coupes (exclusion areas) or more broadly within the allocated forest area that are protected from harvesting for one rotation or until such time as the value being conserved no longer exists
- **VicForests Special Management Areas** – areas where the timing or extent of harvesting allowed is altered to accommodate a value.
- **VicForests Special Management Plans** – plans that outline management objectives and prescriptions for VicForests Special Management Areas or VicForests Reserve Areas.

VicForests will designate Special Management Areas or Reserve Areas and, as required, develop associated Special Management Plans for biodiversity protection when:

1. VicForests policy decisions or changes to regulatory procedures require the application of new prescriptions.

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24 Refer to VicForests’ **High Conservation Value Strategy** for more detail
25 Appendix 3 lists VicForests’ currently identified High Conservation Values
26 These actions are outlined in the relevant **Forest Coupe Plan**
2. **Coupe**-based planning outcomes, silvicultural decisions or specific values require forest areas to be excluded from harvest; or

3. Pre-harvest surveys or verified third-party detection reports result in the identification of a species or **High Conservation Value** requiring special management

VicForests will often seek advice from biodiversity experts to assist us in developing Special Management Plans and identifying appropriate and precautionary actions for our Special Management Areas.

**Maintaining Records of Biodiversity and High Conservation Values**

**VicForests Reserve Areas**, Special Management Areas and other coupe exclusion areas are recorded within and managed through the relevant Forest Coupe Plan. These areas are also mapped within a spatial geodatabase layer that enables permanent storage of the location and extent of the value in a format that can be queried for future planning, monitoring and operational purposes.

If a pre-harvest survey does not identify any biodiversity or High Conservation Values, those records will be kept with the Forest Coupe Plan as supporting documentation. If new information is subsequently obtained by VicForests through our own processes, or by way of third-party sightings, VicForests will immediately re-assess the need to implement prescriptions or other management actions.

**Stakeholder Consultation for Biodiversity and High Conservation Value Management**

VicForests has improved our processes and community involvement initiatives to ensure stakeholder feedback and aspirations are appropriately considered in biodiversity and High Conservation Value management. The most effective way for stakeholders to engage with VicForests on biodiversity or High Conservation Values is by responding through VicForests High Conservation Value Strategy, Timber Release Plan or Wood Utilisation Plan consultation processes. VicForests also welcomes third-party detection reports of biodiversity or High Conservation Values to help us make decisions about our operations using all available information.

**Third-party Sightings**

Third-party claims of biodiversity or High Conservation Value sightings within VicForests Forest Management Unit must be accompanied by appropriate supporting evidence. Upon receipt of a third-party sighting, VicForests will immediately notify the Department of Environment, Land, Water and Planning and provide the evidence supporting the sighting. Validated third-party submissions trigger an internal compliance process, which stipulates that VicForests will apply a precautionary approach to operations in and around areas where:

- A validated third-party sighting indicates the presence of a biodiversity or High Conservation Value within a planned harvest area, or

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27 Refer to the Community Involvement Focus Area for more detail on these initiatives
28 Refer to the Regulatory Compliance Focus Area for more detail on third-party reporting

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31
Ecologically Sustainable Forest Management Plan

Biodiversity and High Conservation Values

- a validated third-party sighting indicates the presence of a biodiversity or High Conservation Value outside a planned harvest area, but within forest that is contiguous with the same or similar forest type, or
- a third-party sighting has been received but validation of the sighting is still in progress

Long-term Biodiversity Monitoring

VicForests is currently undertaking several research projects aimed at monitoring the efficacy of our management actions and the impacts of our operations on biodiversity. These projects will provide crucial information over the mid- to long-term that will enable VicForests to ensure our reserve and exclusion areas are performing the function they were designated for and will guide us in evolving our approaches and practices to achieve desirable outcomes.

The most important tools VicForests uses to monitor our contributions to biodiversity value conservation are Department of Environment, Land, Water and Planning GIS datasets and our own spatial geodatabases. To improve transparency for stakeholders, we have made an online interactive map available to the public through our website that describes the locations and extent of biodiversity and High Conservation Values identified by VicForests.

Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain and implement a High Conservation Value Strategy</td>
<td>Develop definition and assessment procedures for the identification and management of old growth forest in eastern Victoria</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Develop procedures for managing other land use rights in State forest</td>
<td>June 2016</td>
</tr>
<tr>
<td>Incorporate stakeholder perspectives relevant to biodiversity conservation</td>
<td>Consult stakeholders as part of High Conservation Value management</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Investigate all credible third-party reports of threatened species within areas proposed for timber harvesting</td>
<td>Annual</td>
</tr>
</tbody>
</table>

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29 Refer to the Science-based Decision-making focus area and VicForests Research and Development Plan
<table>
<thead>
<tr>
<th>Objectives</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assess and protect biodiversity values at operational and landscape scales</strong></td>
<td>Complete risk-based pre-harvest fauna surveys for key threatened species including the Leadbeater’s Possum</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Protect a minimum of 30% of the Ash forests in each Leadbeater’s Possum Management Unit (LMU) to allow these areas to mature into future old growth forest</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Maintain a VicForests Reserve System to record protected biodiversity and ecosystem values within forest areas allocated to VicForests</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
4 Long-term Economic Development

VicForests will deliver environmentally, socially and economically responsible products to Australian and international markets whilst supporting local employment and economies.

Background

VicForests’ economic influence extends across Victoria through both direct and indirect employment and financial returns from the sale of timber to the State. We do not receive any government subsidies and all profits made go towards our forest management activities and dividends to the Victorian Government. Our financial credentials include over $20 million net profit after tax, over $1.1 billion in timber sales to the market and more than $1 billion paid to harvest and haulage contractors or spent on road upgrades since our inception in 2004.

We aim to support our employees, contractors and customers through provision of flexible working and contractual arrangements, understanding the natural forest cycle consists of highs and lows that may influence payments, financial returns and supply of log volumes in the short-term. We are committed to the long-term commercial supply of timber and other wood products within a productive, competitive, efficient and sustainable industry. VicForests will realise this through careful consideration of the scale and intensity of our operations so business viability is enhanced now and into the future.

As population growth continues in Victoria and across Australia, the demand for renewable materials will increase. Many of these materials can and should be produced from sustainably managed forests. VicForests, therefore, have an important role to play in meeting the community’s demand for wood products into the future and will work hard to ensure we are well-placed to respond to this demand. We will continue to work with our customers and stakeholders to support ongoing investment and innovation within the forest sector, seek new product opportunities and provide high-value, desirable, sustainable wood products into the marketplace.

VicForests’ Economic Commitment

Under our Order in Council VicForests has been charged with the responsibility to undertake commercial activities in a manner that will maximise the long-term economic returns to Victoria. VicForests’ operating environment is complex, and so in achieving this economic aim, our financial performance cannot only be measured by our bottom line. Since our establishment in 2004 we have managed to reduce costs and maintain revenue under an increasingly constrained operating environment and declining workforce. We are committed to ensuring we maintain a presence and support small customers in rural and remote areas, where our absence would have profound economic and social impacts.

There has been a decline in the forest area available to harvest over recent years which has led to some of our customers and contractors having to leave the industry. It is important to maintain diversity in the industry to ensure we continue to maintain employment opportunities in regional Victoria. Through continual improvements to landscape resource planning and maintaining a presence across Victoria, VicForests will strive to maximise our contribution to the economic development of regional, rural and remote areas.
Providing Long-term Benefits through Sustainable Supply

In accordance with our latest annual Resource Outlook for our Eastern Forest Management Unit, VicForests will aim to provide stability to our contractors and customers and ensure the long-term economic benefits of timber harvesting are realised. Based on current supply commitments and marketing constraints, our strategic wood supply model forecasts supply of at least:

- 205,000 m³ D+ Ash saw log per year
- 120,000 m³ D+ Mixed Species saw log per year
- 450,000 m³ Ash pulp log per year
- 150,000 m³ Mixed Species pulp log per year

To enable us to provide certainty into the future, we will be working hard to develop efficiencies and establish new product opportunities that can help us extend our commitments to the wider forest industry and the communities that depend on it.

In the Western Forest Management Unit, supply through the issuing of Forest Produce Licenses will be in the order of:

- 5,700 m³ D+ saw log per year
- 62,800 m³ firewood per year
- 3,000 m³ minor forest produce (specialty timbers) per year

Financial Performance of Community Forestry

VicForests does not receive subsidies from the Government. In exceptional circumstances we do receive some Government funds to support activities that must be undertaken due to extenuating circumstances, such as supporting forest recovery after bushfire and compensation for reductions in timber resources resulting from Government policy decisions.

In our Western Forest Management Unit, VicForests inherited operations that were running at a loss of $650,000 per annum. In transferring the management of commercial operations in these forests to VicForests, the Government contributed a grant of funds equivalent to the projected losses over a 5 year period. This will enable VicForests to bring the resource information and operational standards of forest management in the Western Forest Management Unit up to our required standards and improve the financial performance of this operation. In 2018, we intend to obtain an independent financial review of the Community Forestry Business Unit to provide a transparent assessment financial performance since its inception. Because the activities within this Business Unit are entirely community-focussed, it is unlikely that these operations will be commercially profitable into the medium term, but the benefits to community are highly socially profitable.

VicForests review of finances is available annually through our Annual Report.

Employment and Economic Development

VicForests is proud to be a major contributor to the Victorian timber industry and an employer and economic contributor to a number of towns across Victoria. In total, the timber
industry in Victoria is directly responsible for providing more than 21,000 jobs. VicForests is an important part of this industry, and currently supplies native forest timber to more than twenty sawmills and pulp mills throughout the State. In total there are approximately 2,284 people directly employed by this activity, both in Melbourne and, importantly, in rural and regional communities. There are of course further flow on effects that contribute to the Victorian economy, for example, expenditure by Victorian-based native forest businesses, which amounted to between $530 and $650 million in 2008-2009.

In supporting local employment opportunities, VicForests will continue to advertise position vacancies through local channels and indigenous community networks and, where possible, we will purchase goods and services from local suppliers and employ local service providers.

**VicForests Contractors**
VicForests engages contractors to perform the following services:

- Harvest
- Haulage
- Seed collection
- **Regeneration** surveys
- Fleet management services

VicForests acknowledges our contractor force as critical to delivering our business and strategic directions. Periodically VicForests will put these contracts to tender to enable new entrants and ensure that we recruit contract services that will be suitably qualified and resourced to help us meet our objectives. VicForests contractors are not only an important part of our operations but contribute significantly to their communities through lending skills and machinery to bushfire fighting.

**The Benefits of Timber**
The environmental benefits of wood over other non-renewable products such as metals, concrete and plastics are undeniable. Swapping concrete, steel or brick for wood products results in significant savings in overall CO2 emissions, avoids the depletion of non-renewable fossil fuels for raw materials, does not produce toxic by-products and does not cause irreversible land-degradation. On a global scale, wood comprises 50% of the raw materials used by humans, but only 4% of the world’s energy consumption used to convert the raw materials into useful products.

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33 Scharai-Rad, M., & Welling, J. (2002), *Environmental and energy balances of wood products and substitutes*, Food and Agricultural Organization of the United Nations
What Makes Up a Tree?

When trees are harvested, there is always residual wood that is not able to be sold as sawlogs, such as from the branches and upper trunk. These, and other parts of the tree that contain significant structural defects, such as spikes, knots, gum pockets, fire damage, and rot, have lower structural integrity preventing their conversion to ‘construction-grade’ and highly-valued ‘appearance-grade’ products. To achieve the maximum value product recovery from each tree harvested, and avoid unnecessary waste, the residual wood is sold as pulplogs which are made into high quality paper and packaging materials (Figure 4).

![Figure 4 Timber products recovered from different parts of a harvested tree](image)

Figure 5 depicts the proportion of harvested timber that goes to sawlog and pulplog in a typical year (the graphed data shows results from 2014/2015) from Clear-felling, Seed Tree and Regrowth Retention Harvesting operations in the Eastern Forest Management Unit, from which we currently deliver the majority of our wood volume.

In coming years, the use of pulp logs and smaller branches (which currently are unable to be used) may be recovered as wood biomass to create renewable energy.

VicForests welcome this opportunity to contribute to a green future that does not rely on fossil fuels and that would lead to reduced waste from timber harvesting operations.
The *native forest* hardwood timber that VicForests produces is an entirely natural product, subject to natural cycles of growth and development over long periods of between 60 – 120 years. Because of these conditions, *native forest* timber is naturally strong, durable and distinctive. Gum veins, variations in wood grain and some “defects” caused by insect attack and fungus are part of the natural environment for a *native forest* tree, and are what makes Victorian *native forest* timber beautiful, unique and eagerly sought after for high-end uses.

VicForests will ensure we remain well-placed to continue to supply wood products as populations and the demand for renewable products increases. We will do this by actively collaborating with the wider forest industry and communities to drive trends in purchasing and promote wood as the environmental product of choice.

**VicForests’ Products**

VicForests aims to recover the highest value wood products possible from each *coupe*, taking into account *customer* needs, contractual requirements and market availability.

Log sections cut from trees are each graded according to their quality and potential end use (Table 3). We currently supply four main *sawlog* grades, two durable species *sawlog* grades, three pulpwood grades and some other minor forest produce, including firewood, posts and poles. We will continue to audit log grades at every *coupe* to ensure the highest possible grade and product recovery is realised.

<table>
<thead>
<tr>
<th>Product Group</th>
<th>Product Grade</th>
<th>Typical Product End Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sawlog</strong></td>
<td>B Grade</td>
<td>High quality, appearance grade flooring, furniture, joinery</td>
</tr>
<tr>
<td></td>
<td>C Grade</td>
<td>Structural grade construction timbers, framing, feature flooring and furniture</td>
</tr>
<tr>
<td></td>
<td>D Grade</td>
<td>Structural timbers, framing and external decking</td>
</tr>
<tr>
<td></td>
<td>E Grade</td>
<td>Pallets, roof battens, veneer, panels</td>
</tr>
<tr>
<td><strong>Pulplog</strong></td>
<td>H High Quality Pulp</td>
<td>High quality printing, copy and tissue paper</td>
</tr>
<tr>
<td></td>
<td>M Medium Quality Pulp</td>
<td>Paper, cardboard and packaging paper</td>
</tr>
<tr>
<td></td>
<td>L Low Quality Pulp</td>
<td>Cardboard and packaging paper</td>
</tr>
<tr>
<td><strong>Durable Species</strong></td>
<td>Grade 1</td>
<td>High quality joinery, furniture, flooring, decking, sleepers.</td>
</tr>
<tr>
<td><strong>Sawlogs</strong></td>
<td>Grade 2</td>
<td>Construction timbers, fencing.</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>F Firewood (Dry)</td>
<td>Firewood</td>
</tr>
<tr>
<td></td>
<td>G Firewood (Green)</td>
<td>Firewood</td>
</tr>
<tr>
<td></td>
<td>P Poles/Piles/Posts</td>
<td>Fencing, house stumps</td>
</tr>
</tbody>
</table>

*Table 3 Primary log product grades sold by VicForests*

**Wood Product Diversification**

In order to secure the long-term viability of the native timber industry and minimise risk exposure, VicForests needs to be adaptive to changing market demands and new product opportunities. VicForests will continue to actively pursue new markets for the timber we harvest, diversify our product base and work with our *customers* to ensure end-to-end
service. VicForests provides opportunities for market development through provision of desired products and proposals to customers on resource opportunities through our timber sales process. The ‘Request for Proposals' through VicForests’ Timber Sales Process aims to:

- provide the opportunity for customers to secure timber resources for the long-term
- facilitate investment, supporting capital upgrades and driving innovation
- maximise the utilisation of the available forest wood resource
- provide VicForests with an appropriate and sustainable commercial return

Currently, VicForests is working to take advantage of increased market interest in utilising residual wood for veneer, pallets, biofuel, biochar and firewood. Further, innovations in the sawlog market are leading towards small diameter log lines to improve E grade utilisation and overall maximisation of product recovery. As our customers diversify their product range and invest in value-adding processes and infrastructure such as finger joiners, edge matching and set lengths, VicForests will be well-placed to provide the required log specifications to meet this demand. VicForests is also keen to engage in small-scale niche market opportunities.

**Supplying our Customers**

Through our Timber Sales Process in the Eastern Forest Management Unit, and issuing of Forest Produce Licenses in the Western Forest Management Unit, VicForests will continue to ensure the allocation of timber resources to customers is competitive and transparent. By making available short, medium and long-term contract opportunities we aim to:

- provide increased flexibility to potential customers
- support the participation of smaller local businesses
- encourage domestic processing, and
- encourage investment and value adding

VicForests requires potential buyers to meet a set of minimum qualifying requirements as a safeguard to guarantee that VicForests’ sales processes support the sustainability of the Victorian native timber industry.

Most of the timber harvested by VicForests’ contractors is delivered to the customers’ mill door, which allows VicForests to provide efficient forest harvest and haul services as well as ensure we achieve the maximum possible product recovery through our internal contractor management and auditing procedures. In the Western Forest Management Unit haulage from the forest is managed by persons or companies issued with a Forest Produce Licence.

**Chain of Custody**

In our Eastern Forest Management Unit, VicForests uses a sophisticated system to track logs once they are harvested. This system ensures that VicForests is able to determine the origin and grade of all the timber delivered to its customers, including a provision to segregate timber between certified and non-certified forest, through:

- Listing individual forest coupes as either certified or non-certified;
- Tagging individual sawlogs differently to signify certified and non-certified sources;
- Designating log storage facilities to store solely certified or non-certified timber.
Through these means VicForests is able to identify and track certified and non-certified timber for chain of custody purposes.

In the Western Forest Management Unit, stumpage sales are typically undertaken. This means that VicForests’ chain of custody is relatively short, ending at the point of removal of the wood from the forest by the Forest Produce License holder. Any produce sold and removed from the forest must appear on a log, firewood or weighbridge docket as proof of entitlement.

**Focus Area Objectives and Targets**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximise timber product recovery and associated services</strong></td>
<td>Complete a value recovery review project</td>
<td>June 2018</td>
</tr>
<tr>
<td></td>
<td>Develop a Log Export Strategy</td>
<td>June 2017</td>
</tr>
<tr>
<td><strong>Meet commitments to customers and contractors</strong></td>
<td>Achieve 100% fulfilment of annual supply contracts to customers on average across the business</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Achieve 100% fulfilment of annual harvest and haul contracts to contractors on average across the business</td>
<td>Annual</td>
</tr>
<tr>
<td><strong>Diversify and develop new markets</strong></td>
<td>Explore opportunities for additional sales of unallocated sawlog and residual timber from Portland and Midlands Forest Management Areas</td>
<td>June 2018</td>
</tr>
<tr>
<td></td>
<td>Complete a Biomass Strategy</td>
<td>June 2016</td>
</tr>
<tr>
<td><strong>Demonstrate benefits from our activities to Victorian economy</strong></td>
<td>Complete a Socio-Economic Impact Assessment for Timber Harvesting Activities in the Central Highlands</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Complete a Socio-Economic Impact Assessment for Timber Harvesting Activities in other Regional Forest Agreement Areas</td>
<td>June 2018</td>
</tr>
</tbody>
</table>
5 Social and Environmental Services

VicForests will maintain environmental services and forest accessibility, ensuring we positively contribute to communities that depend on, or benefit from, Victoria’s State forests.

Background

VicForests’ social responsibility extends beyond employment and economics to social development that is inherently linked to ecological sustainability, ecosystem health and environmental services. VicForests has made a commitment to being a good neighbour, supporting community and cultural endeavours, and maintaining environmental function, accessibility, recreational and visual amenity of native forests for the enjoyment of all.

Environmental services can have indirect economic and community health flow-on effects. These environmental services include water flows that are used by agriculture and for human consumption in towns and cities, fresh air for human health, and carbon storage. Such services are critical to the environment and livelihoods of people and, into the future, are likely to lead to market opportunities in their own right, such as through non-timber forest products and carbon farming initiatives.

Through the maintenance and delivery of services that support the environment and communities directly, VicForests will demonstrate that active forest management and timber harvesting provides more than sustainable timber products to communities. We will also ensure that public safety and the safety of our staff remains paramount in all our activities.

Community Support

VicForests currently provides annual grants of up to $2000 to charity groups, sporting groups, educational and community groups located across the Central Highlands, Gippsland and East Gippsland through our Community Support Program. In total approximately $50,000 is budgeted annually for the Community Support Program which will continue to play a key role in fulfilling our dedication to building strong regional and rural communities. Where particular projects or causes demonstrate long-term merit, VicForests may commit to ongoing partnerships with organisations to ensure these benefits continue to be realised36.

In addition to the Community Support Program and ongoing partnerships, VicForests will make regular ad-hoc timber or financial donations to community projects and initiatives. We consider these initiatives to be an integral aspect of our operations and will continue to maintain a presence at regional and metropolitan events as part of our core business.

Public Safety

Public safety and the safety of VicForests’ staff and contractors underpins all VicForests operations. We strive for zero harm, a core business value that is managed and monitored through a cycle of incident and near miss reporting, corrective actions and review of action efficacy.

36 VicForests’ encourages community groups to participate in the Community Support Program and seeks applications annually between June and July.
Public safety will continue to be delivered through strict maintenance of Timber Harvesting Safety Zones declared by the Department of Environment, Land, Water and Planning under the Sustainable Forests (Timber) Act 2004. Timber Harvesting Safety Zones are implemented across all active coupes appearing on VicForests' Timber Release Plan once timber harvesting activities commence.

Timber Harvesting Safety Zones are implemented for the sole purpose of maintaining the safety of VicForests’ staff, contractors and the wider public in this inherently dangerous workplace. As such, it is an offence under the Sustainable Forests (Timber) Act for an unauthorised person to enter a Timber Harvesting Safety Zone, with significant penalties applying.

VicForests will indicate the location of Timber Harvesting Safety Zones through in-field signage along roads and access routes and as notices appearing on VicForests' website. These notices will state the location of the zone, the commencement date and the offences and penalties that apply in that Zone.

Log truck traffic may also pose a safety risk to the community and VicForests imposes strict speed and load limits on trucks and indicate areas of potentially high log truck traffic through signage on forest roads.

The community can provide feedback to VicForests about any potential safety hazards through the VicForests website. We take public safety seriously and will always deal with community concerns regarding safety as a priority.

**Other Forest Management Benefits**

VicForests will manage our operations, often through implementing adaptive practice, to maintain or enhance the direct and indirect social and environmental values from forests, ensuring the ongoing provision of ecosystem services and accessibility to communities and industries reliant on these. In particular we aim to mitigate any negative impacts we may cause to forest amenity and maintain options for the development of forest economies other than timber harvesting.

**Water**

VicForests protects soils and waterways within and adjacent to all coupes that we harvest as specified in the Code of Forest Practice for Timber Production, the Management Standards and Procedures and Utilisation Procedures by:

- applying buffers and filter strips to permanent rivers, streams, pools, wetlands, temporary streams and drainage lines
- excluding harvesting on steep slopes
- maintaining roads and bridges to minimise any adverse impacts on water quality
- minimising excessive soil movement
- rehabilitating tracks constructed during harvesting operations

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37 In May 2014, amendments to the Sustainable Forests (Timber) Act provided for the establishment of Timber Harvesting Safety Zones. These were formerly managed as Public Safety Zones under the Safety on Public Lands Act.
• rehabilitating **landings** through ripping the soil to ease compaction followed by re-spreading of stockpiled topsoil.

VicForests respects that **State forests** are also catchment areas, which supply water essential to many Victorian communities, including Melbourne. Melbourne’s original catchments; the Upper Yarra, Maroondah, Wallaby Creek, and O’Shannassy; have been excluded from logging for over 100 years, but 310 hectares per year of other catchment areas in the Yarra Tributaries are still permitted to be harvested between December and April. In the all catchment areas where VicForests operates, additional protection measures are applied to timber harvesting and related activities to ensure water quality is maintained. Each catchment and required protective measures are detailed in Department of Environment, Land, Water and Planning **Management Standards and Procedures**.

In the short term, bushfire and timber harvesting increases water runoff, however, as they regenerate, young growing forests use more water than **mature** forests. This has been a concern for some of our **neighbours** who rely on runoff from catchments to fill their dams and streams critical for irrigation and other agricultural uses. Following the large-scale catchment monitoring undertaken by the University of Melbourne as part of the Water White Paper project, VicForests is developing a project through our **Research and Development Plan** to address this concern. This project will allow VicForests to ensure harvest scheduling and the application of different **silviculture** minimises the potential impacts of timber harvesting on downstream water yields.

**Carbon**

Trees and forests play a critical role in the earth’s carbon cycle. Carbon in harvested trees is not lost, but rather is stored within the wood and is maintained for the life of the products manufactured from the wood, including in paper, until those products decompose. VicForests acknowledges the threat posed by climate change and recognises the importance of reducing greenhouse gas emissions and increasing carbon sequestration into sinks, such as trees, to Australia’s carbon economy.

In order to estimate the Victorian **native forest** timber industries’ carbon footprint, VicForests models the carbon change in forests under our management. There are, however, still significant knowledge gaps that affect our ability to comprehensively calculate our carbon footprint from harvest and haul operations. In order to address these gaps VicForests is participating in a Forest and Wood Product Association funded study, with the Department of Primary Industries New South Wales, the Department of Environment, Land, Water and Planning and the University of Melbourne to better understand total standing carbon pools, and the flux of carbon from the forest into various short, medium and long term product pools. This project aims to:

• refine the estimates of above-ground biomass for a range of key **native forest** types in New South Wales and Victoria

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• apply a whole-life approach in the assessment of the greenhouse implications of production and conservation forests

Roads and Public Access
VicForests spends in excess of $5 million per year on activities that contribute to maintaining roads for public access to forests. The Department of Environment, Land, Water and Planning is the lead agency responsible for the management of roads in State forests, however VicForests uses a portion of these roads to haul timber products from coupes to our customers. VicForests also uses Shire Council-managed and VicRoads-managed roads. To prevent deterioration of forest roads used by timber haulage trucks, VicForests undertakes road maintenance and upgrade, which includes informing and engaging with community members and stakeholders who may be impacted by our roading or timber haulage activities. We aim to minimise damage on Shire and VicRoads roads by respecting load limits and speed limits.

VicForests’ roading operations effectively ensure that road access to the forest is maintained at a high standard for all forest users, including tourists, four-wheel drive clubs, apiarists, and for fire management access. We also take responsibility for the construction, maintenance and closure of coupe access infrastructure, including rehabilitation, as required under the Code of Practice for Timber Production.

Recreation and Visual Amenity
People visit Victoria’s State forests for many different reasons including for mental health and well-being, to enjoy the scenic quality and natural beauty of the forests and for activities including mountain biking, hunting, four-wheel driving, bushwalking and camping.

Most forest amenity values are encompassed within Special Management Zones. VicForests aims to maintain forest amenity by reducing our impact on access to the recreation, forest road track network and visual values provided by Victoria’s State forests through implementing adaptive practice in these Zones.

When developing Timber Release Plans or Wood Utilisation Plans, and during on-ground planning of our operations, VicForests will consider advice from stakeholders about minimising the potential impacts of harvesting and roading activities on forest amenity in line with the Department of Environment, Land, Water and Planning Forest Management Plans. VicForests will also ensure our planning and operations comply with the objectives and conditions specified within approved Special Management Zone Plans and in accordance with our Utilisation Procedures (Haulage and Harvesting), and the Code of Practice for Timber Production.

Apiary
Apiculture provides significant economic returns to the State and VicForests respects apiarist’s legal rights to access State forest areas under licences for honey production. VicForests aims to manage harvesting operations in the areas of State forest that we share with apiarists to ensure that the forest remains viable for the apiary industry. In these areas we will apply adaptive management to our operations in line with the Gippsland Apiary Plan, Department of Environment, Land, Water and Planning Management Standards and Procedures and VicForests’ Operating Procedures.
The legal use of *State forests* for honey production will not be hindered by our operations and VicForests will manage Apiary areas accordingly, regardless of whether a formal Department of Environment, Land, Water and Planning Apiary Plan is in place or not.

**Protecting Communities from Bushfire**

An often unrecognised, but highly important, component of VicForests’ business is the contribution our staff and contractors make to bushfire fighting in Victoria. Bushfires not only pose a significant threat to Victoria’s communities, but are also a major risk to the native timber industry, *biodiversity*, water, and other environmental values. VicForests will continue contributing to the suppression of bushfires to protect communities, assets and the environmental, cultural and economic values of Victoria’s forest estate. Every year, VicForests’ highly skilled staff and contractors commit their time and resources to bushfire fighting and suppression, as part of our membership of the Networked Emergency Organisation (comprising the Department of Environment, Land, Water and Planning, Parks Victoria, Melbourne Water and VicForests). To ensure our ongoing contribution to firefighting, we will maintain 50% of our staff as being accredited for various firefighting roles.

In addition to fighting bushfires, VicForests and the Department of Environment, Land, Water and Planning will continue to work collaboratively to deliver both organisations’ prescribed burning and *regeneration* burning programs each year.

**Social Impact Assessments**

*Social Impact Assessment* includes analysing, monitoring and managing intended and unintended social consequences, both positive and negative, of our operations. VicForests understands that our operations may result in a range of social impacts in the areas and communities in which we operate, and further afield to our downstream *stakeholders*. The positive impacts that VicForests aims to achieve through our operations relate to:

- employment
- economic health of regional communities
- protection of cultural values
- protection of social amenity
- mental health and wellbeing of our staff and *stakeholders*.

To date, VicForests’ *Social Impact Assessments* have occurred on an ad-hoc basis, at the operational *coupe* level, without a defined process and often in response to community feedback. VicForests is currently in the process of moving from a reactive to a proactive approach when measuring social impact, by developing a formal *procedure* and set of indicators for undertaking *Social Impact Assessments* relevant to our operations. This is being driven by recognition that to continue contributing to positive social development, acting in a socially responsible manner and guiding the strategic direction of our business, we need a better, comprehensive understanding of all our social impacts and areas for improvement. Such information, gathered through community involvement and scientific evidence, can then inform *adaptive management*.

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40 VicForests’ approach to Social Impact Assessments has been guided by the International Association of Impact Assessments. A good description of Social Impact Assessments can be found at [http://www.iaia.org/iaiawiki/sia.ashx](http://www.iaia.org/iaiawiki/sia.ashx)
## Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support Regional Communities</strong></td>
<td>Maintain VicForests Community Support Program</td>
<td>Annual</td>
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<td></td>
<td>Attend and/or contribute in kind to at least 6 key regional and community events</td>
<td>Annual</td>
</tr>
<tr>
<td><strong>Actively contribute to bushfire management and suppression</strong></td>
<td>Make staff and contractors available to assist DELWP with bushfire suppression</td>
<td>Annual</td>
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<tr>
<td></td>
<td>100% of Harvesting contractors to have completed Basic Wildfire Awareness Competency</td>
<td>June 2017</td>
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<tr>
<td></td>
<td>At least 50% of VicForests staff with a validated Departmental Fire Accreditation Capability</td>
<td>June 2016</td>
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<tr>
<td></td>
<td>Undertake strategic road construction and maintenance works to facilitate safe extraction of timber and improve access for fire suppression</td>
<td>Annual</td>
</tr>
<tr>
<td><strong>Maintain the capacity of the forest to service non-wood products and values</strong></td>
<td>Determine the carbon balance of VicForests timber harvesting and regeneration activities</td>
<td>June 2017</td>
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<td></td>
<td>Implement a Water Catchment Model that accounts for timber harvesting impacts on State forest water license allocations</td>
<td>June 2016</td>
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<tr>
<td></td>
<td>Implement an Apiary Management Plan across both VicForests Forest Management Units</td>
<td>June 2018</td>
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</tbody>
</table>
6 Landscape-scale Resource Planning

VicForests will maintain the productive capacity of State forests to ensure the future sustainability of all values

**Background**

VicForests’ business is underpinned by our commitment to manage Victoria’s *native forest* wood resources in a manner that ensures they are maintained in perpetuity, without compromising the future environmental and social amenity of Victoria’s *State forests*.

To achieve this, VicForests has committed to Landscape-scale Resource Planning that sets *sustainable* harvest levels from the forest resource made available to us through the *Allocation Order* in the Eastern *Forest Management Unit* and under delegation from the Minister in the Western *Forest Management Unit*. As part of this, VicForests accepts responsibility for:

- Improving timber resource modelling methodologies;
- Calculating *sustainable* harvest levels;
- Determining the locations and timing of harvest operations;
- Preserving the long-term productivity of the areas we operate in; and
- Being open and transparent about our modelling process.

VicForests does not harvest all areas of forest potentially available to us. The *Allocation Order* and *Defined Forest Area*, provide only high level guidance on which areas of forest are permitted to be harvested within a particular *Forest Management Area* or within discrete forest types. Species composition, low timber yields, timber quality and poor access options are amongst just some of the factors that preclude harvesting in certain areas. For example in the Eastern *Forest Management Unit*, once *Code of Forest Practice for Timber Production exclusion areas, VicForests Reserves* and other constraints are implemented, approximately 6% of the public land, or 490,000 ha, is suitable for VicForests’ operations over a 100 year time frame.

VicForests implements a hierarchical planning framework that incorporates short-, mid- and long-term planning processes that enables us to appropriately account for these constraints to timber harvesting, plan for the future and provide certainty to our *customers*, contractors and other *stakeholders*. These processes are described in the following sections and will be informed by adaptive modelling approaches that incorporate current and future estimates of the forest and timber resources within it.

**VicForests Integrated Planning Framework**

To ensure VicForests business units are aligned in delivering Landscape-scale Resource Planning objectives, VicForests implements a framework of planning processes that ensures flow of forest resource data and correct use of model outputs. Business Units are linked within this framework through a hierarchy that spans planning horizons from the long- to the short-term (Figure 6).
Strategic Wood Supply Modelling

In the Eastern Forest Management Unit, VicForests models our integrated forest management goals and objectives at different planning scales that include a long-term (100 years) and medium-term (10 - 20 years) forecasts. Within this system:

- “Woodstock” produces a strategic long-term (100 year) schedule of timber production, and
- “Stanley” uses heuristic techniques to produce a short-term schedule by translating outcomes from Woodstock into operational timeframes (10 – 20 years).

This strategic modelling process uses linear programming to optimise long-term sustainable management and ensure that:

- VicForests maximises the sustainable production of high quality sawlog
- The harvesting of Victoria’s allocated State forests will not compromise the future environmental and social amenity of Victoria’s forests
Ecologically Sustainable Forest Management Plan

Landscape-scale Resource Planning

- VicForests complies with its legislative and regulatory obligations, including those defined through the *Sustainability Charter*

**Forest Area**

Of the 1.82 million hectare *Allocation Order*, a total of just 490,000 hectares of available and merchantable forest is used in VicForests’ Strategic Wood Supply Model. The remaining forest not included in the model is either:

- **Reserved** – in *VicForests Reserves* or other *exclusion areas* such as riparian *buffers* and slopes greater than 30°
- **Not suitable** – due to species composition, low yields, timber quality, poor access and other factors, or
- **Potentially suitable** – not included because they are currently uneconomic.

Of the available and suitable forest area, 134,000 hectares is Ash forest – primarily in the North East and West Gippsland operations regions – and 360,000 hectares is Mixed Species forest spread across the Eastern *Forest Management Unit*, primarily in East Gippsland.

**Forest Yield**

To improve modelling accuracy, VicForests has spent significant effort developing new timber yield tables to support our Strategic Wood Supply Model. These timber yield tables were built by incorporating the following data:

- Victorian Government Strategic Forest Resource Inventory
- VicForests Permanent Growth Plots
- Forest type
- Percent of overstorey that is non-eucalypt
- Current forest condition and structure
- Site characteristics, and
- Event histories (for example bushfire and harvesting)

These yield tables allow us to estimate future timber volumes from Ash and Mixed Species forests and take into account the effect of past practices and the current state of the forests. In particular, recent forest fires resulted in huge ecological and economic losses across Victoria. To account for this, parameters describing different fire conditions experienced across forest types are incorporated into the Strategic Wood Supply Model optimisation process.

**Operational-Scale Modelling**

“Stanley” is the name of a spatial optimiser that is an add-on to Woodstock and incorporates spatial constraints to determine the proportion of the Woodstock output that is practically achievable to harvest. Stanley aggregates forest polygons into eligible units that meet local-scale regulatory requirements around *coupe* size, scheduling, adjacency and proximity to other harvested areas, as well as *Code of Forest Practice for Timber Production* constraints that may make timber harvesting infeasible or impossible. If Stanley is unable to aggregate a polygon, it flags this area as “impossible to harvest at this time”. Eligible units are designated as *coupes*, which Stanley then schedules into a planning period.
Any impossible areas remain in the system because they may provide future opportunities for scheduling. On average, the potential timber volume estimated by 100-year Woodstock models is reduced by 30% once Stanley constraints are applied.

VicForests’ Tactical Planning unit assess Stanley outputs and undertake detailed desktop and field assessment of these areas before designating final gross coupe boundaries for inclusion in VicForests Timber Release Plan.

Ensuring Long-term Wood Supply

To deliver sustainable timber supply, the harvest area over the next 10 years is projected to be around 1,300 hectares per annum of Ash eucalypt species and 2,000 hectares of Mixed Species. Into the long term, the annual sustainable production in Ash forests to 2055 will be sufficient to supply the majority of Victoria’s wood demand, with more than 80% of this potential being from the Central Highlands. Long-term supply from Mixed Species forests in East Gippsland provide more of a challenge due to currently limited markets for pulpwood. Addressing this market gap is a current business priority.

Resource Outlook

VicForests’ is required under the Sustainability Charter to produce an annual Resource Outlook statement. Strategic Wood Supply Model outputs are used to create VicForests’ annually updated Resource Outlook, which informs subsequent processes and targets used by our business to ensure timber is sold and harvested without compromising environmental or social values across short and long-term time scales.

The Resource Outlook, when combined with our Area Statement, communicates to industry, Government and stakeholders our forecast timber resource availability by forest type and region over the next 20 years. Through competitive sales processes, VicForests will sell the full estimated volume of timber in the current year of the Resource Outlook, but consciously decrease forward sales for subsequent future years to:

- Provide the market with opportunities to acquire additional sales through time
- Provide opportunities for new customers to enter the industry
- Provide opportunities for the market to establish price points for products
- Mitigate exposure to supply risks such as bushfire

Tactical Planning Targets

VicForests’ Tactical Planning Targets are derived from the Resource Outlook and provide the detail around our harvesting intent, based on model predictions. They form the basis of VicForests’ monitoring processes and are designed to ensure we meet our forecast and contracted sales commitments. VicForests’ Tactical Planning Targets include:

- Area targets by Forest Block and Forest Management Area – that aim to balance the distribution of harvesting operations across the entire available resource
- Area and timber volume targets by forest type – that aim to distribute operations across the range of forest types within the available

41 See the VicForests website for Area Statement and Resource Outlook details. www.vicforests.com.au
• Yield distribution targets - that aim to distribute operations across the complete range of productivity classes within the available area

These targets are essential to ensure VicForests do not over-harvest in one geographic area in favour of others and to ensure that we utilise the full range forest available for timber production, not just the best, highest yielding areas. Importantly, these targets are the mechanisms that ensure VicForests’ planning processes maximise the sustainable production of high value sawlog.

VicForests also use Tactical Planning Targets to:
• Guide the release of resources to industry
• Guide the development of VicForests’ sales systems, tender and contract packages
• Guide inclusion and prioritisation of **coupes** on the Timber Release Plan
• Forecast future business revenue
• Ensure compliance with all conditions of the Allocation Order
• Maximise forest products recovered from harvesting areas

**Operational Planning**

The **Timber Release Plan** is the culmination of VicForests forest estate modelling and long-term wood supply considerations to be implemented at the operational level. VicForests’ **Timber Release Plan** is prepared in accordance with the **Sustainable Forests (Timber) Act** and is guided by VicForests Tactical Planning Targets. It defines the areas VicForests plans to harvest over a period of up to five years and outlines:

• **Coupe**s scheduled for harvesting, including location, area and approximate timing of harvest
• The location of associated access roads;
• The proposed **silviculture** system to be applied

In developing the **Timber Release Plan**, VicForests:

• Considers and incorporates information and perspectives from **stakeholders**
• Plans for the management of a range of forest values that may be present in individual **coupe**s;
• Ensures planned **coupe**s will enable us to meet sales, contracting and timber resource targets
• Ensures consistency of planned **coupe**s with the Allocation Order;
• Incorporates outcomes of **field assessment**, including operational and environmental constraints

Once approved the **Timber Release Plan** is used to develop a **Rolling Operations Plan**, which is a 12 – 18 month **coupe** and roading schedule for each VicForests region. Each **Rolling Operation Plan** schedules **coupe**s to align with contracts and sales commitments as well as operational, climatic, regulatory and wood supply constraints.

Additionally, a **Buyer Operations Plan** is established annually between VicForests’ Operations unit and our **customers**. The plan establishes an agreed wood supply schedule within the limits set out in each **customer’s** contract. It assists VicForests to plan suitable **coupe**s, prioritise road works and allocate timber harvesting contractors to **coupe**s to achieve the wood supply schedule.
Results from the implementation of the Rolling Operations Plan and Buyers Operations Plan are compiled and assessed against Strategic Wood Supply Model estimates to track progress against spatial and temporal long and short-term targets.

To monitor operational implementation of VicForests’ long term harvesting strategy and compliance with the Allocation Order within this framework, we review our performance through two internal performance monitoring processes; a quarterly Post Harvest Review, and the Resource Outlook Utilisation Performance review.

**Performance Review**

The quarterly Post-Harvest Review specifically analyses and measures VicForests tactical and operational planning performance against Tactical Planning Targets to address commercial, compliance and sustainability risks in the preparation and implementation of the Timber Release Plan. This process also enables us to ensure VicForests’ contractual commitments are met and that we schedule and harvest the available timber resource consistent with VicForests long term strategy.

The objective of the annual Resource Outlook Utilisation Performance Review is to identify and address any emerging sustainability issues that may be present in VicForests’ planning processes. The review assesses if the sustainable harvest strategy determined by the Strategic Wood Supply Model has been successfully interpreted in VicForests’ planning process and has led to acceptable operational outcomes. The annual review overlays the actual harvested coupe boundaries against key forest management and inventory datasets to quantify and measure outcomes as compared to the strategic model projections.

**Community Forestry Resource Planning**

Most of the 570,000 hectares of State Forest in the Western Forest Management Unit was included in a 2013 report commissioned by the former Department of Environment and Primary Industries. This report detailed a comprehensive review of the capacity and opportunities for commercial timber production from western Victoria. This report forms the foundation of VicForests sustainable yield planning and forecasting as we work to integrate the Community Forestry operations into our existing processes.

**Sustainable Harvest Levels**

The small scale of timber harvesting operations managed by the Community Forestry Business Units does not warrant the sophisticated Strategic Wood Supply Modelling approach employed in the Eastern Forest Management Unit. Rather, a robust and transparent cutting-cycle model informs sustainable harvest levels based on the time taken for harvested trees to be completely replaced by younger trees under different silvicultural systems within each Forest Management Region. Refer to the “Review of Commercial Forestry Management in Western Victoria” for details.

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Over the coming years VicForests will develop a process that allows for refinement of the recommended Sustainable Harvest Levels in light of the outcomes of Performance Reviews and through market development and value-adding opportunities\(^{43}\).

### Focus Area Objectives and Targets

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<thead>
<tr>
<th>Objective</th>
<th>Targets / Actions</th>
<th>Target Date</th>
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<tbody>
<tr>
<td><strong>Understand the available forest resource</strong></td>
<td>Implement annual permanent growth plot monitoring program and update the resource model with new data</td>
<td>Annual</td>
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<td></td>
<td>Develop and maintain VicForests strategic wood supply model to produce the 20-year resource outlook and area statement</td>
<td>Annual</td>
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<td></td>
<td>Develop a Strategic Forest Resource description dataset for western Victoria</td>
<td>June 2018</td>
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<td></td>
<td>Assess forest age, structure and connectivity at the landscape-scale</td>
<td>June 2017</td>
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<td><strong>Maintain production in accordance with sustainable harvest principles</strong></td>
<td>Set and maintain 5-year harvest area targets that consider geographic distribution of forest types</td>
<td>June 2016</td>
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<tr>
<td></td>
<td>Develop and implement landscape-scale context harvest planning objectives and procedures</td>
<td>June 2018</td>
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<td></td>
<td>Develop a revised Timber Utilisation Planning process to suit VicForests management of Community Forestry operations.</td>
<td>December 2016</td>
</tr>
<tr>
<td><strong>Effectively manage risks and uncertainties in timber resource modelling</strong></td>
<td>Complete annual review of VicForests resource model and harvest performance against the 5-year targets</td>
<td>June 2016</td>
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<td></td>
<td>Complete a review of Timber Release Plan areas to understand risk to operational suitability and availability</td>
<td>June 2016</td>
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<tr>
<td></td>
<td>Investigate new ways of considering landscape scale bushfire risk to resource availability</td>
<td>June 2019</td>
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\(^{43}\) Refer to the report (footnote 42) for detailed information about Sustainable Harvest Level calculations and recommendations
7 Adaptive Practices

VicForests will continue to explore and implement improved ways of managing forests in our allocated area in line with stakeholder expectations, certification standards and new scientific information.

Background

Adaptive forest management is a continual process of implementation and review to strengthen decision-making in the face of uncertainty. VicForests has elected to take an active approach to adaptive forest management that involves learning by doing, testing uncertainties, and using information gathered from internal reviews, research and monitoring to improve our systems, planning and management approaches over time.

Learning and experimentation is integral to informing the way we plan and conduct our operations to balance multiple, and often competing, objectives. By embracing adaptive management, VicForests is committing to continually evolving our concept of best-practice, and incorporating flexibility into all our Management Systems to achieve optimal outcomes for the community, biodiversity, water, soils, carbon and the future timber resource. To address current knowledge gaps, VicForests will be guided by our Research and Development Strategy and Research and Development Plan.

Adaptive management will underpin all VicForests processes, but will be particularly critical to improving the most visible part of our business: timber harvesting operations. Silviculture describes the way timber harvesting is undertaken to meet economic, forest vitality and regeneration objectives. Silvicultural decisions must adapt and evolve around sound economic and ecological practices and be mindful of community expectations that might demand alternative, non-traditional approaches. Dynamic and flexible silvicultural planning will be driven by processes within our Ecologically Sustainable Forest Management System and effectiveness of our adaptive approaches monitored through Management System reviews.

Adaptive Business Management Systems

VicForests aims to maintain management systems that are as flexible and adaptable as our core operations. These systems must support our ability to respond to and mitigate strategic, corporate, divisional, environmental, social and occupational health and safety risks, as well as allow for efficient business functioning in line with all our Ecologically Sustainable Forest Management focus area objectives. To achieve this, we have developed a set of Instructions and Procedures for all aspects of VicForests business, which are regularly reviewed in the context of identified risks. We also maintain a number of registers and databases that allow us to collect, record, monitor, improve and adapt to new information.

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44 This definition has been adopted following approaches described in: Kohm, KA and Franklin JF (1997), Creating a Forestry for the 21st Century: The Science of Management, Island Press, Washington DC
45 Refer to the Regulatory Compliance focus area for a description of VicForests’ Business Management Systems
Management Review
In order to facilitate continual improvement, VicForests’ annual Management Review assesses the effectiveness of VicForests Business Management Systems through analysis of records and findings from a comprehensive range of sources that includes, but is not limited to:

- external audits
- internal registers
- new scientific information
- legislative changes
- internal and external feedback

The objectives of this Review are to ensure the System:

1. meets its planned objectives
2. is properly implemented
3. is reflected in operational and on-ground activities
4. is continually improved.

Outcomes of the Management Review Process may include:

- Adjustments in the scope of the Management Systems
- A change to the amount of resources dedicated to achieving the Management System objectives
- New or revised documentation, including strategies, plans, instructions and training requirements
- The revision of Management System policy or business objectives and targets
- Specific suggestions and mandatory actions for improvements to the Management System

Adaptive Management within VicForests Operations
VicForests’ challenge is to integrate science, stakeholder expectations and business objectives across spatial and temporal scales. Landscape context and silvicultural decision-making processes underpin the way VicForests employs adaptive approaches to meet this challenge.

Landscape Context Planning
Historically, harvest planning has been focussed at the coupe scale; however, VicForests understands that a broader contextual approach is appropriate if we are to ensure our adaptive management efforts are contributing to broader landscape conservation objectives. Such an approach will also allow us to undertake more efficient coupe planning and meet stakeholder expectations of our operations.

VicForests is working towards improved landscape context planning processes to help us achieve our aims of contributing to the recovery of old-growth elements, protecting biodiversity, and supporting landscape connectivity. As a starting point VicForests will prioritise forested areas for retention that:

- contain structurally complex habitat, including hollow-bearing trees and stags.
- create linkages between retained forest patches
• are less likely to be heavily impacted by bushfire, such as forests associated with riparian areas

Silvicultural Decision-Making
VicForests silvicultural systems are employed with clear purpose following a comprehensive decision-making process. Silvicultural Decision Support Systems have been developed over a number of years to incorporate accumulated learning from past experience, field experimentation and scientific research, and are guided by Victoria’s Native Forest Silvicultural Guidelines. Silvicultural Decision Support Systems provide a hierarchical decision-making framework that accounts for forest type and local conditions to inform best-practice.

Guided by these tools, VicForests chooses the most appropriate silvicultural approach based on:

• forest type
• soil type
• slope
• landscape context
• stakeholder feedback
• the presence of biodiversity or High Conservation Values
• the presence of social or cultural values
• economic constraints and opportunities, and
• specific coupe objectives

Importantly, silvicultural decisions will be governed by our ability to deliver and balance trade-offs between these six operational priorities:

1. successfully regenerate the harvested area to achieve the same forest type as existed at the site pre-harvest
2. protect biodiversity and High Conservation Values
3. protect soil structure and water quality from irreversible damage
4. be sensitive to and protect cultural and social values
5. ensure safe and efficient harvest of timber
6. optimise wood product recovery

Achievement of these priorities is tracked through monthly coupe monitoring audits.

Application of Silvicultural Systems
In meeting our commitment to best practice forest management, VicForests will implement a range of silvicultural systems and techniques to optimise forest management outcomes in line with the precautionary principle. VicForests’ silvicultural systems are outlined in the following sections.
Tree Growth Stages

The actual age of a tree can often be difficult to determine from observation or coarse records of disturbance history that might indicate a tree’s ‘year of origin’. Therefore growth stages are used as a surrogate for age class, providing a measure of the maturity of a tree which will inform the most appropriate silviculture to apply.

*Growth stage* is based on the physical characteristics of a tree, as exampled for Ash trees in Figure 7. It is related to age, however it is also a function of site factors, such as soil, rainfall, tree density and previous disturbance.

In Victorian *native forests*, trees can be broadly classified into the following *growth stages*:

1. Regeneration (Typically between 1-10 years old);
2. Young Regrowth (Typically between 10-50 years old);
3. Advanced Regrowth (Typically between 50-120 Years old);
4. Mature (Typically between 120-250 years old);
5. Late Mature (Usually between 250-350 years old); and
6. Senescent (>350 years old)

Most forests consist of trees at different *growth stages* or sometimes there may be just one *senescing* tree within a forest stand of regrowth trees. *Growth stage* identification therefore provides a way for VicForests to approximate the age of an individual tree, and then define the *growth phase* of the forest stand as a whole.

*Figure 7* Growth stages of Ash eucalypt forests
Clear-felling Silviculture

A clear-felling coupe must not exceed 40 hectares harvested area, with no contiguous area greater than 120ha to be harvested within any 5 year period\textsuperscript{46}.

The objective of clear-felling is to remove the entire overstorey to maximise the recovery of timber products and create regeneration conditions suited to light-dependant tree species. Clear-felling has historically been the most commonly employed silvicultural system in Ash forests of Victoria because it is the most reliable method for achieving successful eucalypt regeneration\textsuperscript{47} of this light-dependant species. Clear-felling is generally the safest and most efficient system for harvesting contractors as it minimises the risks to workers associated with broken off limbs that are hanging freely in a tree to be felled or in the trees close by. It may be implemented in Mixed Species forest types if the stand is even-aged and there is no available seed, or inadequate seed, to represent all species on site through a Seed Tree system.

For the near future, clear-felling systems will remain an important part of VicForests operations, predominantly in Ash forests. VicForests will choose clear-felling silviculture when the risk of regeneration failure is high, when safety hazards require or when there is a high degree of landscape connectivity surrounding the coupe. Clear-felling is followed by a regeneration burn and sowing of seed by helicopter or hand\textsuperscript{39}.

Seed Tree Silviculture

A Seed Tree coupe must not exceed 40 hectares harvested area, with no contiguous area greater than 120ha to be harvested within any 5 year period\textsuperscript{48}.

The objective of Seed Tree systems is to retain 5-15% healthy, representative overstorey trees uniformly across the coupe that are representative of the pre-harvest species composition. These retained trees provide the opportunity for natural seed fall regeneration of the harvested area. This system is applied if a viable seed stock is present in crowns of retained trees at the time of harvest and is most often used in Mixed Species forest types, which contain eucalypt species that are prolific seeders.

Occasionally VicForests will use seed trees in Ash forests if natural seed loads are high, but the Seed Tree system is not commonly applied in these forests because of the greater safety risk caused by significantly greater tree heights and the associated difficulty in avoiding damage to retained seed trees.

Seed Tree systems have the benefits of retaining the same genetic stock on site and saving the significant costs involved in having to collect and then sow seed via helicopter or hand. Retention of seed trees does, however, constitute a significant proportion of saleable trees that are left on site. VicForests will decide to implement this system after taking into account the costs and benefits of retaining seed trees compared to regenerating the site by other means\textsuperscript{49}.

\textsuperscript{46} As specified in the Code of Forest Practice For Timber Production 2014

\textsuperscript{47} Lutze MT, Campbell RG and Fagg PC (1999), Development of silviculture in the native State forests of Victoria, Australian Forestry, 62(3), 236-244.

\textsuperscript{48} As specified in the Code of Forest Practice For Timber Production 2014

\textsuperscript{49} Refer to the Regrowing Forests Focus Area for more detail on regeneration techniques.
Regrowth Retention Harvesting

Regrowth Retention Harvesting is the newest silvicultural system to be adopted by VicForests for Ash forest types. Its implementation comes as a result of many years of research as part of VicForests’ collaborative Retention Harvesting Project, community and expert feedback, and strong support and advice from other forest management organisations, such as Forestry Tasmania.

The broad aim of Regrowth Retention Harvesting is to promote continuity in forest structure, composition, complexity and biological legacies for the benefit of biodiversity and sustained ecological function at different spatial scales\(^{50,51,52}\). For VicForests, implementation of the Regrowth Retention Harvesting system is additionally driven by our primary objective to actively contribute to the recruitment of old-growth elements across the landscape in Victorian Ash forests, which have been depleted by several recent large-scale stand-replacing bushfire events. VicForests’ secondary objectives are to:

- improve the ecological contribution of areas available for harvest to forest biodiversity
- assist in the creation of future habitat suitable for a range of forest-dwelling species, especially those dependant on mature trees.
- ensure that VicForests continues to develop adaptive silvicultural management techniques that complement the landscape management of reserves
- achieve ecologically sustainable forest management

To meet these aims, Regrowth Retention Harvesting involves the retention of forest patches so that more than 50% of the harvested area is located within one tree length of retained forest. The area within one tree length of the retained forest is termed ‘Area of Influence’ and the area that is retained is termed the ‘Retained Area’. VicForests has adopted the 50% area of influence threshold recommended within the scientific literature because of the increased benefits for understorey regeneration and continuity of ecosystem function provided by this approach. VicForests has also decided to exceed other Variable Retention Harvesting standards by specifying that retained forest must be at least 50 years old. This will also ensure we meet our key objective of assisting the development of old-growth forest represented at the landscape scale.

Although a coupe is only a very small component of the entire landscape, our implementation of Regrowth Retention Harvesting aims for a number of positive landscape benefits:

- Increased structural complexity of the post-harvest forest
- Temporal and spatial connectivity of key habitat elements

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\(^{51}\) Lindenmayer D (2007), The variable retention harvest system and its implications for biodiversity in the mountain ash forests of the Central Highlands of Victoria, Fenner School of Environment and Society.

- Enhanced re-establishment of harvested areas by natural processes
- Improved aesthetics and ecosystem integrity

The challenge for VicForests is that these benefits must be traded off against the reality of decreased eucalypt regeneration caused by increased shading in Regrowth Retention Harvesting coupses. As such, VicForests will implement this silvicultural system on a coupe-by-coupe basis according to particular coupe attributes and with consideration of landscape connectivity and representation of forest structure.

**Selective Harvesting**

VicForests will generally plan Selective harvesting coupes to not exceed 120 hectares. These coupes may incorporate both single tree selection, where individual trees or very small groups of trees are removed in a mosaic across the coupe, and group selection systems, where medium-sized gaps are harvested in a dispersed cutting sequence.

These systems are undertaken in mature and uneven-aged forests and are generally implemented to perpetuate uneven-aged structure, promote productive capacity of forest stands impacted by previous disturbance, or to select trees for their ability to provide high sawlog yield and prevent waste of non-sawlog trees.

Selective harvesting coupes are not burnt, but regeneration is established in the gaps through natural seedfall or coppice, maintaining an uneven-aged forest structure. Because of this, Selective harvesting coupes are not suitable in all forest types due to the risk of regeneration failure.

**Uneven-aged Silviculture**

Uneven-aged Silviculture coupes may not exceed 120 hectares and can comprise of Seed Tree areas less than 20 hectares, or up to a maximum total of one-third of the gross coupe area. The remainder of the coupe may be harvested as a Thinning or selective harvesting operation.

Uneven-aged Silviculture epitomises VicForests commitment to adaptive management to achieve the best possible environmental, social and economic outcomes in Mixed Species forest types. VicForests’ primary objective for Uneven-aged Silviculture is to tailor management of uneven-aged forests to achieve successful regeneration and maximum utilisation given complexities involved in managing different age classes, basal areas and species distributions across the one coupe. VicForests’ Uneven-aged Silviculture aims are to:

- Retain suitable regrowth stands as future growing stock
- Ensure timber harvesting is commercially viable
- Manage stand structure and fuel configurations in context with the protection of environmental and economic assets
- Produce logical management units

The system utilises a combination of silvicultural techniques within the one coupe to account for the presence of a mixture of regrowth and mature forest elements. A combination of thinning from above, thinning from below, single tree selection, group selection and seed tree may be used simultaneously to maximise the production of high-quality sawlogs while improving regeneration and structural diversity outcomes. Generally, Uneven-aged
**Silviculture coupes** are not burnt, so as to prevent damaging **retained trees**, and **regeneration** occurs naturally via **seed trees** or **coppice**. A **regeneration** burn will be conducted to reduce fuel loads and decrease fire risk when a contiguous area >5 hectares is harvested.

**Thinning**
The maximum **coupe** size for **Thinning** operations is 120 hectares[^53] and is predominantly implemented in even-aged young regrowth **forest stands**.

**Thinning** is primarily used to increase future **sawlog** supply by removing a proportion of trees evenly across a **coupe** to release competition and allow the retained stems to increase in growth more quickly. VicForests also aims to utilise **Thinning** as a management tool to increase water yields in water supply catchments, actively promote hollow development for future habitat and reduce fuel loads in bushfire prone areas.

VicForests’ commercial objectives for **Thinning** are to:

- increase the proportion of larger diameter **sawlogs** at final harvest;
- shorten **rotations** to improve total economic returns;
- maintain medium to long-term timber supply levels in areas with substantial areas of **regrowth** forest;
- help meet existing **residual wood sales** commitments.

The growth response of **retained trees** post-**thinning** is generally most pronounced in 20–25 year old **regrowth** forests and/or in forests where **basal area** is initially very high. VicForests will undertake **Thinning** when predictions indicate that the operation will generate viable commercial returns and will ensure the long-term growth response benefits of **Thinning** are realised. The overall suitability of **Thinning** depends on a number of factors, which include:

- standing volume;
- stand condition;
- stand age or **growth stage**;
- slope;
- ground conditions;
- area and location of stands;
- availability of suitable harvesting and processing machines; and
- specific site issues, such as the presence of **threatened** flora and fauna.

Other than commercial and timber yield benefits, **Thinning** may also be used for a number of other ecological and environmental outcomes. Ecological **thinning** can achieve:

- an overall increase in water yields compared to doing nothing or using more intensive **silviculture**;
- Acceleration of hollow development through “intentional” damage of **retained trees**, benefiting hollow-dependant fauna
- Reduced forest fuel loads in high bushfire risk zones close to public and private assets

[^53]: As specified in the **Code of Forest Practice For Timber Production 2014**
Given the potential social and environmental benefits that may flow from undertaking ecological thinning\textsuperscript{54}, VicForests will continue to work with Government and other public land managers to pursue these opportunities.

### Salvage Harvesting

**Salvage** harvesting gross **coupe** sizes may be up to 120 hectares. No size restrictions apply to aggregates of fire **salvage coupes**, but the maximum gap size is 200m between areas of **retained trees**.

VicForests undertakes **salvage** operations after large fire events in areas available for timber harvesting in order to recover timber from fire-killed trees. We will prioritise fire-killed areas for harvest soon after the fire event to prevent wastage of this timber before wood quality deteriorates. Additional protective measures as outlined in Department of Environment, Land, Water and Planning’s *Management Standards and Procedures* apply to timber harvesting within bushfire affected areas. These standards ensure protection of soil and water values and must be applied in all areas affected by fire until the third winter following the bushfire event. Some important features of VicForests timber harvesting operations in burnt environments are that:

- No additional area is made available for harvesting following a major fire
- All areas harvested must be in accordance with an approved *Timber Release Plan*
- **Salvage** activities have additional **prescriptions** applied, including:
  - More frequent drainage structures and stream protection
  - Additional restrictions on **landing** locations
  - Requirements to retain patches of surviving green trees
- All reserves of any status are fully recognised
- Particular fauna habitat that was present prior to the fire event must be protected post fire, even if the value is potentially lost or irreversibly changed.

### Triggers for Adaptive Practice

VicForests may make changes to harvest practice in response to:

- Changed landscape conditions, including from bushfire
- Stakeholder expectations and feedback
- Government **policy** changes
- New product markets or changed market conditions
- New scientific knowledge or learnings from experience
- Internal management review outcomes

VicForests are currently undertaking a number of research projects aimed at continuous improvement of our practices and **silvicultural systems** that have been triggered by a need to address a range of production, environmental and social drivers\textsuperscript{55}.

\textsuperscript{54} Ryan M (2013), Adaptive silviculture in regrowth eucalypt forests in Victoria and the implications for water, wood, wildlife and wildfire, *Australian Forestry*, 76(3-4), 173-182

\textsuperscript{55} Refer to the Science-based Decision-making focus area and VicForests *Research and Development Plan*
## Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objective</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Implement timber harvesting systems that balance silvicultural and ecological objectives</strong></td>
<td>50% of Ash area harvested in next 3 years within the range of Leadbeater’s Possum is undertaken using Regrowth Retention Harvesting</td>
<td>June 2017</td>
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<tr>
<td></td>
<td>Review VicForests Thinning’s Strategy and Implement</td>
<td>June 2017</td>
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<tr>
<td></td>
<td>Develop and implement an Uneven-aged Forest Harvesting Strategy for East Gippsland</td>
<td>June 2018</td>
</tr>
<tr>
<td><strong>Monitor Long-term impacts and benefits of harvesting practices</strong></td>
<td>Monitor the effectiveness of Regrowth Retention Harvesting in achieving silvicultural and ecological objectives</td>
<td>June 2019</td>
</tr>
<tr>
<td></td>
<td>Monitor the effectiveness of modified burning on meeting silvicultural and ecological objectives</td>
<td>June 2019</td>
</tr>
<tr>
<td><strong>Continuously review and evolve silvicultural practice</strong></td>
<td>Review VicForests Silviculture Decision Support Systems for High and Low Elevation Mixed Species</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Review VicForests Silviculture Decision Support Systems for Ash Forest Types</td>
<td>June 2017</td>
</tr>
<tr>
<td></td>
<td>Review Native Forest Silviculture Guidelines for Red Gum forests and develop a silvicultural manual for this species.</td>
<td>June 2019</td>
</tr>
</tbody>
</table>
8 Regrowing Forests

VicForests will regrow all forests harvested and manage our operations in line with natural forest management principles.

Background

Regrowing Forests means managing the areas that we harvest to ensure the natural function, structure, health and diversity of the forests are recovered for future generations to enjoy. Ensuring the continuing vitality of Victoria’s native forests is inherently important to VicForests, and we recognise the many ecologically, socially, and economically valuable roles our forests play in addition to their productive use in supplying a renewable timber resource. Through the Allocation Order and the Code of Forest Practice for Timber Production VicForests must ensure:

- harvested forest is successfully regenerated
- the biodiversity of harvested forest is perpetuated
- natural floristic composition and representative gene pools are maintained
- forest health is maintained

All of VicForests harvesting operations are undertaken with regeneration in mind and in such a way as to ensure the best possible chances of successful regeneration. Regrowing forests forms a significant component of our business and, on an annual basis, VicForests actively prepares, establishes and surveys all areas of harvested forest and collects enough eucalypt seed to support our annual regeneration program.

VicForests’ regeneration program begins well before harvesting and forms the basis of all our silvicultural decision-making. It incorporates a range of activities that span mapping of flowering events, planning our seed collection operations and assessing the success of our regeneration efforts.

Demonstration of successful regeneration may take up to three years following final harvest completion, given that seedlings need at least 15-30 months to establish before a regeneration survey can be conducted.

Natural Forest Management

VicForests’ operations meet the definition the natural forest management. VicForests does not and will not convert any native forest to plantation, nor will we use any genetically modified material to regenerate our forests. We minimise our use of chemicals but will occasionally use very small amounts to aid our achievement of successful regeneration.

We ensure all operations are undertaken with scientific understanding of natural processes and ecological requirements in mind. This is driven predominantly by forest type, soil type and seasonality of fire and temperature cycles, which determine the silvicultural options available to us for a given site. Consideration of operational constraints, presence of High

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56 VicForests has been guided by the natural forest definition provided in the Forest Stewardship Council ‘SCS Interim Standard For Natural Forest and Plantation Forest Management Certification in Australia’, available from: http://au.fsc.org/forest-management.204.htm (accessed 11/10/2014)

57 Refer to VicForests Sustainability Report for a summary of chemical usage
Conservation Values, biodiversity values, cultural values and economic factors then combine to determine the ultimate approach to be taken in line with natural forest management principles.\(^{58}\)

At a landscape level, VicForests demonstrates natural forest management by maintaining a mosaic of forest age-classes, returning local-provenance seed of the same species back to the site, reserving forest areas to enhance forest connectivity and maintaining biological legacies.

The only exception to this is in our Western Forest Management Unit, where VicForests has been delegated responsibility for small areas of State forest plantation estate, which we will manage in accordance with plantation management principles.

The Regeneration Process in Native Forests

In all our native forest operations, VicForests are guided by the Native Forest Silviculture Guidelines and Management Standards and Procedures to ensure we meet regeneration targets in accordance with natural forest management principles. The regeneration process is inherently linked with and determined by natural forest cycles of flowering, germination and weather, as well as timing of coupes to ensure trees are given the best possible chance to successfully re-establish.

Site Preparation

VicForests undertakes active intervention post-harvest to create site conditions that will be receptive to seed germination and growth. VicForests will use carefully managed regeneration burns or mechanical disturbance to prepare a site for re-establishment. The approach chosen depends on the silvicultural system employed, coupe attributes, forest type and other decision factors such as seasonal timing. VicForests actively tracks the progress and effectiveness of our site preparation activities and will occasionally make the decision not to treat an area if:

- it is already naturally adequately stocked with eucalypts that are likely to survive
- suitable conditions for regeneration were created during the harvesting operation

Regeneration Burning

VicForests undertakes regeneration burning because it is often the most efficient and effective method for creating suitable regeneration conditions. It also results in a flush of nutrients to support seed germination and establishment. Regeneration burns are undertaken by highly trained staff during calm Autumn conditions with the following objectives in mind:

- Protect retained habitat trees
- Minimise the effect of smoke on neighbours
- Provide the best possible environment for seed establishment

\(^{58}\) These decision factors in relation to silvicultural systems are outlined under the Adaptive Management Focus Area.

\(^{59}\) Refer to NRE (1998), Native Forest Silviculture Guideline No. 6. : Site Preparation, Department of Natural Resources and Environment, Victoria for detail on site preparation techniques and requirements
Most of VicForests’ regeneration burns are designed to be high intensity to remove competition from harvesting residues left on site and from other non-eucalypt vegetation that might otherwise hinder eucalypt seed germination. In some instances, however, it is not desirable to produce a high intensity burn due to difficulties associated with protecting retained habitat trees and controlling risks to known values. In these cases, VicForests will implement adapted burning techniques, which may include burning at night, to obtain lower fire intensities and more moderate fire activity. In the lead-up to implementing a burn, weather conditions, fuel moistures and moisture from the surrounding vegetation is monitored to ensure we achieve the desired fire behaviour.

Every regeneration burn must be approved by the Department of Environment, Land, Water and Planning and will be publicly reported and advertised through relevant media outlets.

Mechanical disturbance

Mechanical disturbance involves breaking up the soil surface using machinery or hand tools to provide a suitable regeneration conditions. Mechanical disturbance is generally more expensive and time-consuming than regeneration burning, however VicForests may choose this technique when:

- there is a risk that burning will deplete organic matter and nutrients below levels required for successful regeneration on inherently low soil fertility sites
- harvesting operations have inadvertently caused soil compaction,
- early re-colonisation of non-eucalypt species has created unsuitable conditions for burning and an unacceptable level of competition that may preclude regeneration of eucalypts
- previous efforts to regenerate the site have failed.

Site Establishment

Once suitable regeneration conditions have been created, VicForests will ensure the same mix of eucalypt species that existed on the site before harvest is returned to the site by sowing seed. Seeds are spread across the prepared area either by natural seedfall from seed trees retained during harvesting, via helicopter, or by hand sowing.

VicForests undertake stocking surveys 15-30 months after site establishment to provide an objective measure of the success of regeneration operations\(^6\). If a stocking survey indicates regeneration has been unsuccessful, we will re-treat the area until successful regeneration is achieved. Information gathered through this survey process is recorded so that we can learn from the results of our silvicultural decisions and adapt our practices if necessary.

Seed Collection

VicForests is committed to regenerating our forests using only local provenance seed. To make sure that all harvested coupes are regenerated using local seed of similar genetic stock, VicForests maintains Victoria’s largest store of eucalyptus seed. We maintain this

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\(^6\) Refer to Dignan P and Fagg PC (1997), *Eucalypt Stocking Surveys: Native Forest Silviculture Guideline No. 10*, Department of Natural Resources and Environment, Victoria for survey objectives and methods
store by employing contractors to collect seed from forest areas available to VicForests through the Allocation Order.

Collected seed is extracted by VicForests using our specialised seed extraction kiln and stored in our climate controlled storeroom. All collected seed is periodically tested to ensure viability and to enable us to calculate accurate sowing rates appropriate to each seed lot.

Each eucalypt has a specified ‘standard sow rate’ specified within Native Forest Silviculture guideline 8 – Eucalypt Sowing and Seedfall which is used to determine how many kilograms of seed is needed to adequately cover the entire harvested area of a coupe.

VicForests aims to maintain approximately 2 years’ worth of forward seeding requirements, which equates to about 20,000 kilograms of viable seed within our seed store. This seed store is also made available to aid the Department of Environment, Land, Water and Planning with bushfire recovery when needed.

Adapting Regenerative Practices
VicForests seeks to continuously improve the way we implement regeneration activities to achieve the best outcomes for overstorey eucalypt regeneration, understorey recovery and values needing protection. Any adaptive approach that VicForests implements must account for the potential to negatively impact successful regeneration and result in additional financial costs. VicForests is currently undertaking and developing projects through our Research and Development Plan to address landscape and environmental aspects of our silvicultural decision-making and regeneration practices, including burning and understorey recovery. Over the coming years, we will also be reviewing the Native Forest Silviculture Guidelines and updating them where needed with new scientific information.

Understorey Recovery
VicForests aims to evolve our regeneration practices to ensure we achieve more than just successful overstorey eucalypt regeneration.

The process of harvesting timber means that understorey species are also disturbed and the ability of understorey species to re-colonise a site after harvest may have implications for long-term species diversity and structural complexity. Previous work has shown that understorey re-colonisation after harvest is generally effective for those species that regenerate via seed, however, species that rely on vegetative means of regeneration may be more sensitive to the effects of timber harvesting and may require adaptive management.

To better understand the consequences of harvesting on understorey recovery, VicForests is undertaking a research project to investigate the recovery of root-resprouting understorey species and will continue to undertake understorey assessments through our post-harvest survey process.

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61 Harris SG (2004), Regeneration of flora following timber harvesting in the wet forests of the Otway Ranges, Victoria Parks and Forests report, Department of Sustainability and Environment, Victoria

62 Ough K (2001), Regeneration of Wet Forest flora a decade after clearfelling or bushfire – is there a difference?, Australian Journal of Botany, 49: 645-664
Ecologically Sustainable Forest Management Plan

Regrowing Forests

Maintaining Forest Health and Vitality
In recognising that Victoria’s *native forests* are an important legacy for future generations, VicForests is committed to ensuring our operations maintain long-term forest health, vitality and forest function.

Managing Pests, Weeds and Disease
Infestations of *pest* plants, animals and diseases can have significant negative impacts on the long-term health and productivity of *native forests*. They not only pose a risk to *biodiversity* and *ecosystem function*, but may also represent significant economic costs.

Under the *Catchment and Land Protection Act* and in line with the *Code of Practice for Timber Production*, VicForests is required to control and prevent the spread of *pests*, diseases and noxious weeds during road construction and maintenance, timber harvesting and *regeneration* activities. We will minimise spread by avoiding machine movement through infested areas within a *coupe* and ensuring contractors wash down all machinery prior to departing a *coupe*.

VicForests will also undertake weed, *pest* and disease assessments in *coupes* and along adjacent roads at each stage of our operations. We will report significant detections of these threats to the Department of Environment, Land, Water and Planning who have responsibility for their management and eradication in *State forests*. When an infestation was not present before harvest but is detected post-harvest, VicForests becomes accountable. In these cases, VicForests will develop a management plan in conjunction with the Department of Environment, Land, Water and Planning to treat the infestation.

Managing Browsing Animals
Browsing by animals, primarily deer, kangaroos and wallabies, pose a potential threat to successful *regeneration* on some sites and can lead to significant costs in re-establishing plants that are destroyed. Fortunately, *regeneration* on VicForests’ *coupes* is usually vigorous enough not to be significantly impacted by any browsing effects. If browsing does start to affect *regeneration*, VicForests use a range of techniques, including the use of tree guards to prevent browsing on problem sites. VicForests will not use chemicals or poisons such as *1080* to control animal browsing, nor will we undertake shooting or trapping.

Forest Restoration
VicForests has offered to assist the Department of Environment, Land, Water and Planning in regenerating any areas of forest previously disturbed or degraded by fire and other historic utilisation activities. We will continue to contribute to such restoration programs through the sale of seed from our seed bank, the sharing of expertise, or through directly carrying out forest management services on behalf of the Department of Environment, Land, Water and Planning.

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63 VicForests *Noxious Weeds, Disease and Pest Management Instruction* details our internal processes for managing pests and diseases.
64 Poynter M and Fagg P (2005), *Browsing Management: Native Forest Silviculture Guideline No. 7*, Parks and Forests Division, Department of Sustainability and Environment, Victoria
# Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objective</th>
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<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maintain a sufficiently stocked viable and representative seed store</strong></td>
<td>At least 2 years’ worth of seed requirements in storage at any one time</td>
<td>Annual</td>
</tr>
<tr>
<td><strong>Minimise risks to known values during regeneration</strong></td>
<td>Identify and record values to be protected within Regrowth Retention Harvesting coupes</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>No regeneration burn leads to an escape that is declared a wildfire</td>
<td>Annual</td>
</tr>
<tr>
<td><strong>Maintain forest health and vitality</strong></td>
<td>Annually report on the regeneration status of harvested coupes</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Regenerate 95% of harvested areas on first attempt</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Finalise the regeneration of all coupes with a final harvest completion prior to 2011</td>
<td>June 2017</td>
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<tr>
<td></td>
<td>Regeneration planning must consider potential presence of noxious weeds or threat of browsing</td>
<td>June 2016</td>
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</tbody>
</table>
9 Cultural Heritage

VicForests will respect native title rights, traditional uses and customary tenures, and protect all cultural heritage values as a High Conservation Value.

Background

VicForests are committed to protecting Indigenous and European cultural heritage values. In response to stakeholder feedback, we are particularly focussed on improving transparency around processes for managing cultural heritage and demonstrating respect for customary land rights and uses. We are also working to strengthen relationships and knowledge-sharing with Indigenous groups.

VicForests acknowledges and respects the traditional owners of the land on which we operate, including Registered Aboriginal Parties, Native Title holders, and other Aboriginal communities. We acknowledge that our operations occur on land that Indigenous communities and their ancestors have been custodians of over many generations and on which ceremonies of celebration, initiation and renewal have been performed. VicForests are dedicated to respecting and accepting our responsibilities to promote and protect Indigenous culture, heritage and significant sites, as well as the European cultural heritage values that have been established more recently. Not only do these values hold spiritual or sacred significance, but cultural heritage sites are also important scientific and educational resources.

There are a range of specific legislative cultural heritage and land use rights requirements that are relevant to VicForests’. These include the Native Title Act 1993, the Traditional Owner Settlement Act 2010, the Aboriginal Heritage Act 2006 and the Heritage Act 1995. VicForests’ processes for recognising and managing land use rights and cultural heritage have been developed in context with these Acts. We strive to operate in line with the policies of Aboriginal Affairs Victoria and have developed in-house Instructions to provide a framework for managing cultural heritage as an integral part of our business.

Indigenous Engagement Planning

Victoria’s Indigenous communities are invested in the management of natural resources in a range of capacities relevant to VicForests operations, including:

- As native title holders with unique cultural and economic interests in the management of natural resources on their land
- As recognised Registered Aboriginal Parties, with active roles in ensuring cultural heritage is identified and protected
- As traditional owners under the Traditional Owner Settlement Act, underpinned by the Victorian Native Title Settlement Framework and Land Use Activity regime
- As neighbouring landowners, who acquire and manage land for its cultural significance and for economic benefit
- As members of the wider community and part of the workforce.

Note: VicForests invites feedback and advice from Indigenous stakeholders to help us better define our engagement process and develop a framework that will be tailored to the individual needs and objectives of Indigenous groups.
Increasing the level of engagement with local Indigenous groups is a key objective for VicForests. We recognise the important role strong relationships can play in helping us manage cultural sites, improve land management and develop regional opportunities. We are keen to develop our processes and initiatives for Indigenous engagement into the future in collaboration with our stakeholders.

Indigenous Engagement Process
VicForests currently engages with a range of Indigenous stakeholders through our planning and operational activities. We will continue working to improve and develop strategic engagement opportunities with these groups and develop processes for working together on broader planning processes and community initiatives.

To support Indigenous engagement in forest management, VicForests is developing a process that will enable us to build on current relationships and open new opportunities through creation of individual, tailored engagement plans. VicForests will seek to achieve the following through these plans:

- Provide opportunities for Indigenous stakeholders to give feedback on strategic policy documents;
- Provide opportunities for Indigenous stakeholders to inform VicForests of values critical to their cultural identity that may classify as High Conservation Value;
- Identify and protect Indigenous heritage in line with our obligations under the Aboriginal Heritage Act;
- Recognise and protect native title rights in line with our obligations under the Native Title Act and Traditional Owners Settlement Act;
- Improve general awareness of VicForests activities amongst the Indigenous community;
- Facilitate the provision of Indigenous cultural training and information services to VicForests staff; and
- Improve relationships between VicForests and Indigenous stakeholders.
- Put processes in place for managing and consulting on cultural heritage in non-Registered Aboriginal Party areas

Assessment and Management of Cultural Values
VicForests has designated Cultural Heritage as a High Conservation Value within our Draft High Conservation Value Strategy.

VicForests will exclude or enact adaptive harvesting practices to protect registered and un-registered cultural heritage sites from the impacts of harvesting, roading and regeneration activities in accordance with the Management Standards and Procedures. The identification of cultural heritage values will occur through desktop assessment of planned harvest areas and field assessment of all coupes, in consultation with relevant stakeholders and authorities.

If VicForests identifies unregistered European cultural values at any point during coupe reconnaissance or operations, we will report this to the Department of Environment, Land, Water and Planning who then submit the information to Heritage Victoria. The Department of Environment, Land, Water and Planning, via Heritage Victoria, will then provide advice to
VicForests on the appropriate management of any unregistered European *cultural heritage* sites.

If an Indigenous *cultural heritage* value is identified, VicForests will exclude the relevant area from harvest and develop a management plan in consultation with the relevant Registered Aboriginal Party or Aboriginal Affairs Victoria.

To ensure our effective management of *cultural heritage* as a *High Conservation Value*, it is important that our staff maintain identification skills and awareness of Indigenous issues and values. VicForests currently makes available Aboriginal Cultural Awareness training and we will continue to work collaboratively with Registered Aboriginal Parties and other Indigenous groups to maintain delivery of this program to our staff.

**Focus Area Objectives and Targets**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement improved processes for cultural heritage management</td>
<td>Protect all registered cultural heritage sites from harvesting and other high impact activities</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Review process for identifying and managing un-registered cultural heritage sites</td>
<td>June 2018</td>
</tr>
<tr>
<td>Strengthen relationships with Indigenous groups</td>
<td>Develop and implement an Indigenous Engagement Policy</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Develop an Indigenous Engagement Strategy</td>
<td>June 2017</td>
</tr>
</tbody>
</table>
10 Stakeholder Involvement

VicForests will foster productive relationships with our stakeholders, ensuring they are provided sufficient and equal opportunity to be involved and provide feedback on our forest practices.

Background

Our stakeholders are any person, group or organisation that may be impacted by VicForests’ operations, or who may influence VicForests’ operational decision-making and include local communities, all levels of government, forest industry, Indigenous, environmental and other community groups, as well as neighbouring landowners and managers, and the general public.

Timber harvesting remains a complex and emotive subject which generates passionate opinions, both from those who support and those who oppose the industry. Nevertheless, stakeholder involvement is a key component of VicForests operations and we place significant importance on utilising stakeholder knowledge in reviewing and refining our planning, systems and operational approaches. Regardless of viewpoint, we will engage with all stakeholders who want to be involved, and we are committed to ensuring any engagement aligns with our organisational values – Professional, Safe, Sustainable and Customer Focussed.

VicForests commits to do everything in our power to build and maintain stakeholder relationships. Our stakeholders have requested clearer processes for communication and more effective and timely consultation opportunities and as a result we are developing new initiatives to accommodate this.

As part of our commitment to demonstrate that stakeholder feedback will be integrated where possible into process and document development, Appendix 6 contains a stakeholder summary of outcomes resulting from our consultation on this Ecologically Sustainable Forest Management Plan. During this consultation period, our Western Forest Management Unit had not been included within this Plan.

VicForests Stakeholder Engagement Policy

Our past consultation efforts have not always met stakeholder expectations, and so we have developed a new Stakeholder Engagement Policy that will guide an improved approach to consultation and stakeholder involvement. This policy is supported by an associated Stakeholder Engagement Strategy and includes the following priorities:

- to be open and transparent regarding our operations
- to provide stakeholders with the opportunity to have input into and provide feedback on our forest management practices
- to engage and communicate with neighbours and local communities who may be directly impacted by our operations
- to be responsive to stakeholder concerns and queries
to improve wider community understanding of VicForests' management activities
- to provide support to regional communities in areas where we operate
- to identify and establish collaborative partnerships with stakeholders who have an interest in contributing to sustainable forest management practices
- to enable us to gather information that will inform our adaptive management processes from a variety of sources

**VicForests stakeholder engagement principles**
VicForests will ensure engagement with our stakeholders aligns with our organisational values; which is underpinned by the following principles to:

- engage in an positive, open and transparent manner
- treat all stakeholders with fairness and respect
- provide formal and informal avenues for the community to engage
- provide stakeholders with accurate, clear and up to date information
- consider all third-party requests for information on their merits
- provide a safe working environment for our staff

**Disputes and Grievances**
To enable an efficient and transparent handling of sensitive issues, VicForests’ Dispute and Grievance Resolution Process is designed to meet the requirements of both Australian Forestry Standard and Forest Stewardship Council certification schemes. Where possible, VicForests aims to resolve queries, complaints or grievances at the time of engagement, however, for more complex issues it is often necessary to undertake follow-up or investigatory action before we can adequately respond.

VicForests’ process for responding to concerns or complaints is made up of five key steps:

1. Acknowledge receipt of the stakeholder’s correspondence in writing
2. Assess the complaint and determine the appropriate staff to follow up on the matter
3. Investigate the issue in order to provide an accurate and detailed response to a stakeholder, which may involve seeking further written information from the stakeholder, face to face meetings to discuss their concerns and/or site visits
4. Respond directly to the stakeholder to address their queries, concerns or complaints following the completion of the investigation
5. Improve our performance when a stakeholder’s query, concern or complaint highlights where improvements can be made to VicForests’ practices

Throughout any dispute process, VicForests is committed to engaging with stakeholders in a professional and respectful manner. We also place high expectations on staff in relation to their actions and behaviour when engaging with stakeholders. In return, we ask that stakeholders engage with VicForests and our staff in a respectful manner. If preferred, complainants may correspond with VicForests though a nominated proxy or a third-party proxy offered by VicForests.

Stakeholder Involvement Opportunities

VicForests will employ adaptive and varied approaches to stakeholder involvement depending on needs. We will also offer a range of opportunities for stakeholder input into our planning and operational processes, which are outlined on the VicForests website.

One of the most important opportunities for stakeholder feedback is the annual VicForests Timber Release Plan and Wood Utilisation Plan consultation process. This consultation process provides a 30-day period for stakeholders to comment on any aspect specific to a proposed coupe operation listed on the proposed Timber Release Plan. This is an opportunity to inform VicForests of potential High Conservation Values, operational, social or forest amenity concerns or simply to request further information regarding specific coupe operations. Receiving input prior to harvesting commencement allows us to consider proposals for changes and adapt our plans in response to stakeholder concerns.

Requesting Further Information

VicForests maintains a stakeholder database to keep in touch with stakeholders who have expressed interest in our organisation and our management activities. All contact details are kept confidential and managed in line with the Information Privacy Act. Stakeholders who wish to be informed about VicForests operations can ask for their details to be added to our Stakeholder Database at any time.

For those seeking general information about VicForests, our website contains a range of information around our operations, policies, strategies, programs, and contact details, as well as media releases and fact sheets.

For further details or to lodge a concern, enquiries can be made using the Online Enquiries section our website\(^6\).

Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objective</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase opportunities for direct engagement</td>
<td>Organise at least 4 Open House events per annum</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Organise at least 4 forest tours and/or field trips per annum</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>Notify and provide opportunity to all affected stakeholders potentially impacted by proposed timber harvesting operations</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Use stakeholder feedback to improve practices or processes</td>
<td>Issue at least 50 Consultation Evaluation Forms or Online Feedback Surveys to improve VicForests consultation processes</td>
<td>Annual</td>
</tr>
</tbody>
</table>

\(^6\) www.vicforests.com.au/contactus
| Publish on VicForests website how VicForests plans or processes have considered Stakeholder feedback | Annual |
| Seek feedback on version 1.2 of this Plan from key stakeholders in the west. | December 2016 |
11 **Transparency**

VicForests will be held to account for our operations through public reporting and access to information that increases community understanding and trust in what we do.

**Background**

By creating a focus on open and transparent dialogue with our stakeholders, VicForests is seeking to open our doors to help increase understanding about how we operate. Stakeholders have requested greater clarity around our operations and so VicForests is looking to new ways of sharing this information to keep our stakeholders informed about VicForests business.

Transparency means that VicForests will publish our decisions and the information that guides them, invite feedback on our current or draft policies and procedures and ensure that the information we provide to the public is accurate, up-to-date and readily available. By being transparent, VicForests hopes to encourage a culture of positive discourse and inclusion of stakeholders in managing Victoria’s *State forests*. We believe openness and honesty will be the key to dispelling the considerable amount of misinformation that currently exists in the public sphere and will allow us to meaningfully connect with our stakeholders as we focus our attention on implementing good forest management.

**Information Pathways**

There are a number of channels through which VicForests stakeholders can seek information. In addition to these, VicForests will continue to expand and add to available information in response to new information, community requests and feedback.

*VicForests’ website* is our hub and the primary tool through which we disseminate information to the public. The website is constantly being updated with news, upcoming events, opportunities and reports, and provides comprehensive summaries of VicForests business and operational activities.

*The View* is VicForests monthly e-bulletin through which we share business and forestry-related news.

*Direct Contact* may be undertaken by VicForests to connect with stakeholders on a range of project or issue specific topics, such as *Timber Release Plan* consultation, the Community Support Program or any serious media issues that require public address.

*Media Releases* are used by VicForests to inform the community of operations, advertise opportunities to provide input and provide responses to criticism.

*VicForests Fact Sheets* are used to communicate key messages on various aspects of VicForests operations to stakeholders.

**Social Media**

VicForests will continue to actively seek opportunities to engage in all forms of social and other media. This will enable us to widely share information and provide the opportunity for the public to access well-informed and balanced discussion around key forest management
issues. We currently have a presence on Twitter (@VicForestsComms) and on LinkedIn and encourage stakeholders to follow our activities there.

**VicForests Document Library**

VicForests maintains and develops a large number of internal *Instructions, Procedures, Policies* and Maps that address all aspects of our business and operations. These are the day-to-day go-to guides that our staff use in undertaking their work and outline VicForests aims, objectives and targets for our management activities (Table 4).

VicForests will commit to ensuring more of these documents are readily available to the public. Interested stakeholders can currently request any of these documents via email and, in the meantime, VicForests will be working towards uploading our key internal documents to the VicForests website for enhanced ease of access for our stakeholders.

<table>
<thead>
<tr>
<th>Document Type</th>
<th>Purpose</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy</td>
<td>To outline principles or protocols that guide VicForests’ direction on a particular issue</td>
<td>Must be followed by all staff</td>
</tr>
<tr>
<td>Procedure</td>
<td>To outline VicForests’ interpretation of the regulatory requirements under which we must operate</td>
<td>Must be followed by all staff and contractors</td>
</tr>
<tr>
<td>Instruction</td>
<td>To define processes to be undertaken by VicForests staff in meeting <em>Policies</em> and <em>Procedures</em></td>
<td>Must be followed by all staff</td>
</tr>
<tr>
<td>Guideline</td>
<td>To provide direction for VicForests’ staff outlining how a process could be undertaken, usually in conjunction with an <em>Instruction</em>.</td>
<td>Not mandatory and provided by way of guidance to staff only.</td>
</tr>
<tr>
<td>Checklist</td>
<td>To outline a series of actions or activities that should be completed or checked by VicForests’ staff to meet requirements outlined in the relevant <em>Instruction</em></td>
<td>May be mandatory or optional depending on the <em>Instruction</em> to which it relates</td>
</tr>
<tr>
<td>Form</td>
<td>To allow the systematic collection of required data from an activity or operation to demonstrate what has been implemented or achieved</td>
<td>May be mandatory, recommended or optional, depending on the activity to which it relates</td>
</tr>
</tbody>
</table>

*Table 4* VicForests documents that underpin each of our Business Management Systems

**The Forest Coupe Plan**

The *Forest Coupe Plan* is VicForests most important operational document, developed for each individual *coupe* and underpinned by the following legislative instrument and VicForests *procedure*:

- *The Code of Forest Practice for Timber Production* – legislates that a *Forest Coupe Plan* must be created for every harvesting operation and specifies what must be included
- *The Utilisation Procedures* – defines the operational and environmental requirements for harvesting operations in order to meet the *Code* requirements
All Forest Coupe Plans consists of the records, decisions and activities that have or will be undertaken on a harvesting or roadline coupe. VicForests will ensure that all parts of the Forest Coupe Plan are maintained and available as public documents. VicForests will provide copies of the following information to any stakeholder who requests to see the coupe plan:

- During harvesting
  - Coupe maps – Operation and Context;
  - Hazard identification process;
  - Coupe description;
  - Schedule of variations, amendments and instructions; and
  - Harvesting commencement declaration.

- After harvesting completion
  - Coupe maps – operation (original office copy), operation (working copy), Final harvest and context
  - Coupe description
  - Hazard identification process
  - Schedule of Variations, amendments and instructions
  - Harvesting commencement and completion declarations
  - Any coupe diary entries

The following sensitive information will not be released:

- Personal contact details
- Contractor or product pricing
- Complaints regarding personnel
- Sensitive contract information
- Any information that affected parties do not want to be publicly available.

Document Review

In line with review timelines, VicForests’ documents will be regularly updated with new knowledge, techniques or systems that VicForests has adopted or will adopt.

Each document has a review schedule based on a risk assessment. Those documents that influence control of higher risks have a shorter review period and those that influence controls of lower risks may have a longer period of time before mandatory review. The objective of document review is to account for:

- completion or revision of a Department of Environment, Land, Water and Planning Forest Management Plan;
- new Occupational Health and Safety requirements;
- revisions to the Management Standards and Procedures;
- revisions to the Code of Practice for Timber Production;
- revisions to relevant Statewide or Department of Environment, Land, Water and Planning prescriptions;
- outcomes from VicForests' Management Review
- feedback from staff and relevant Corrective Action and Incident Reports;
- recommendations from auditors;
- findings from incident investigations.
All VicForests documents are linked to a Procedure Alert system that informs VicForests when a document is due for review and will inform staff when changes have been made or new documents have been created.

**Freedom of Information**

While many of the documents relating to our operations are made available either via our website or provided directly to stakeholders upon request, some documents will not be made publicly available. This includes documents which:

- are commercially sensitive
- would breach VicForests’ privacy obligations if released
- contain Intellectual Property which VicForests believes would lead to commercial disadvantage

VicForests is, however, committed to fulfilling its legal obligations relating to the disclosure of information to stakeholders about its operations. These obligations include:

- Freedom of Information requests
- Privacy
- Protected Disclosure

**Reporting**

VicForests regularly monitors our operations to guide us in reviewing and improving our practices and documents. The following reports are created annually and are VicForests’ means of publicly sharing the results of our monitoring with interested stakeholders. They will be made available through VicForests website and at any of our offices in hard copy.

- **Annual Report** – includes VicForests’ governance and organisational structure, workforce data, legal disclosures, and financial statements.
- **Sustainability Report** – includes a review of the socio-economic, environmental and economic aspects of VicForests in compliance with global reporting standards

In addition, all external certification reports and outcomes will continue to be made readily available on the VicForests website.

VicForests also commits to reporting on the outcomes of all stakeholder feedback and consultation processes. Through this reporting, we will demonstrate the ways stakeholder feedback has been incorporated into relevant documents and how we are using feedback to adapt our practices.

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67 Refer to the VicForests website for stakeholder consultation summaries
## Focus Area Objectives and Targets

<table>
<thead>
<tr>
<th>Objective</th>
<th>Targets / Actions</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Provide stakeholders with progress against VicForests Ecologically Sustainable Forest Management objectives</em></td>
<td>Publish performance against VicForests Ecologically Sustainable Forest Management System Objectives and Targets within the Sustainability Report</td>
<td>Annual</td>
</tr>
<tr>
<td><em>Be responsive to stakeholder enquiries</em></td>
<td>Acknowledge enquiries and requests for information within 3 business days</td>
<td>Ongoing</td>
</tr>
<tr>
<td><em>Provide public access to VicForests information</em></td>
<td>Maintain a publicly accessible Timber Release Plan, including maps on VicForests website</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Maintain a publicly accessible Harvesting Schedule (Rolling Operations Plan) on VicForests website</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Publish Annual and Sustainability Reports</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Publish results of AFS, FSC and DELWP audit reports, regulatory investigations and pre-harvest fauna surveys</td>
<td>June 2017</td>
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<tr>
<td></td>
<td>Publish VicForests Special Management Plans for identified High Conservation Values</td>
<td>June 2017</td>
</tr>
</tbody>
</table>
Appendices

Appendix 1 - Glossary of Terms

1080: means Sodium fluoro-acetate. A colourless, odourless and tasteless compound used as a poison to control introduced vertebrate pests.

Adaptive management: a continual process of learning, implementation and review to inform decision-making in the face of uncertainty, but given clear management objectives.

Age class: a grouping of individual trees that are within a specified age range.

Basal area: the total cross-sectional area of all stems in a forest stand measured at breast height and expressed per unit of land area.

Best-practice: a method or technique, or combination of methods or techniques, that are the most effective and/or practical means of achieving a given objective.

Biochar: a charcoal produced from plant matter.

Biodiversity: the natural diversity of all life: the sum of all our native species of flora and fauna, the genetic variation within them, their habitats, and the ecosystem of which they are an integral part.

Biofuel: an energy source derived from living matter.

Buffer: a protective margin of vegetation excluded from harvesting activity and adjacent to a waterway, rainforest or other special area, which protects it from potentially detrimental disturbances.

Chain of Custody: a system to track logs once they have been harvested. Through this system VicForests is able to determine the origin and grade of all timber delivered to its customers.

Clearfelling: silvicultural method of harvesting a coupe whereby all merchantable trees, apart from those to be retained for habitat, Code of Forest Practice exclusions or other reasons deemed prudent, are removed.

Comprehensive, Adequate, Representative reserve system: areas of forest set out under Regional Forest Agreements for conservation purposes, comprising dedicated reserves, informal reserves and conservation values protected by management rules.

Coppice: Trees that have regenerated as sprouts from cut stumps after a tree is harvested.

Coupe: a discrete area of forest of variable size, shape and orientation from which timber is harvested and delivered to customers.

Coupe access infrastructure: may be coupe access roads, which are longer than 500m and planned separately from a forest coupe for the purpose of Timber Release Planning, or coupe driveways, which are less than 500m long and considered part of a coupe for the purpose of Timber Release Planning. Coupe access infrastructure is usually temporary, constructed for the purpose of access to timber resources, and rehabilitated by VicForests once it is no longer required.

Cultural heritage: anything with Indigenous or European aesthetic, archaeological, architectural, cultural, historical, scientific or social significance.

Customers: individuals or businesses to which VicForests supplies timber products or other services.

Defined Forest Area: The area planned for harvest in the Western Forest Management Unit as specified by the Wood Utilisation Plan.

Desktop assessment: the gathering and analysis of spatial and non-spatial information to determine the probable locations and extent of particular forest attributes or values and usually undertaken before any field assessment.
Disturbance: any range of natural or human-induced factors that cause a change in the structure, composition or condition of a natural area.

Ecologically Sustainable Forest Management: active forest management that integrates timber production with intrinsic, environmental, social, cultural, and economic benefits to ensure that all these values are maintained for current and future generations.

Ecological Vegetation Class: the standard unit for classifying vegetation types in Victoria that delineates areas of similar floristics, lifeforms, ecological characteristics, and environmental attributes.

Ecosystem function: the physical, chemical, and biological processes or attributes that contribute to the self-maintenance of an ecosystem.

Even-aged: a forest stand that consisting predominantly of one age class.

Exclusion Area: an area within the gross coupe boundary that is protected from harvest for the life of a coupe for a range of operational or regulatory reasons.

Field assessment: the verification of desktop assessments and recording of information about specific values, their location and extent using methods such as direct observation, transects and measurement in the forest.

Filter strip: a linear area of vegetation adjacent to a waterway, retained to minimise soil compaction and erosion. Trees may be felled from within a filter strip subject to certain conditions, however machinery entry is not permitted.

Forest Block: a small administrative unit of forest, usually delineated by natural features and encompassing approximately 2,000 hectares of forest.

Forest Management Area: a Department of Environment, Land, Water and Planning administrative boundary that aggregates Forest Blocks, and is the main unit described in many of the VicForests' administrative and contractual arrangements.

Forest Management Unit: the largest administrative unit defined by VicForests which divides Victoria into East and West, approximately delineated by the Hume Highway.

Forest stand: means an area greater than three hectares with a high density of trees typically composed of an overstorey and an understorey.

Forest Type: means a classification of forest stands, based on the predominant eucalypt species found within the forest stand.

General Management Zone: the forest management zone designated by the Victorian State Government to be managed for a range of uses and values, including timber production.

Growth phase: the life cycle phase of a forest stand based on the dominant growth stages of individual trees within the forest stand.

Growth stage: a classification used to approximate the age class of individual trees in terms of tree maturity.

Group selection: a silvicultural system that involves harvesting of small groups of trees to create small to medium-sized gaps surrounded by retained forest.

Guideline: a document that describes a suggested approach to a task or process, but is not mandatory.

Habitat tree: a live or dead tree containing hollows that is protected from harvesting to provide habitat or future habitat for wildlife.

High Conservation Value: a particular forest value or attribute that is considered to hold significant importance for conservation and to face substantial threat of severe of irreversible damage.
Informal reserves: areas of State forests and other public land that are set aside for conservation through the Forest Management Zoning scheme, as outlined in the Department of Environment, Land, Water and Planning Forest Management Plans to meet Regional Forest Agreement objectives.

Instruction: a document that describes mandatory actions or processes to be undertaken in meeting policies and procedures.

Landing: a cleared and levelled section of a coupe where harvested trees or are sorted, processed into logs and loaded onto trucks for transport from the forest.

Legal rights: claims secured by an entity because they are recognised and determined by law. They can include entitlements recognised or created under statute or by court decisions. Traditional or customary rights can also be legal rights in cases where they are formally recognised by the legal system.

Local-provenance (of seed): seed collected from locations of the same forest type and as geographically close as practicable to the location where the collected seeds will be planted.

Management System: the adaptable framework of policies, strategies, instructions and procedures through which business objectives are delivered and recording, monitoring, review and continuous improvement processes are integrated to meet defined outcomes.

Mature: a growth stage used to describe an individual tree or forest stand where the tree crowns are well foliated and rounded. The height and crown development of the trees has effectively ceased but decline of the crown has not yet significantly begun. Trees in the mature growth stage are usually greater than 120 years of age.

Mechanical disturbance: the breaking up of the soil surface after harvesting using machinery or hand tools to provide a suitable seed bed for regeneration purposes.

Native forest: an area of originally naturally occurring forest that is dominated by trees that have a mature height exceeding two metres and an existing or potential crown cover of overstorey strata equal to or greater than 20%. This definition includes areas of trees that are sometimes described as woodlands, but does not include plantations.

Native Title: the rights and interests of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. Under the Native Title Act 1993, native title claimants can make an application to the Federal Court to have their native title recognised by Australian law, such that they become Native Title Holders.

Native Title Rights: the legal recognition of entitlement to the possession, use, access and/or occupation of country traditional to Aboriginal people by a community, group, or individual, including the rights of native title holders to participate in decisions about how others use their traditional land and waters.

Neighbour: a person who lives in, manages or owns an adjacent property within 500 metres of a VicForests operation; a land management agency (not including the Department of Environment, Land, Water and Planning) which manages land within 500 metres of a VicForests operation; or residents who live along roads and who may be directly affected by VicForests’ timber haulage operations.

Old-Growth: forest stands that are ecologically mature and contain at least 10% of the total basal area within the oldest growth stages, usually as senescing trees, and no more than 10% of the basal area is within the regrowth stage, indicating this forest has been subject to negligible unnatural disturbance.

Overstorey: means the larger, taller trees in a forest stand, forming the dominant canopy.
**Pest**: non-native (introduced) and invasive plant and animal species that are, or have the potential to become, established in the wild and threaten or impact natural and economic assets, including biodiversity. Pest plants and animals are identified under the *Catchment and Land Protection Act*.

**Plantation**: A managed stand of trees of either native or exotic species, planted or sown primarily for timber production purposes.

**Policy**: a document that identifies principles, protocols and/or overarching approach to tasks.

**Precautionary Principle**: an approach to risk management that has been developed in circumstances of scientific uncertainty, reflecting the need to take prudent action in the face of potentially serious risk without having to await the completion of further scientific research.

**Prescription**: a mandatory standard specified according to the principles of the *Code of Forest Practice for Timber Production* and/or any other approved guidelines which describes acceptable practice.

**Procedure**: a document that outlines regulatory requirements and identifies rules and/or outcomes that must be met.

**Pulplog**: a length of wood from a felled tree harvested for the principal use of making wood chips for paper production.

**Regeneration**: the renewal or re-establishment of native forest by natural or artificial means following disturbance such as timber harvesting or fire. Regeneration is also a growth stage of a tree, describing eucalypt seedlings that have not reached reproductive maturity (generally less than 10 years old).

**Regeneration Burn**: the planned and controlled application of fire after harvesting to create a suitable seedbed for the purpose of regeneration.

**Registered Aboriginal Party**: Registered Aboriginal Parties (RAPs) are Aboriginal people recognised under the Victorian *Aboriginal Heritage Act 2006* as the "primary guardians, keepers and knowledge holders of Aboriginal cultural heritage." At a local level, Registered Aboriginal Parties (RAPs) are the voice of Aboriginal people in the management and protection of Aboriginal cultural heritage in Victoria.

**Regional Forest Agreements**: nationally binding agreements developed under the *National Forest Policy Statement*, and negotiated between State, Territory and Federal Governments, that sought a reasonable balance between conserving Australia’s forest estate and its enduring use for economic production and recreation at a regional level.

**Regrowth**: a growth stage of a forest or individual tree in which the crowns have a narrow conical form and where trees are actively growing, usually between 10-50 years old.

**Rehabilitation**: the restoration or revegetation of a disturbed site usually associated with landings and other coupe-related infrastructure.

**Residual Wood**: the branches and upper trunk, as well as other parts of a tree that contain wood defects, such as spikes, knots, gum pockets, fire damage, insect attack and rot, that have low structural integrity and cannot be graded as sawlog for conversion to high-grade products.

**Retained Trees**: live trees kept on a coupe after a harvesting operation because they are to serve as seed trees, are wildlife habitat trees, are subject to *Code of Forest Practice for Timber Production* exclusions, are not merchantable, or are to serve as retained forest for Regrowth Retention Harvesting or Thinning operations.

**Roadline coupe**: An area within which a road will be constructed with the purpose of accessing a harvesting coupe or an area of existing road that requires improvement.
Rotation: the planned number of years between the regeneration of a forest stand and its next harvest. The potential rotation length will depend on forest type and local conditions.

Salvage: the recovery of timber from trees that have been killed or damaged following natural events that have impacted a forest. These events include can include fire, pests, disease or storms.

Sawlog: a length of wood from a felled tree that can be sold for conversion to high appearance grade, medium structural grade or other solid-wood timber products.

Seed trees: trees retained on harvested coupes for the purpose of providing natural seed-fall regeneration post-harvest. Seed trees can also act as habitat trees.

Seed Tree system: a silvicultural system where all merchantable trees are harvested apart from those specifically retained at even spacing across a coupe for provision of natural seed-fall regeneration.

Senescing: a growth phase of a forest stand used to describe a forest that has the majority of trees in the oldest growth stage. Senescing trees are no longer actively growing and may be reducing in size due to crown dieback and branch shedding.

Silviculture: the science and practice of managing forest harvesting, regeneration, composition and growth to achieve specified objectives. Silvicultural decisions take into account sound economic and ecological practices, and community expectations.

Silvicultural System: a specific method used for harvesting and regenerating a coupe.

Single Tree Selection: a silvicultural system where individual or small groups of trees are selected for harvest.

Social Impact Assessment: the analysis, monitoring and management of intended and unintended social consequences, both positive and negative, of forest management activities.

Special Management Zone: the forest management zone designated by the Victorian State Government to be managed for the conservation of specific features, whilst catering for timber production under specified management conditions.

Special Protection Zone: the forest management zone designated by the Victorian State Government to be managed for particular conservation values in the absence of timber harvesting.

Stakeholder: a person, group or organisation interested in or affected by VicForests operations, or who may influence VicForests’ operations.

State forest: defined in Section 3 of the Forests Act 1958 as publicly-owned forested land which is managed for the conservation of flora and fauna; for the protection of water catchments and water quality; the sustainable provision of timber and other forest products; the production of landscape, archaeological, historical and other cultural values; and to provide recreational and educational opportunities to the public.

Sustainable: refers to an activity, or a product that results from an activity, that is maintained at a certain level or rate that can be sustained in perpetuity without long-term detriment to the environment.

Thinning: a silvicultural system that involves the removal of a proportion of trees evenly across a forest stand to increase the growth rate and/or health of retained trees.

Threatened: a collective term used to denote species or ecosystems that are at risk of becoming extinct, or are listed as critically endangered, endangered or vulnerable under relevant Australian or Victorian legislation.

Understorey: the layer of vegetation that grows below the canopy formed by the tallest trees in a forest stand.
Uneven-aged: a forest stand where at least two distinct age groups of trees are present.

Uneven-aged silviculture: a silvicultural system that comprises a number of techniques to tailor management of uneven-aged forests for achieving successful regeneration and maximum timber utilisation given the complexities involved in managing different age classes, basal areas and species distributions within the one coupe.

VicForests Reserve: an area that VicForests protects from harvesting beyond legislative requirements for one rotation or until such time as the identified value for which the reserve was established no longer exists.

VicForests Special Management Area: an area that VicForests identifies as requiring adaptive management due to the presence of certain values and constraints that will affect the timing or extent of harvesting.

Appendix 2 - Third-Party Certification Principles and Criteria

The following Criteria and Principles are current as at 1/12/2015.

**Australian Forestry Standard**

**Criterion 1.** Systematic Management
Forest management shall be undertaken in a systematic manner appropriate to the nature and scale of the enterprise and provide for continual improvement.

**Criterion 2.** Stakeholders
Forest management shall demonstrate proactive stakeholder engagement.

**Criterion 3.** Biodiversity
Forest management shall maintain or enhance biodiversity.

**Criterion 4.** Forest Productive Capacity
Forest management shall maintain the productive capacity of forests and land.

**Criterion 5.** Forest Ecosystem Health
Forest management shall maintain forest ecosystem health and vitality.

**Criterion 6.** Soil and Water Resources
Forest management shall protect soil and water resources.

**Criterion 7.** Carbon
Forest management shall maintain or enhance forests' contribution to the carbon cycle.

**Criterion 8.** Cultural Values
Forest management shall protect and maintain, for Indigenous and non-Indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

**Criterion 9.** Social and Economic Benefits
Forest management shall maintain and enhance long-term social and economic benefits.

**Forest Stewardship Council**

**Principle 1.** Compliance with Laws
The Organization shall comply with all applicable laws; regulations and nationally- ratified international treaties, conventions and agreements.

**Principle 2.** Workers’ Rights and Employment Conditions
The Organization shall maintain or enhance the social and economic wellbeing of workers.

**Principle 3.** Indigenous Peoples’ Rights
The Organization shall identify and uphold indigenous peoples’ legal and customary rights of ownership, use and management of land, territories and resources affected by management activities.

**Principle 4.** Community Relations
The Organization shall contribute to maintaining or enhancing the social and economic wellbeing of local communities.

**Principle 5.** Benefits from the Forest
The Organization shall efficiently manage the range of multiple products and services of the Management Unit to maintain or enhance long-term economic viability and the range of environmental and social benefits.
Principle 6. Environmental Values and Impacts
The Organization shall maintain, conserve and/or restore ecosystem services and environmental values of the Management Unit, and shall avoid, repair or mitigate negative environmental impacts.

Principle 7. Management Planning
The Organization shall have a management plan consistent with its policies and objectives and proportionate to scale, intensity and risks of its management activities. The management plan shall be implemented and kept up to date based on monitoring information in order to promote adaptive management. The associated planning and procedural documentation shall be sufficient to guide staff, inform affected stakeholders and interested stakeholders and to justify management decisions.

Principle 8. Monitoring and Assessment
The Organization shall demonstrate that, progress towards achieving the management objectives, the impacts of management activities and the condition of the Management Unit, are monitored and evaluated proportionate to the scale, intensity and risk of management activities, in order to implement adaptive management.

Principle 9. High Conservation Values
The Organization shall maintain and/or enhance the High Conservation Values in the Management Unit through applying the precautionary approach.

Principle 10. Implementation of Management Activities
Management activities conducted by or for The Organization for the Management Unit shall be selected and implemented consistent with The Organization's economic, environmental and social policies and objectives and in compliance with the Principles and Criteria collectively.
## Appendix 3 - High Conservation Values

<table>
<thead>
<tr>
<th>HCV Category</th>
<th>Element</th>
<th>HCV Identified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HCV 1:</strong> Forest areas containing globally, nationally or regionally significant concentrations of biodiversity values (e.g., endemism, endangered species, refugia)</td>
<td>1.1 Protected Areas</td>
<td>CAR Reserve System – Parks, Conservation Reserves and Special Protection Zones</td>
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<tr>
<td></td>
<td>1.2 Threatened Species (includes endemic)</td>
<td>Leadbeaters Possum, Long-Footed Potoroo, Spot-Tailed Quoll, Smoky Mouse</td>
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<tr>
<td><strong>HCV 2:</strong> Forest areas containing regionally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.</td>
<td>2.1 Wilderness Areas</td>
<td>None identified within FMU – HCV2 is considered as part of HCV 1.1</td>
</tr>
<tr>
<td><strong>HCV 3:</strong> Forest areas that are in or contain rare, threatened or endangered ecosystems</td>
<td>3.1 Extant Rainforests</td>
<td>Rainforest</td>
</tr>
<tr>
<td></td>
<td>3.2 Old Growth</td>
<td>Old Growth Forest</td>
</tr>
<tr>
<td><strong>HCV 4:</strong> Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).</td>
<td>4.1 Critical Water Supply Catchments</td>
<td>Yarra Tributaries Water Supply Catchments, Thomson Water Supply Catchment, Tarago Water Supply Catchment, Bunyip Water Supply Catchment, Learmonth’s Creek Catchment Area</td>
</tr>
<tr>
<td><strong>HCV 5:</strong> Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health)</td>
<td>5.1 Unique/main sources of water for drinking and other daily uses</td>
<td>None identified within FMU (Community stakeholders with rights will be engaged separately through establishment of our ‘Land Use Rights Procedure’)</td>
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<tr>
<td></td>
<td>5.2 Unique/main sources of water for food crop irrigation</td>
<td></td>
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<tr>
<td></td>
<td>5.3 Unique/main sources of other forest products</td>
<td></td>
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<tr>
<td><strong>HCV 6:</strong> Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities)</td>
<td>6.1 Indigenous Cultural Heritage</td>
<td>Cultural Sensitivity Areas</td>
</tr>
</tbody>
</table>
## Appendix 4 - Public Land Management Organisations

<table>
<thead>
<tr>
<th>Organisation and main responsibilities in regard to public land</th>
<th>Key Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alpine Resorts Coordinating Council</strong>&lt;br&gt;Plan for and facilitate establishment, development, promotion, management and use of alpine resorts</td>
<td>Alpine Resorts Management Act 1997</td>
</tr>
<tr>
<td><strong>Catchment Management Authorities (ten)</strong>&lt;br&gt;Oversee whole of catchment planning for the ten catchment management areas of Victoria&lt;br&gt;Manage waterways, floodplains except in Port Phillip and Westernport CMA where Melbourne Water is responsible</td>
<td>Catchment and Land Protection Act 1994</td>
</tr>
<tr>
<td><strong>Commissioner for Environmental Sustainability Victoria</strong>&lt;br&gt;Advocate for, Audit and Report on Environmental Sustainability, including completion of the State of the Environment Report for Victoria</td>
<td>Commissioner for Environmental Sustainability Act 2003</td>
</tr>
<tr>
<td><strong>Committees of Management</strong>&lt;br&gt;Manage crown land reserves in accordance with the purpose they were reserved</td>
<td>Crown Land (Reserves) Act 1978</td>
</tr>
<tr>
<td><strong>Appendices</strong></td>
<td><strong>Detailed Information</strong></td>
</tr>
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</tbody>
</table>
| **Ecologically Sustainable Forest Management Plan** | **Environmental Protection Authority**  
Develop and enforce state environmental protection policies and regulations to protect air, land, water, groundwater and reduce noise | **Victorian Environmental Assessment Act 2001**  
**Water Act 1989**  
**Wildlife Act 1975**  
**Environment Protection Act 1970** |
| | **Local Government Authorities**  
Undertake strategic and land use planning for the municipal district  
Administer the Victorian Planning Provisions | **Constitution Act 1975**  
**Local Government Act 1989**  
**Planning and Environment Act 1987** |
| | **Murray Darling Basin Authority**  
Prepare and manage the Basin Plan  
Facilitate water trading across the Basin  
Measure and monitor water resources in the Basin | **Water Act 2007 (Cwth)**  
**Murray Darling Basin Act 1993** |
| | **Melbourne Water**  
Manage Melbourne’s water supply catchments  
Supply water and remove sewage  
Manage waterways and floodplains except in Port Phillip and Westernport CMA | **Water Act 1989**  
**Water Industry Act 1994**  
**Corporations Act 2001** |
| | **Parks Victoria**  
Manage 4.2 million hectares of national parks, conservation reserves and crown land reserves in Victoria  
Conserve, protect and enhance environmental and cultural assets | **National Parks Act 1975**  
**Parks Victoria Act 1998** |
| | **Regional Coastal Boards**  
Develop Coastal Action Plans  
Manage significant coastal, estuarine and marine areas | **Coastal Management Act 1995** |
| | **VicForests**  
Manage the sustainable harvest, regrowing and commercial sale of timber from public forests on behalf of the Victorian Government | **Aboriginal Heritage Act 1996**  
**Catchment and Land Protection Act 1994**  
**Conservation, Forests and Lands Act 1987**  
**Flora and Fauna Guarantee Act 1988**  
**Forests Act 1958**  
**Native Title Act 1993**  
**Road Management Act 2004**  
**Sustainable Forests (Timber) Act 2004**  
**State Owned Enterprises Act 1992** |
<table>
<thead>
<tr>
<th><strong>Victorian Catchment Management Council</strong></th>
<th><strong>Catchment and Land Protection Act 1994</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advise the Minister for Environment and Climate Change on land and water management Report every five years on the environmental condition and management of Victoria's land and water resources</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Victorian Coastal Council</strong></th>
<th><strong>Coastal Management Act 1995</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and coordinate the implementation of the Victorian Coastal Strategy and state wide strategic coastal plans Advise the Minister on strategic coastal issues</td>
<td></td>
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</table>

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<thead>
<tr>
<th><strong>Victorian Environmental Assessment Council</strong></th>
<th><strong>Victorian Environmental Assessment Council Act 2001</strong></th>
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</thead>
<tbody>
<tr>
<td>Conduct investigations relating to the protection and ecological sustainable management of the environment and natural resources of public land</td>
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</table>
Appendix 5 - VicForests’ Audits

Internal audits aim to identify and address emerging issues in the business and to ensure VicForests are implementing agreed recommendations of external audit findings. VicForests undertakes internal audits of our Occupational Health & Safety and Business Management Systems to ensure the integrity of our systems and to assess:

- the appropriateness of the systems in meeting prescribed legal, business and certification requirements
- staff and contractor understanding and use of the systems
- the sufficiency of these systems in leading to effective and improved forest and safety management outcomes
- whether processes have been instigated to positively change or improve the effectiveness and compliance of the systems if they have been found to be non-effective

The Department of Environment Land Water and Planning Forest Audit Program checks VicForests’ compliance with relevant legislation, regulations and guidelines, including those specified in the Code of Practice for Timber Production. The audits also assess environmental impacts from commercial timber harvesting activities and include investigations into activities associated with different phases of the timber harvesting lifecycle including: planning, harvesting and coupe closure and regeneration.

Victorian Auditor-General’s Office Performance audits examine the Department of Environment Land Water and Planning’s and VicForests’ management of native forest timber resources on public land to ensure it is occurring productively and sustainably. The audit also looks at whether the Department of Environment Land Water and Planning and Department of Economic Development, Jobs, Transport and Resources are fulfilling their oversight and advisory roles adequately. The Victorian Auditor-General’s Office undertakes this audit annually.

Australian Forestry Standard audits include both 3-yearly re-certification audits and 6-monthly surveillance audits. These audits assess the degree of VicForests’ compliance with Australian Forestry Standard criteria and the suitability of our organisational objectives in maintaining the AFS.

Melbourne Water Audits are conducted annually on VicForests operations within Melbourne Water defined Catchments areas.