



Managing Victoria's Native Forest Timber Resources

Tabled 11 December 2013

Background

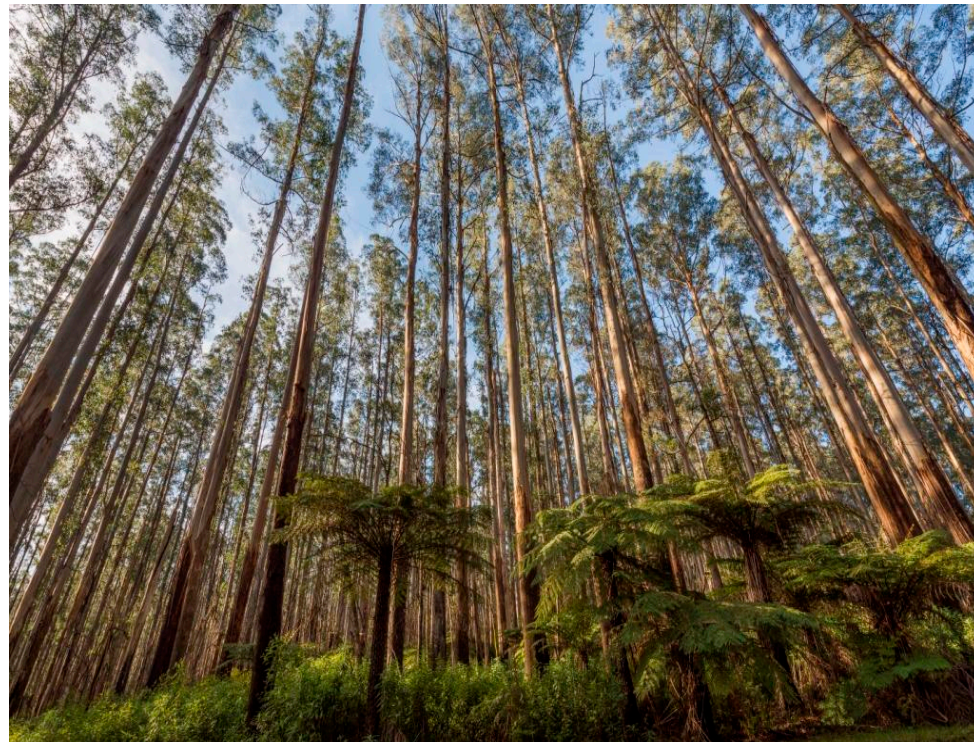
- State forests aim for a sustainable balance between:
 - conserving forest values—environmental, heritage, cultural
 - developing forest products for economic and social benefits.
- Forest products can include timber, minerals, honey.
- Timber resources:
 - can be used to produce wood or non-wood products
 - are currently harvested for wood products e.g. sawlogs or pulp logs.
- Need to manage harvesting to protect forest values.

Audit objective

To determine whether native forest timber is managed productively and sustainably.

The audit examined whether:

- timber is harvested at a sustainable level
- timber resources are managed to optimise productive and commercial use, and the socio-economic wellbeing of communities
- appropriate oversight and public scrutiny is applied.



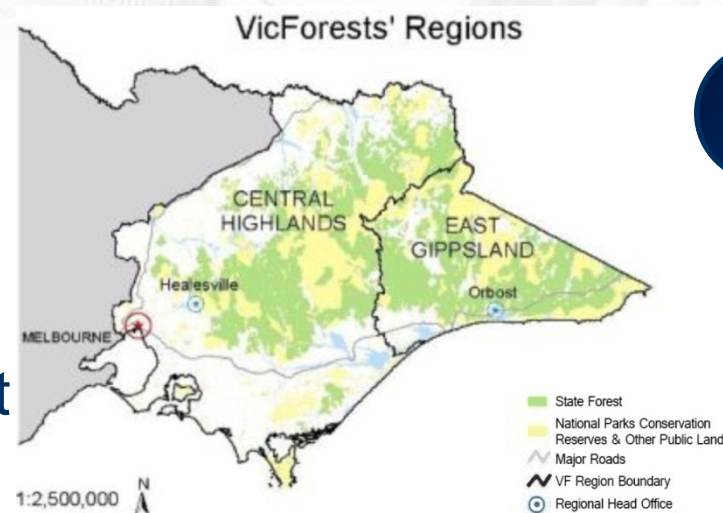
Audit scope

Focus

- State forest in eastern Victoria

Agencies

- The Department of Environment and Primary Industries (DEPI):
 - manages public forests
 - oversees VicForests
 - regulates harvesting
 - forest industry policy
- VicForests:
 - manages, harvests and sells timber products
- The Department of Treasury and Finance (DTF):
 - supports the Treasurer as VicForests' shareholder
 - oversees VicForests



Audit conclusions

- Timber resources are managed productively.
- Environmental, social and economic sustainability can improve.
- DEPI:
 - better protect forest values, document harvesting area decisions
 - regenerate areas unsuccessfully regenerated since before 2004.
- VicForests:
 - improve its process for estimating sustainable harvest levels.
- Progress in managing forest values is unclear—DEPI has not:
 - set a goal for state forest management
 - effectively measured or monitored progress.

Findings—progress in achieving goals

State forest management

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10–15

- no goal or measurement of what agency efforts are achieving

Timber resource management

- adequately measured, reported

DEPI's progress monitoring

- was weak, now improving

Oversight of VicForests

- appropriate engagement and monitoring by DEPI and DTF



Clear-fell regeneration 1–2 years

Findings—harvesting at a sustainable rate

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- Not clear how well harvesting areas align with objectives:
 - DEPI's forest zoning defines where harvesting can occur.
 - Assessments and rationale underpinning decisions to amend the zoning are not always documented.
 - It has not adequately reviewed the zoning over time.
 - DEPI lags behind in its regeneration responsibilities.

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Findings—harvesting at a sustainable rate – *continued*

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- VicForests' approach for estimating the sustainable harvest level is largely effective.
- VicForests is harvesting within the sustainable rate:
 - Harvest volume is at, or within, its estimated sustainable volume.
 - Harvest area is less than DEPI's allowed area.

Findings—protecting forest values

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32–39

- Effectiveness of DEPI's protection measures has been reduced:
 - Some intended measures are not in place while others have not been monitored or reviewed.
 - Poor monitoring means the success of its measures is uncertain.
- DEPI has significantly improved its forest monitoring.
- VicForests is meeting its responsibilities to manage harvesting impacts.
- DEPI and VicForests are not always documenting the assessments supporting biodiversity management decisions.

Findings—profits and socio-economic benefits

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VicForests

- Plans well for the longer term—10+ years.
- Balances profits with the need to support the industry:
 - profits in most years, two dividends since 2004
 - working to manage cash flow issues and repay borrowings.
- Generates direct and indirect socio-economic benefits.

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DEPI

- Longer-term planning not sufficiently strategic or proactive.
- Supports and monitors socio-economic sustainability of the industry and communities.

Key recommendations

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	Accept
That the Department of Environment and Primary Industries should:	
<ul style="list-style-type: none">strengthen its performance management goals, objectives, measures and targets	✓
<ul style="list-style-type: none">improve its delivery of forest-related plans through timely and comprehensive planning, monitoring, review	✓
<ul style="list-style-type: none">use its biodiversity research to inform management approaches and current reviews	✓
<ul style="list-style-type: none">improve the way it manages the forest zoning scheme	✓
<ul style="list-style-type: none">better manage its responsibilities for forest regeneration	✓
<ul style="list-style-type: none">strategically and holistically assess options for addressing issues and opportunities for the industry.	✓



Key recommendations– *continued*

	Accept
That VicForests should:	
<ul style="list-style-type: none">• address weaknesses in its approach to scheduling the sustainable harvest level	✓
<ul style="list-style-type: none">• accurately reconcile and report its successfully regenerated areas against the areas harvested.	✓
That DEPI and VicForests should better document their assessment of the threats and consequences of biodiversity management decisions in timber areas.	✓



Contact details

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