

National Victoria Forestry

'Not a great legacy': Troubled state-owned VicForests to close within months



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Victoria's troubled state-owned forestry operation will close on June 30 after years of financial losses and allegations of mismanagement and spying on environmentalists.

In the 2022-23 financial year, VicForests returned a net loss of \$60.1 million, despite receiving a \$149 million bailout from the state government. The record loss followed a loss of \$54.2 million the previous financial year.



Logging in Snobs Creek, in the Rubicon State Forest north-east of Melbourne, conducted by VicForests in 2021. MANIC SEEDS MEDIA

VicForests described the financial result as having been “fundamentally impacted by litigation” brought by environment and community groups against its logging operations.

Its lawyers made the announcement that the organisation would be wound down by June 30 during a hearing on Wednesday for a Supreme Court challenge by community group Wombat Forestcare.

The group alleged VicForests failed to survey for threatened species before starting logging operations in western Victorian forests.

It was the latest salvo in a long-running series of disputes between the forestry agency and community groups, which have in recent years increasingly taken to the courts to try to block logging.

VicForests has been under increasing financial pressure after recording a \$52.4 million loss in the 2021-22 financial year, blaming legal battles that stopped it from logging and forced it to pay compensation to clients for missed orders.

The government-owned business harvests, sells and oversees the regrowth of timber from state forests. Its future became uncertain [in May when the state government announced](#) native logging would be banned from January 1 this year – six years earlier than planned.

Last September, the government paved the way for the organisation's closure, altering its status as a state business corporation and making it a “reorganising body”, which allows its functions and staff to be moved around.

VicForests employs 140 staff. Of these, 60 will be made redundant while the remaining 80 will get new roles in the state Department of Energy, Environment and Climate Action.

A government spokeswoman said harvest contractors had been offered five-year agreements with Forest Fire Management Victoria.

Across the state, 1.8 million hectares of public land had been available for timber harvesting. The government will establish an advisory panel to consider what parts of this land could be turned into national parks.

Wilderness Society Victoria campaigns manager Matthew Landolfo said the restoration task left in VicForests' wake was enormous.

"To truly protect Victoria's iconic native forests for the benefit of the community, the government needs to restore public trust through extensive restoration and land management, led by First Peoples, which stands to generate thousands of sustainable new jobs across regional Victoria," he said.

"The government needs to future-proof Victoria's native forests by continuing to support workers and communities through this transition, and by legislating for new protected areas like the Great Forest National Park."



Professor David Lindenmayer. WOLTER PEETERS

Forestry expert Professor David Lindenmayer described VicForests as a "rogue operator".

"This was VicForests that was involved in illegal logging on steep slopes, and involved in surveillance of people, including myself. They were involved in logging of threatened species habitat; there's a whole litany of problems. Frankly, it's fantastic that VicForests will be gone.

"But it's also important that now we start on the process of proper restoration of forests. So we have to repair the damage [caused by] 60 years of clear-felling that has degraded the forest, has reduced biodiversity, and has made forest more flammable."

The Office of the Victorian Information Commissioner found last year that VicForests had engaged in covert surveillance of two environmental activists, and Professor Lindenmayer, in 2010 and 2011. The spying, Victoria's privacy watchdog found, was unlawful and a flagrant breach of privacy.

VicForests denied it had engaged in covert surveillance of anti-logging activists and said if a one-time employee had engaged in such surveillance, it was not undertaken as official VicForests business.

Jordan Crook, from the Victorian National Parks Association, welcomed the news VicForests would be wound up.

"It's very much the end of an era, but it's not a great legacy," he said. "Thousands and thousands of hectares of damaged native forest, and thousands and thousands of hectares of forest that wasn't regrown after it was logged.

"And a long list of animals, including the great glider and the yellow-belly glider, that join the long list of threatened species in this state."

Victorian Greens deputy leader Ellen Sandell described VicForests as "environmental vandals" and welcomed the agency's closure.

"This is an organisation which has illegally logged Victoria's forests, illegally spied on ordinary citizens, and slashed and burnt precious endangered species' habitat," she said.

"For the sake of our forests and the animals who call them home, we now need Labor to focus its environment department on restoration and protection of our forests, with specialised staff who have these skills."

With Kieran Rooney



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