Submission to
VEAC Central West Investigation

18th August 2017
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1. Introduction

On 20 March 2017, the State Government of Victoria requested that the Victorian Environmental Assessment Council (VEAC) conduct an investigation into the public land in the vicinity of the Wombat, Wellsford, Mount Cole and Pyrenees Range forests.

The purpose of the investigation is to:

a) identify and evaluate the condition, natural and biodiversity values and cultural, social and economic values and the current uses of public land in the specified area; and

b) make recommendations for the balanced use and appropriate management arrangements to conserve and enhance the natural and cultural values.

VEAC published the notice of investigation on 21 June 2017, with the submission period closing on 21 August 2017, and the final report to be presented to the Government in March 2019.

VicForests is a key stakeholder in the Central West Investigation, as the agency responsible for commercial timber harvesting from State forests across Victoria.

2. Background

VicForests is a Victorian State-owned business responsible for the sustainable harvest, regeneration and commercial sale of timber from Victoria's public forests on behalf of the Victorian Government.

VicForests harvests approximately 3,000 hectares of native forest in Victoria each year, under strict environmental regulations. The timber harvested is used to produce high-quality furniture, flooring and other building materials, as well as quality writing and office paper.

Sustainability is a key component of VicForests operations. Following harvesting operations, all areas are regenerated (unless they are otherwise stocked) to ensure forests re-establish and are available for use by future generations.

In 2014, responsibility for management of timber harvesting conducted under the *Forests Act 1958* was transferred from the former Department of Environment and Primary Industries (DEPI) to VicForests. Activities licensed under the Act range from commercial firewood to specialty timbers and conventional sawlog production. These operations – managed by VicForests’ Community Forestry team – are predominately located in areas of State forest situated west of the Hume Freeway, including operations in each of the key areas identified for the VEAC Central West Investigation.

2.1 Overview of Activities in the Investigation Areas

VicForests oversees approximately 65 licensees across the state, with over two thirds of these being within the Midlands and Bendigo Forest Management Areas.

As of 2017, licenced volumes in these two areas equated to 19,730 cubic metres, over 40% of operations undertaken by VicForests’ Community Forestry team. The activity in each of the investigation areas is typically broken down into Forest Management Areas (FMAs) as follows:

- **Bendigo FMA (including the Wellsford and Pyrenees foothill forests)**  
  Activity in these areas predominately targets sawlogs, fencing materials and firewood from durable box and iron bark species.
- Midlands FMA (including Mt Cole, Mt Lonarch, Wombat and Pyrenees plateau forests)
  Activity in these areas predominately targets sawlogs, fencing materials, wood-chop logs and firewood from stands of mixed species. Currently, sawlog operations are focussed on Mt Cole and the Pyrenees. There is potential for sawlog operations to be recommenced in the Wombat State Forest in the future.

2.2 Licensee activity

Licensees are small businesses who are issued forest produce licences, under the Forests Act 1958, to remove forest produce from specified areas and up to a specified volume. Licensees are not employed by VicForests but are customers who rely on VicForests for access to the forest resource.

Licensee operations within the Investigation area vary from individuals operating with a chainsaw and a ute or trailer to more sophisticated operations involving heavy equipment and multiple workers. VicForests oversees licensee harvesting operations to ensure they are conducted safely, within the sustainable yield, and with minimal environmental impacts.

Timber taken by Licensees is typically processed and sold in the locality from which it is sourced, providing jobs and access to local resources to those living in the community. Some products are transported greater distance to access additional markets.

2.3 Midlands FMA

Within the Midlands FMA, two discrete areas are subject to the VEAC investigation. In the East of the Midlands FMA, the Investigation area primarily encompasses the Wombat, Cobaw and Bungal State forests. The Cobaw and Bungal State forests are predominately zoned as Special Protection Zone. While this zoning remains in place, these areas are unavailable for timber harvesting activity. Smaller areas of forest in these areas are available for timber harvesting activity and may be utilised in future years. These forests have been included in the sustainable yield calculations.

The Wombat State forest sustains a number of commercial firewood cutting operations, varying in scale from 200 to over 1,000 cubic metres per annum. These volumes are currently taken from regrowth coupes across the forest using thinning systems. This approach improves the structure of the forest over time, allowing dominant trees to grow larger more quickly and introducing small-scale disturbance to promote greater diversity of understorey and ground species.

In the West of the Midlands FMA, the investigation area includes the Mt Cole, Mt Lonarch, Ben Major, Waterloo, Glenmona and Pyrenees State forests, as well as a number of smaller forests.

Licence for 1,000 cubic metres of mixed species sawlog from Mt Cole State forest and 400 cubic metres of mixed species sawlog from the Pyrenees and Mt Lonarch State forests is currently providing timber for a small mill at Chute (near Beaufort), with residual timber from these operations is being utilised for other products including fencing materials and firewood.

Armillaria is a root-rot disease which ultimately leads to mortality of affected trees. A separate operation on Mt Cole is exclusively licensed for firewood, primarily from Armillaria-killed trees. This operation utilises timber which would otherwise be worthless and present significant safety issues for the public and for fire-fighting personnel.
2.4 Bendigo FMA

Areas within the Bendigo FMA included in the Investigation area include the Wellsford State forest, forests around Avoca and the foothills of the Pyrenees Range.

There are 19 Licensees within the Bendigo FMA. Nominally, approximately 6 licensees currently access timber from the specific areas under investigation. There is strong demand for timber from across the Bendigo FMA and any change to available area would have an impact on future timber volumes.

Within certain areas of the Bendigo FMA including the Wellsford State forest, limited or no firewood is available for commercial use, with any produced being utilised to service domestic firewood requirements through current voluntary arrangements between DELWP and VicForests.

3. Forest Resource Values in the Investigation Area

3.1 Wombat State Forest

Up until the early 2000s, the Wombat State forest was subject to increasingly intensive timber harvesting, primarily for sawlog production. This culminated in the introduction of shelter-wood systems, with which numerous coupes were harvested in the 1970-90s. During these years, community concerns about the intensity of harvesting in the Wombat also increased, and in 2002 the Government effectively ceased commercial timber harvesting in the forest.

Silvicultural systems applied in the later shelter-wood coupes were never bought to a conclusion, and this has resulted in some parts of the forest being highly stratified, with a small number of remaining large trees over dense regrowth.

Since 2002, forestry activities in the Wombat State forest have largely been constrained to commercial and domestic firewood cutting, which has allowed many areas to be thinned, resulting in good outcomes for forest structure from both an ecological and a production perspective. Ongoing research into this type of thinning activity is also increasingly highlighting the potential benefits of thinning in reducing fire risk. However, this approach will only remain effective as long as there are sufficient areas of regrowth forest suitable for thinning.

In 2013, the Department of Environment and Primary Industries commissioned a review of commercial forestry management in Western Victoria, which found that after having had ten years of reduced activity, the Wombat State Forest could sustain an ongoing sawlog yield of over 10,000 cubic metres per annum.

3.2 Mt Cole and Mt Lonarch State Forests

The Mt Cole State forest is located between Beaufort and Elmhurst, and is bordered by the Mount Buangor State park to the south-west. Historically, forestry has featured in the area more than gold mining, which has dominated many other areas in the region.

The tall mixed species forests on the Mt Cole plateau (running from Mt Cole itself north to Ben Nevis) are highly suitable for sawlog production, with relatively high rainfall and deep soils ensuring that the forest responds well to stand-replacing disturbance.

Somewhat drier lowland forests on the eastern flank of Mt Cole, and on the neighbouring Mt Lonarch, are less suitable for sawlog production, but are still commercial on a stand-by-stand basis, and are able to produce sawlog and significant volumes of firewood and other products. The drier forests of Ben Major and Waterloo lend themselves to the production of firewood, fencing materials and high-feature timber applications.
3.3 **Pyrenees State Forest**

The forests around the Pyrenees Range are typically broken into two distinct categories – higher production mixed-species forests on the plateau, with durable species occurring on the foothills. The wood from both these areas are suitable for high-value sawlog production. Lesser quality material is readily utilised for fencing materials and firewood production.

Due to the two distinct forest types, the foothill forests are typically associated with the Bendigo FMA and the plateau forests are associated with the Midlands FMA. This is reflected within both the Bendigo and the Midlands Forest Management Plans.

3.4 **Wellsford State Forest**

The Wellsford State Forest is located approximately 10km north-east of Bendigo. It is composed of Box-Ironbark forest and produces high value, durable timber, as well as sought-after firewood. Currently, a small number of licensees operate in the forest, predominately producing sawlog. The durable, specialty timbers sourced from the Box Ironbark forests are now only available in the Bendigo FMA. The forests only supply a volume of 450 m$^3$ of grade one sawlog and 3,000 m$^3$ of grade 2 sawlog of which Wellsford makes an important contribution.

VicForests is aware that there is an area that contains a number of large, old veteran trees and has avoided any timber harvesting in this specific location. It is planned to establish a VicForests Reserve to formally remove these veteran trees from areas considered for harvesting following consultation with the local community.

4. **Future of Forestry in the Investigation Area**

4.1 **Wombat State Forest**

There is interest within the local community to support the reintroduction of limited sawlog production in the Wombat State forest. With a suitable licensee in place, moderate volumes of timber can initially be extracted from shelter-wood coupes which were left unfinished after 2002 or through single tree selection in more mature stands.

Over time, VicForests would be interested to explore a sustainable harvest of high quality sawlogs from the Wombat State Forest – within limits acceptable to the community. This type of operation would be able to support one or more small sawmills and value-adding businesses, similar to the current model operating successfully with timber sourced from Mt Cole State forest.

This model would ensure the long-term sustainability of the current firewood supply, which would be partially transitioned from thinning of regrowth to material sourced from residual timber/ sawlog heads.

4.2 **Mt Cole and Mt Lonarch State Forests**

Harvesting at Mt Cole is currently occurring at sustainable levels as defined by the 2013 review commissioned by the previous Department of Environment and Primary Industries (DEPI).

In addition to maintaining the sawlog resource, the extraction of commercial firewood from Mt Cole and Mt Lonarch – including the removal of Armillaria killed trees – is providing a valuable resource for local communities and providing for the maintenance of multiple rural businesses.
In the medium-term, VicForests aims to work with DELWP to commence a program to progressively regenerate many of the areas where mortality from Armillaria has left the forest unstocked.

4.3 Pyrenees State Forest
VicForests has recently re-issued licences for sawlog and firewood harvesting operations in the Pyrenees State Forest. These operations compliment those on Mt Cole and provide greater flexibility and stability for the businesses involved.

4.4 Wellsford State Forest
While a relatively small area, the ability of the Wellsford State forest to produce sawlog is of particular importance in meeting ongoing supply of specialty durable sawlogs to local businesses.

The Wellsford State forest is the last remaining parcel of State forest in the immediate area surrounding Bendigo. As well as timber production it remains an area that can be used for recreation activities that are generally not allowed in parks and reserves in the region.

4.5 Other State Forests in the Investigation Area
This submission has focused on the future of forests which are already utilised for timber production, however it should be noted that all areas of State forest are important for the long-term sustainability of forest produce utilisation, the spreading of activity across the landscape and the maintenance of sustainable yield levels. A reduction in area available will have an impact on future timber harvesting operations and the businesses that rely on them.

5. Conclusion
VicForests intends to be part of the long-term management of the forests subject to the Investigation. Community Forestry has come to be an integral part of the VicForests business and the communities within which it operates. The importance of providing access to these forests for timber production can be seen by the employment of individuals in small, isolated areas of the State where other opportunities are severely limited, while providing commodities which are needed to maintain basic living conditions for many – namely housing, heating and cooking.

VicForests’ experience of these local communities indicates that they are generally supportive of maintaining a forestry industry based on products sourced from the State forests in question, as long as this is done in a sustainable and consultative manner.