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27 September 2012

Dr Andrew Haywood
Director Management and Operations
Department Sustainability and Environment
PO Box 500
East Melbourne, Victoria 3002

Dear Dr Haywood

FOREST AUDIT PROGRAM FINAL REPORT – REGENERATION AND FINALISATION VICFORESTS' COMMENTS



VicForests welcomes the final report and is pleased that the Forest Audit Program – Regeneration and Finalisation, recommends the handback of all regenerated coupes. It has been a successful regeneration year which has seen the largest area successfully regenerated and submitted to the Department of Sustainability and Environment (DSE) for finalisation.

Instances of non-compliance were identified in VicForests' thinning operations against Native Forest Silviculture Guidelines (NFSG) No. 13 *Thinning of Ash eucalypt regrowth* and No. 14 *Thinning of mixed species regrowth*, in relation to damage to retained trees, retained basal area and bay and outrow width. Non-compliance in thinning operations has been detected through VicForests' internal auditing prior to the audit and a thinning contractor responsible for some of the results was removed from these operations. VicForests will continue to work to improve the compliance level in its thinning coupes.

The NFSG No. 13 *Thinning of Ash eucalypt regrowth* and No. 14 *Thinning of mixed species regrowth*, which VicForests are audited against, were last reviewed in 2006. Thinning operations in mixed age forests is complex and based on operational experience we believe that a number of areas within the NFSG could be improved through review of this document.

VicForests will consider all the recommendations made by the auditor in the final audit report. We will implement the necessary changes in VicForests' comprehensive Sustainable Forest Management System to maintain our track record and commitment to continual improvement for all of our forest management operations.

VicForests would like to thank the auditors for their professionalism and commitment to the field audits, and look forward to continuing a successful regeneration program next year.

Yours sincerely



Nathan Trushell
Director Corporate Affairs