Our Ref: Your Ref:

24 September 2012

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



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Dear Dr Haywood

FOREST AUDIT PROGRAM FINAL REPORT – HARVESTING PERFORMANCE VICFORESTS' COMMENTS

VicForests welcomes the results of the 2012 Forest Audit Program (FAP) – Harvesting Performance, and is pleased that the final report found an overall high level of compliance for the 2009/10 and 2010/11 years.

At the end of year 2 of period 2, VicForests was compliant with the harvesting limits established by the Allocation Order, and 99.99% of State forest harvested was within spatial limits for both the 2009/10 and 2010/11 harvesting season.

The final audit report identified partial non-compliance where small areas were harvested outside the Timber Release Plan (0.01% or 0.5ha of total area audited). VicForests strives for full compliance and will consider all recommendations made by the auditors. We will implement necessary changes to VicForests' comprehensive Sustainable Forest Management System to maintain our track record and commitment to continual improvement for all of our forest management operations.

VicForests thanks the auditors for their professionalism during the audit and value the importance of objectively assessing compliance to maintain transparency and public confidence in our operations.

Yours sincerely

Nathan Trushell

Director Corporate Affairs