

13 June 2018

Mr. Liam Fogarty  
Director, Environmental Compliance  
Department of Environment, Land, Water and Planning  
PO Box 500  
Melbourne, Victoria 3002

Dear Mr. Fogarty,



## 2017 FOREST AUDIT PROGRAM FINAL AUDIT REPORT

Thank you for the opportunity to respond and provide feedback on the 2017 Forest Audit Program (FAP). VicForests supports the FAP process and believes it is a good mechanism to drive continuous improvement in sustainable forest management. The 2017 FAP audit focused on operations conducted in the east of the state during the 2015/16 financial year, and continued with a risk-based strategy for selecting audit themes based on compliance priorities. These included:

- Conservation and Biodiversity;
- Design, Construction and Maintenance of In-coupe Roads;
- Construction and Rehabilitation of Waterway Crossings; and
- Regeneration Management.

VicForests understands that the audit was not a reflection of its operations overall in the 2015/16 year, and that the compliance score is not representative of our compliance with the regulatory framework in general. We are pleased with a compliance score of 86% on the limited applicable criteria, recognising that the audit scope focused on areas identified as "high risk". VicForests notes that some coupes with previously identified issues were selected as targets for the audit. VicForests recognises there is room for improvement, particularly in the areas of waterway crossing and large embankment design and construction.

We accept that improvements need to be made and have outlined our proposed actions for improvement in Appendix 1. We note that the Environmental Impact Assessment tool, whilst improved from previous years, is subjective and, in our opinion, in some instances has overstated the environmental impact assessment score. This resulted in some findings having a more significant negative assessment outcome than what VicForests considers appropriate for the non-compliance identified. One specific example is the finding relating to the Take Me Home coupe, which VicForests disputes.

Regeneration management is a fundamental aspect of our operations and we believe a broader selection of coupes for assessing successful regeneration would be appropriate in future audits. This would also provide an additional level of reassurance prior to returning successfully regenerated areas to the State.

VicForests has reviewed the recommendations made by the auditor and has provided a response and proposed actions to address them in Appendix 1.

I would like to thank DELWP for the opportunity to comment on the final audit report.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Alex Messina", with a long horizontal line extending to the right.

**Alex Messina**  
**General Manager, Corporate Affairs**

**Appendix 1. VicForests' response to recommendations raised in the 'Audit of timber harvesting and forest regeneration in State forests in eastern Victoria: Report on the 2016-17 Forest Audit Program' report.**

Recommendation	VicForests response and proposed actions to address recommendation
<p><b>V1: Moderate priority</b></p> <p>VicForests should modify its coupe planning process to ensure that in East Gippsland FMA, areas with &gt;25° slope in coupes which have granite-derived soils are specifically identified during coupe planning and excluded from harvesting.</p>	<p><b>Response:</b> VicForests notes that no non-compliance relating to this recommendation was detected during the audit. VicForests currently identifies both slopes greater than 25 degrees and granite-based soils separately; however, VicForests acknowledges that these two aspects are not currently combined during planning stages to specify particular areas to be excluded from harvesting operations.</p> <p><b>Actions:</b></p> <ol style="list-style-type: none"> <li>1. Create a spatial layer that identifies potential areas within East Gippsland FMA that have slopes over 25 degrees with granite-based soils.</li> <li>2. Intersect this new layer with coupes in East Gippsland and place an alert (in our planning system) on coupes that contain potential area to be excluded and identify these areas spatially.</li> <li>3. Add a cross check in the coupe planning checklist in East Gippsland FMA where slopes over 25 degrees are identified, to check the soil type and flag with operations if the soil is granite-based.</li> </ol> <p><b>Due Date: 30 July 2018</b></p>
<p><b>V2: High priority</b></p> <p>It is recommended that VicForests thoroughly review its approach to the design, construction and rehabilitation of waterway crossings to significantly improve their compliance with regulatory requirements. This review should consider the suggestions included in Section 5.3.1.</p>	<p><b>Response:</b> VicForests initiated some actions following the findings and recommendations in the previous FAP Report; however, progress has been slow. VicForests will work with DELWP to develop and implement standardised designs for waterway crossings that comply with the regulations and are appropriate for purpose.</p> <p><b>Actions:</b></p> <ol style="list-style-type: none"> <li>1. Build on previous work done to complete the development of standards for waterway crossings that comply with the regulations in consultation with DELWP, including consideration of the recommendations outlined in section 5.3.1 of the 2016-17 Forest Audit Program Report.</li> <li>2. Provide training to relevant staff on the new standards developed and how to implement them.</li> <li>3. Develop a register of road infrastructure to track location, status and required maintenance of assets in the landscape.</li> </ol> <p><b>Due Date: 31 October 2018</b></p>

Recommendation	VicForests response and proposed actions to address recommendation
<p><b>V3: Moderate priority</b></p> <p>It is recommended that VicForests review its approach to the design and construction of large embankments to reduce the incidence of failure during or following their use. This review should consider the suggestions included in Section 5.3.2.</p>	<p><b>Response:</b> Following the previous FAP report, VicForests engaged an engineer to assist with improving our road work procedures encompassing all relevant aspects. We will build on this work to address the issues identified in this audit.</p> <p><b>Actions:</b></p> <ol style="list-style-type: none"> <li>1. Build on previous work done to develop standard designs and procedures for more significant earthworks in road and landing construction in consultation with DELWP, with consideration of the recommendations outlined in section 5.3.2 of the 2016-17 Forest Audit Program Report.</li> <li>2. Provide training to relevant staff on new standards developed and how to implement them.</li> <li>3. Instruct contractors on any changes required to constructing large embankments identified through the review and development of procedures.</li> <li>4. Develop a register of road infrastructure to track location, status and required maintenance of assets in the landscape.</li> </ol> <p><b>Due Date: 31 October 2018</b></p>
<p><b>V4: Moderate priority</b></p> <p>It is recommended that VicForests continue to review its approach to regeneration burns to identify and implement opportunities to reduce unintended impacts in unharvested buffer areas.</p>	<p><b>Response:</b> VicForests has been undertaking research into regeneration burning.</p> <p><b>Actions:</b></p> <ol style="list-style-type: none"> <li>1. Continue the review into regeneration burning and assess the findings. Discuss internally routes to improved burn outcomes.</li> </ol> <p><b>Due Date: 31 December 2018</b></p>