



DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

**FRAMEWORK OF INDICATORS FOR SUSTAINABLE FOREST
MANAGEMENT**

A Submission from

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES

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OVERVIEW

The native forest timber industry as represented by VAFI has its own sustainability reporting framework and has recently published its 2006 report. The 2005 report established the framework and the latest report demonstrates the progress in the first year on achieving targets for each indicator. It is based on the triple bottom line plus one principles which include environment, economic, social and governance. The industry is proud of its sustainability performance within its own businesses and in the State forest from which it draws its log resources. The recent DSE Sustainability Charter demonstrates that the industry is sustainable and as global citizens we should continue to manage our forests sustainably for timber production and not shift our impacts to other people's forests.

VAFI believes that the Framework of Indicators must provide a role in demonstrating to the interested community in an effective and unambiguous manner that its forests are managed sustainably. It is not clear that the draft framework will achieve this.

The Sustainable Forest Management reporting required by the *Sustainable Forest (Timber) Act 2004* is for State forest, however the Montreal Criteria obligations are for all forest irrespective of tenure. The framework should apply to all land tenures. This is critical because of shifting impacts and that sustainability applies to all forest management activities (including non intervention management) not just timber harvesting.

DSE is responsible for the management of forest on all public land and through its planning role can be very influential on private land. It cannot deliver the Government's obligations under the Montreal Process unless it can report comprehensively for all forests.

The Framework of Indicators must apply to the State of Victoria and not just State forest. The way that the State is divided up for reporting purposes is confused in the draft framework. Traditionally forest reporting used Forest Management Areas (FMA) as these were legislated boundaries. The draft sometimes reports on Catchment Management Area (CMA) unit boundaries. The Regional Forest Agreement boundaries are also used for some reporting outside the framework. Sustainable yields are calculated and managed by FMA. Catchment boundaries are a good natural unit boundary but are a poor social unit. Local Government Areas are often used for social unit reporting. VAFI would prefer that the framework used FMAs as the principle sub unit of the State because it allows for comparisons with performance in the past and is more familiar to the industry. If CMAs are to be used then conversions to FMAs must be provided in the detailed data.

The Framework of Indicators has a very strong communication objective. It must tell the people of Victoria that their forests are well managed and whether that management is getting better or worse. The State of the Forest Report is an excellent publication because it puts many of the facts about State forest management out for public scrutiny. However, it is very long and it took 5 years to produce. The data it contains is already superseded. For example it doesn't report the impacts of the 2003 Alpine fires. The draft framework contains 45 indicators which are fine for scientific reporting but is a confusing message to the general public. A summary of 8 to 10

simple indicators is needed to send a simple message. These should also be reported regularly on an annual basis. The community does not want to wait every 5 years to know how the forests are fairing. Finland has adopted a framework of indicators that can be reported in a simple message. An example of their approach is attached to this submission.

The draft framework presents the issue based information on the state of the forest, aligned to the Montreal Criteria. This is not a problem but it can be if the entire information set is not revealed from all of the issues and if information is duplicated. For example growth stage data is presented for indicators on old growth in protected areas and on standing volume. It is critical that somewhere in the indicators all of the data on every growth stage for every tenure and forest type is revealed. Without this there will be mistrust and potential impacts of management and history that are excluded. Also the draft framework contains indicators that are duplicated for loss of forest area and harvested areas (1.1 d iii, 2.1 i, and 3.2 i, 3.2 v, 2.3 iv). These just make the framework larger and more complicated than it needs to be.

There are and will be issues with data definition in any framework of indicators. The main concerns in the current draft are with the definitions of land tenure, forest type, Ecological Vegetation Class (EVC) and species group. For example land tenure should be relatively simple however the State of the Forests Report Table 1.1 describes a land tenure class as “Unresolved Tenure” without any explanation. Table 1.3 on growth stage has 3 million hectares of forest as “unclassified” again without explanation. EVCs and forest type are often used interchangeably but a standard definition will allow more understanding and certainty in reporting. Conversions between the data definitions are required to allow for proper analysis of the information. Each indicator must stand alone with definitions that explain what is included and excluded from the information.

Forty five indicators aligned with the Montreal Criteria provide an elaborate performance reporting system. It will be costly to maintain such a system. There are no guarantees of future budget allocations for the system. It has been observed recently that data collection and monitoring are the first things cut out of a budget when things get tight. The data maintenance required to support each indicator is a large, necessary, but hidden cost. To maintain the scope of the indicators and the reporting timelines with a fixed or diminishing budget will be impossible. Reporting less frequently will cause major concerns with data currency and transparency. It may be better to reduce the scope of some of the indicators now to avoid these problems later and make the framework more sustainable itself. If the indicators are already being used or can be incorporated into strategic management systems their benefit to cost ratio can be increased. The indicators need to be ranked on priority so that lowest priority indicators are modified or deferred when budget or time runs out. The reporting of high priority indicators on the key community issues that can show the sustainability of forest management need to be enduring.

The draft framework often describes the conservation and sustainable management of forests as if they are two different things. The conservation of forest must be just as sustainable as forest management for wood production. The indicators should apply equally independent of the objectives of forest management, conservation or wood production.

Some indicators will be able to be reported annually as the annual data is already collected. Therefore wherever possible the reporting period should be annually. This can be published on the DSE website annually for little additional cost.

The indicators should show longer term trends wherever possible. This can be achieved by researching the trends backwards in time. The collection of historical trend data should be encouraged for as many indicators as possible.

The framework must recognise that Victoria's native forests are adapted to and rely on disturbance as part of the normal functioning of these ecosystems. Prior to European settlement this disturbance was entirely by fire either natural or as part of the Aboriginal fire management regime. This disturbance regime has been altered by Europeans but is continuing. The impacts of fire on sustainability must be included in any monitoring regime. The additional disturbance regime that can occur in Victoria's State forests is silviculture for wood production. This disturbance is limited to less than 10% of Victoria's forests. It should not become the sole focus of the indicators.

INDICATOR SPECIFIC ISSUES

1.1a Area of forest type and tenure.

The loss of forest and changes to forest cover are most common on private land and data collection methodologies to measure this are complicated. If the community detects a loss of forest cover they are going to want to know what is causing it. Generally forest harvesting causes a temporary loss in forest cover until regeneration is achieved and is detectable by assessment methods. This needs to be distinguished from the forest cover lost to urban sprawl, agriculture, and infrastructure development. The final net position is often misleading and gains in forest cover need to be recorded as well as the losses.

The establishment of plantations needs to be recorded as such and a separate balance sheet is required for native forest and plantations.

The definition of forest type is critical here. A proper structured set of definitions are required that:

- Are supported by the fundamental data structure
- Allow aggregation to the state level
- Allow application in as many reporting, planning and policy uses as possible including:
 - Timber Release Plans
 - Allocation Order
 - Forest Management Planning

1.1b Area of forest type by growth stage.

This indicator needs to be cross referenced with the previous indicator because we need to know if all of the old forest is in National Parks and where the young forest is.

The potential sub indicators should include regrowth as well as old regrowth because you can't have one with out the other. Forests are made younger by disturbances such

as wildfire and harvesting. Forests get older over time. This indicator must show both of these trends. This can be achieved by showing the age of the forests to the nearest decade.

There is also a data definition issue here because old growth forest is not just a growth stage but is defacto wilderness. It must be old and undisturbed to qualify as old growth.

1.2d Degree of disturbance to native species caused by invasive species.

This indicator must be reported by land tenure. There is a community concern that their National Parks are filling up with weeds, foxes and feral cats because of a lack of active management. This indicator has a role in determining the true situation.

2.2 Volume of growing stock by forest type on public land that is available and suitable for timber production.

Either this indicator or an additional indicator should describe the growth of the productive forests. Growing stock cannot be adequately described unless the removals (indicator 2.3) are compared with the incremental additional growth.

The definition of merchantability not only needs to be flexible but is needs to be treated very carefully. The Estimate of Sawlog Resource (ESR) definitions of merchantability included the factors of operational, environmental and economic consideration for application to long term licence levels. Now that there are no longer long term licences issued and wood is allocated by short term auction that has considerably increased prices, the stands that were previously uneconomic are now profitable.

2.3 Annual production of wood products from State forest compared to sustainable harvest levels.

The sustainable levels of harvest are no longer legislated following amendments to the *Forest Act 1958*. The ESR levels were defined as the levels that were prudent to allocate on long term licences which are no longer the case. The review and setting of sustainable harvest levels is obsolete. The Otway, Midlands, Portland and Mildura FMAs have sustainable harvest levels that are not achieved for policy reasons. It may be more appropriate to record the removals against the growth increment after considering the age class structure of the forest. Harvesting replaces slow growing mature forest with fast growing regrowth forest.

3.1 Scale and impact of agents and processes affecting forest health and vitality.

Potential sub indicator iii is the area of State forest burnt annually. Surely this should be all forest. Wildfires occur across all tenures and are a process affecting forest vitality. This highlights the need for this indicator to report on all land tenures, forest types and FMAs.

5.1 Total forest ecosystem biomass and carbon pool by forest type, age class and successional stage.

This indicator should show as a balance sheet of the gross carbon pool in our forests. The carbon stores, the removals due to fire and harvesting and the gains from growth should be shown in a complete system. The life cycle of the carbon stored in the wood products removed should also be analysed. In a future where carbon accounting grows in significance it is important to demonstrate and demystify the role forests have in the carbon cycle and to clearly show the carbon benefits that can accrue from harvesting forests and storing carbon offsite.

6.1a Value of wood and wood products.

The value and volume of wood products should be reported. This will require some analysis of the markets that timber is sold into. Reporting on production, consumption, imports and exports is critical to show the true market impacts of trends.

6.1c Value of forest derived ecosystem services.

The results from the Bush Tender program may provide DSE with the means to measure ecosystem services other than water.

The cost of water from forested catchments is a poor sub indicator. All forests are catchments and all forests produce water. Water is harvested from most catchments in Victoria. The cost of production is mostly aligned to the cost of harvesting and delivery. In most cases water authorities don't actually buy the water, that is to say no royalties are paid. A balance sheet for water from forested catchments may be a better indicator. This will show that all forests use water and the cost is traded off against the increased quality of water from forested catchments.

6.2a Investment and expenditure in forest management

The investment and re-investment of capital into forests and forestry is critical to sustainability. This indicator should provide some measure of the investment in monitoring and improvement, and research as well as infrastructure. This would link this indicator to indicators 7.4 and 7.5. This indicator should recognise the investments made by all sectors in forests. Many of the roads used by DSE were originally constructed by the timber industry.

6.5a Direct and indirect employment in the forest sector and forest sector employment as a proportion of total employment.

Sub indicator iii should compare the average ages of employees across a range of industries not just the native forest and plantation section of the timber industry. Some groups foolishly believe that the tourism industry can entirely replace the native forest industry, so what is the average age in the tourism industry?

6.5c Resilience of forest dependant communities to changing social and economic conditions.

This indicator is the most important social criteria and must be a priority for development. The measurement of rural social change is often shrouded in mystery and misquoted to support particular arguments. This indicator can show the importance of the plantation industry is reversing rural decline and help it develop a proper, enduring social licence. It is important for the native forest industry to show that it provides jobs in areas where the only alternative is to move towns. Social capital is a good measure of community health.

7.2 Extent to which the institutional framework supports the conservation and sustainable management of forests.

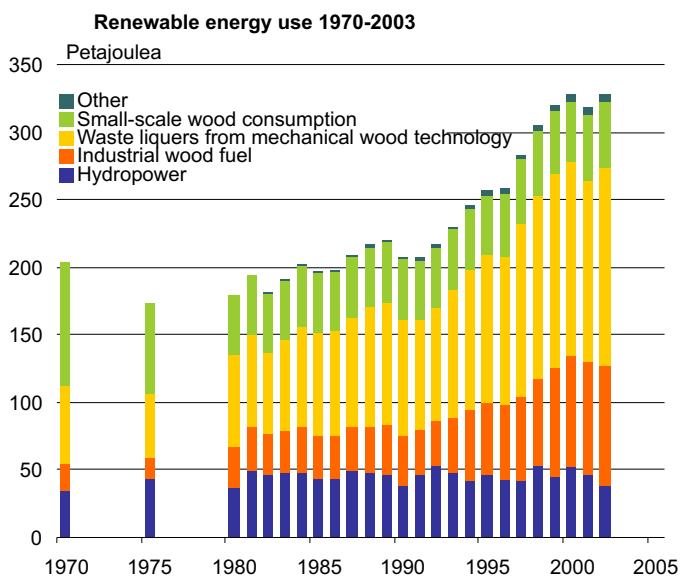
Sub indicator 7.2d should be expanded and made into an indicator in its own right. The main physical infrastructure in forests is the road network. It provides a critical role in the provision of recreation, wood products, non wood products, fire prevention, fire response and management. An indicator is required that shows the changes to the density of the road network (km/km²) by road class and land tenure.

There may also be a case to introduce a sub indicator 7.2f that describes the audit process and records the results of Environment Protection Authority audits and the improvements that are derived from the audits.

7.4 Capacity to measure and monitor changes in the conservation and sustainable management of forests.

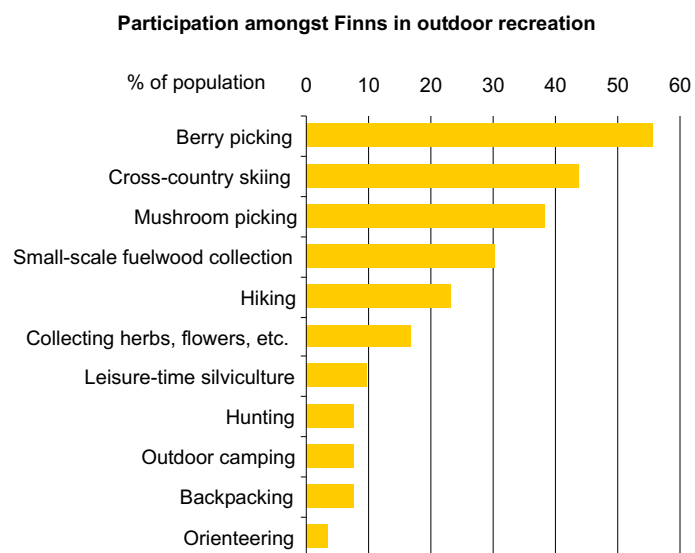
This indicator should apply by land tenure or management authority. The community should know if Parks Victoria, DSE or VicForests are not meeting their expectations on monitoring. VicForests will shortly be certified to Australian Forestry Standard that has certain minimum requirements for monitoring. If the audit reports are made public we will see how they are performing. We need to know how Parks Victoria and DSE compare.

INCREASE IN WOOD-BASED FUEL CONSUMPTION FOR ENERGY



Source: Statistics Finland.

FOREST-RELATED RECREATION IS IMPORTANT FOR FINNS



Source: National recreation statistics, Finnish Forest Research Institute.

REFERENCES:

Publications

- Fourth ministerial conference for forest conservation in Europe. Wien 28.-30.4.2003. Resolutions. MMM publications 12/2004.
- Natural Resource Indicators. Sustainable Use of Renewable Natural Resources. Ministry of Agriculture and Forestry 2004.
- The State of Forestry in Finland 2000 - Criteria and Indicators for Sustainable Forest Management. MMM publications 5/2000.
- Statistical Yearbooks of Forestry. Finnish Forest Research Institute. Official Statistics of Finland (SVT) Agriculture, Forestry, and Fisheries.

Weblinks

- www.metla.fi/metinfo/index-en.htm
- www.mmm.fi/english/indicators/index.html
- www.un.org/esa/forests/
- www.fao.org/forestry/index.jsp
- www.biodiv.org/programmes/areas/forest/portal/home.shtml



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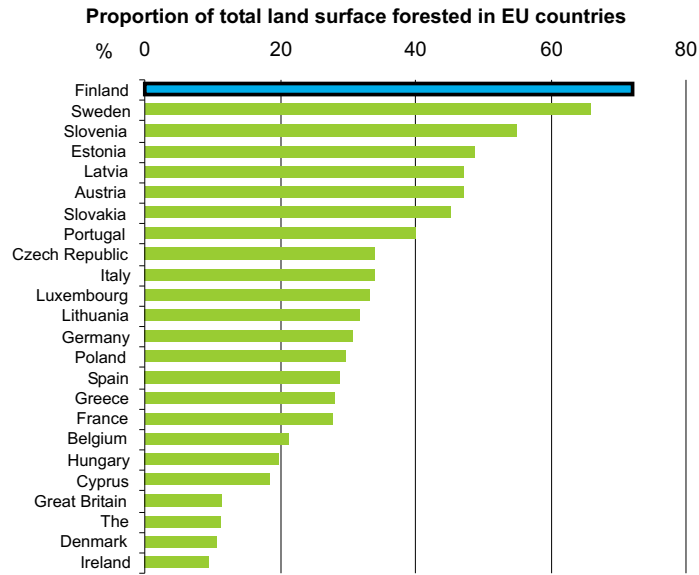
Sustainable welfare from biologically diverse forests

Commission on Sustainable Development meeting 2.3.2005



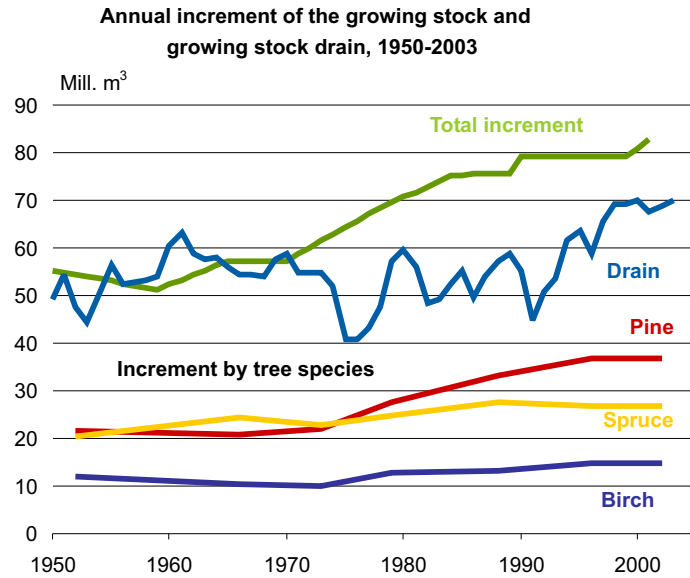
Photo: Erkki Oksanen, METLA.

FINLAND IS THE MOST FORESTED EU STATE



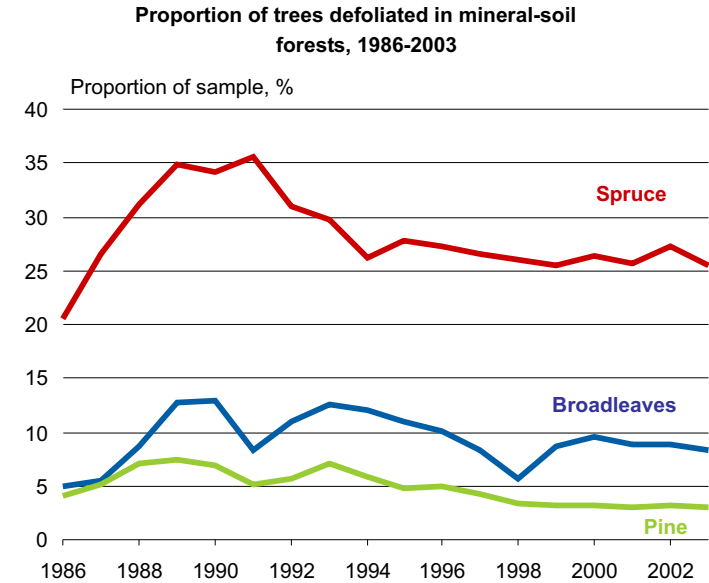
Source: Forest Statistical Yearbook 2004.

LEVEL OF FOREST FELLING SUSTAINABLY BASED



Source: Finnish Statistical Yearbook of Forestry 2004.

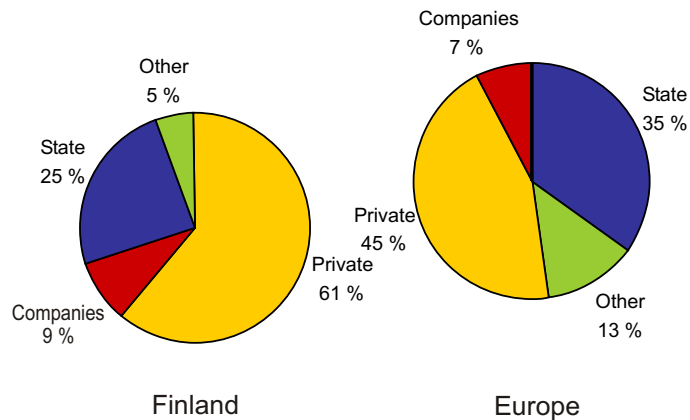
FOREST HEALTH HAS REMAINED STABLE



Source: Finnish Forest Research Institute, Forest Focus Programme.

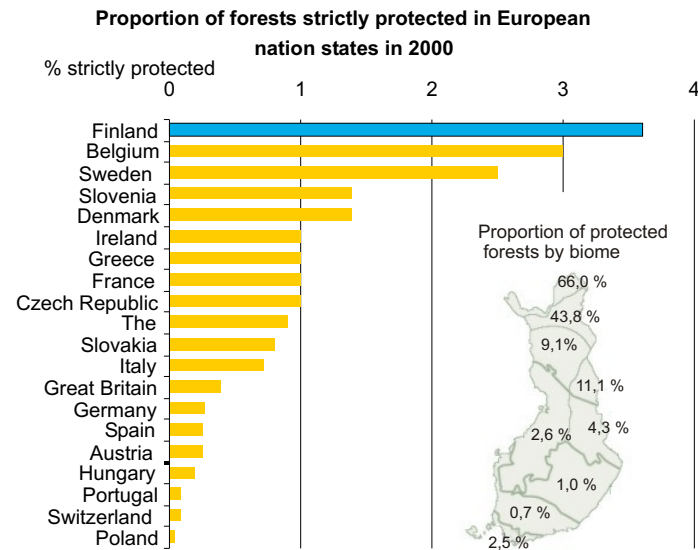
ONE IN FIVE FINNS OWNS FOREST

Forest ownership categories in Finland and Europe



Source: Forest Statistical Yearbook, 2004; United Nations: Forest Resources of Europe, CIS, North America, Australia, Japan and New Zealand.

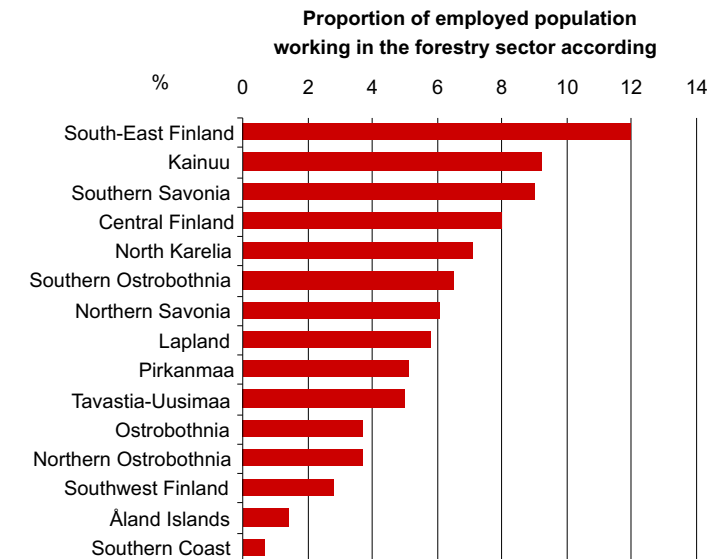
PERCENTAGE OF STRICTLY PROTECTED FOREST IS EUROPE'S GREATEST



Source: EU/COST E4 Action: Forest Reserves Research Network, EUR 19550, Luxembourg.

Source: MMM and SYKE

THE FOREST SECTOR IS A SIGNIFICANT SOURCE OF EMPLOYMENT IN EAST AND NORTH FINLAND



Source: Finnish Statistical Yearbook of Forestry 2004.



Department of
Sustainability
and Environment

Framework of Indicators for Sustainable Forest Management (SFM) in Victoria

Feedback on draft released 2006

The Department of Sustainability and Environment is inviting comment on the proposed Framework of Indicators for SFM in Victoria and we welcome and value your input. Please use the following proforma as the basis for providing feedback and comments on the proposed indicators. If you prefer to prepare a more detailed submission, please insert any extra pages inside this feedback sheet. Electronic submissions can be emailed to sfm.group@dse.vic.gov.au or can be mailed to:

**Sustainable Forest Management Group
Department of Sustainability and Environment
PO Box 500, East Melbourne 3002**

Open-house information sessions on the proposed Framework of Indicators for SFM in Victoria will also be held during the feedback period. Please check the internet at www.dse.vic.gov.au/sfm for the latest information and to download the draft indicators. For further information on the feedback process contact DSE Customer Service on **136 186**.

Submission will be accepted until the 29th September 2006

1. Please indicate which of the following SFM Criteria below are most relevant to your feedback:

- Conservation of biological diversity
- Maintenance of productive capacity of forest ecosystems
- Maintenance of ecosystem health and vitality
- Conservation and maintenance of soil and water resources
- Maintenance of forest contribution to global carbon cycles
- Maintenance and enhancement of long term multiple socio-economic benefits to meet the needs of societies
- Legal, institutional and economic framework for forest conservation and sustainable management
- Other - Please specify: _____

2. Overall, are the indicators and sub-indicators clear in terms of their rationale, issues and interpretation?

- Very Clear Satisfactory Not very clear Significantly Unclear

See Attached Submission

3. How well do you feel the indicators represent the most important aspects of sustainable forest management in Victoria?

- Very comprehensive Satisfactory Deficient Significantly deficient

Comments: See Attached Submission

4. Do you see any potential problems with any of the indicators proposed?

- No
 Yes:

Please specify indicator(s) number: **See Attached Submission**

Comments: See Attached Submission

5. Are there any additional issues that you think should be acknowledged in a statewide indicator framework?

See Attached Submission

6. Do you have any general questions related to the Framework of Indicators for SFM in Victoria?*

** Note: not all questions will receive a response. We will use your questions to improve our communication and information products.*

Please feel free to attach any additional comments or concerns to this form. Thank you for your comments.

Optional information:

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These details will be used in accordance with the *Victorian Information Privacy Act 2000*