

PRIORITY

02



PRIORITY 02: ENSURE THE DEVELOPMENT AND OPERATION OF EFFICIENT TIMBER MARKETS

The competitiveness of Victoria's commercial timber industry, which is largely trade exposed, is linked to the overarching macroeconomic environment and key variables such as interest and exchange rates.

Government at all levels in Australia has a role to play to ensure that economic, social and environmental policy settings are sound and supportive of sustainable industry and community development and investment.

The Victorian Government will fulfil its obligations in this regard by developing and implementing policies that allow specified product and financial markets to operate efficiently. This includes instituting clear and transparent government policy and governance arrangements that can lead to increased certainty and consistency in government decision-making and action.

This will assist the commercial timber industry to make the most of its natural competitive advantage when competing for market share or access to key inputs, such as land and capital.

Action 06:

Improve freight infrastructure and logistics to support the timber supply chain

- 6.1 We will work in partnership with the Commonwealth Government to develop new infrastructure at a national and regional level that facilitates sustainable development of the timber industry.

Action 07:

Facilitate the development and commercialisation of new and emerging markets for timber and timber-related products

- 7.1 Victoria will continue to work alongside the Commonwealth Government to improve the understanding of the implications of the Carbon Pollution Reduction Scheme for Victoria's timber industry.
- 7.2 We will continue to advocate to the Commonwealth Government for inclusion of carbon stored in timber products in the international climate change framework.
- 7.3 We will support a national approach to the use of native forests for energy production, consistent with the Commonwealth Government's expanded national Renewable Energy Target scheme.
- 7.4 We will prioritise research to explore the potential use of wood for biofuel production.

Action 08:

Support market access and improve biosecurity for sustainable timber production

- 8.1 We will require government and government endorsed procurement and sustainability guides to recognise international third-party certification as meeting the highest possible environmental standards.
- 8.2 We will develop a Forests and Timber Biosecurity Framework.

Action 09:

Strengthen governance arrangements for forests and timber production

- 9.1 We will improve the governance and administration of VicForests.
- 9.2 We will create a Forest Practices Unit within the Department of Sustainability and Environment to streamline implementation of the *Code of Practice for Timber Production* on public and private land.
- 9.3 The Minister for Agriculture will continue to be responsible for commercial forest policy.

ACTION 06:

Improve Freight Infrastructure and Logistics to Support the Timber Supply Chain

Realising the value of Victoria's forest resources depends upon the availability and suitability of infrastructure.

This includes forest road networks, roads and bridges on forest haulage routes, water and energy for processing facilities, and port facilities. Available transport modes need to be as cost-effective as possible, given that transport expenses make up a significant amount of the cost of finished timber.

In many of Victoria's long-standing and traditional timber production areas, particularly for the native hardwood sector, infrastructure and logistics are well established. Infrastructure and logistics, however, are often less advanced, or not configured to cope with expected future timber volumes, in areas of more recent plantation establishment.

In particular, in Victoria's south-west, catering for the short-rotation hardwood resource at the Port of Portland is anticipated to require an estimated additional 138,000 semi-trailer movements per annum, on top of the current estimated 90,000 timber industry truck movements. It is expected new types of high productivity freight vehicles will be needed to perform this task (for example, B-double quad-axle vehicles). This may require upgrades to nominated arterial roads in the transport network (including bridges) to facilitate high productivity freight vehicle access.

To address the anticipated increase in infrastructure usage by harvest and haul vehicles, the Department of Transport and VicRoads are developing a Freight Action Plan for the south-west of Victoria and south-east of South Australia in collaboration with the South Australian Government. The plan is commonly known as the Green Triangle Freight Action Plan. This includes investigating options for the rail sector to assist in the movement of woodchips and/or pulp products. In July 2008, the Victorian Premier, the Hon John Brumby, announced that the Portland-Maroon (near Ararat) rail line would be upgraded and incorporated into the national rail network managed by the Australian Rail Track Corporation. As well, a \$15 million upgrade to the rail line by the Australian Rail Track Corporation will help provide an improved and efficient rail network for the movement of woodchips and timber from the 'Green Triangle' region, as well as other export growth commodities including mineral sands and grain.

In December 2008, the Victorian Premier, the Hon John Brumby, announced the Victorian Transport Plan - a plan which sets out major investment in the state's transport network over the short, medium and longer term to respond to current demands and shape Victoria for future generations. An investment into the Green Triangle Freight Action Plan from the Victorian Government, subject to Commonwealth Government funding contributions, is proposed to address infrastructure challenges and opportunities associated with a commodity boom in the region.

Strategic land-use plans are also being developed for all of Victoria's ports to facilitate efficient operation, and to guide sustainable, managed development and investment over the next 20 years that will minimise adverse impacts on local communities and the environment.

What we are already doing

Victoria has been working with South Australia to develop a 'Green Triangle' Freight Action Plan. This plan identifies transport needs for the region that covers south-west Victoria and south-east South Australia, and sets out priorities for road and rail infrastructure upgrades to ensure the transport network can cope with forecast freight growth. The two state governments are working with local government, timber plantation companies, transport operators and local industries to identify transport needs and solutions.

This will complement work undertaken by Regional Development Victoria to investigate the potential for a strategically positioned pulp mill or other value-adding facilities to realise increased value from the extensive short-rotation hardwood plantations that will soon begin being harvested in south-west Victoria.

The Victorian Government has also been working with industry and port authorities to ensure port and port-related infrastructure is sufficient and that new opportunities are explored. These include the use of rail transport to reduce impacts on roads and regional communities located on transport routes, and the potential for private sector contributions to infrastructure development.



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What the Victorian Government proposes

6.1 We will work in partnership with the Commonwealth Government to develop new infrastructure at a national and regional level that facilitates sustainable development of the timber industry.

A \$340 million investment in the Green Triangle region, a collaborative cross-border investment in the south-west of Victoria and the south-east of South Australia and partnership with the Commonwealth Government, will cater for the expected growth in transport of regional commodities, including increased exports of timber products and mineral sands. This project is included in the Victorian Government's submission to Infrastructure Australia on 31 October 2008. The timber industry was one of eight key regional growth industries highlighted in the submission, which identifies potential infrastructure needs over the next 10-20 years. These included:

- upgrades to the Princes Highway West in the Green Triangle region and the Portland Ring Road (Henty Highway)
- assessment of industry demand and national export opportunities for standardisation and reopening of Mt Gambier-Heywood rail line
- upgrades to nominated arterial roads to meet expected growth and to allow access for High Productivity Freight Vehicles, e.g. Quad Axle B-double
- sufficient road, rail and intermodal capacity for the movement of timber to domestic markets and export ports from the south-west, Gippsland and north-east Victoria, as well as paper products from Maryvale Pulp mill.

The Victorian Transport Plan includes upgrades of critical roads and continues investment in the Regional Rail Freight Network to ensure the efficient movement of goods around the state and to major export points.

As the Commonwealth Government, through Infrastructure Australia, seeks to develop a strategic blueprint for Australia's infrastructure needs over the coming years, we will continue to pursue opportunities to develop new infrastructure that facilitates higher value being realised from Victoria's timber resources.



ACTION 07:

Facilitate the Development and Commercialisation of New and Emerging Markets for Timber and Timber-Related Products

Addressing climate change requires action at many levels – local, regional, state, national and international. Within this context, the Victorian Government is committed to taking action.

Climate change will introduce new risks for the sector, but also new opportunities.

Timber products have a key role to play. Commercialisation of this role presents a range of secondary market opportunities for forestry beyond the traditional primary market for timber products. Therefore, it is crucial to ensure that the sector is well represented in emerging environmental markets and is equitably recognised for the vital environmental services that it provides.

The Commonwealth Government is responsible for the design, development and delivery of a national scheme to reduce Australia's carbon emissions, and has announced that a Carbon Pollution Reduction Scheme will commence in 2010. The Victorian Government supports the development of a Carbon Pollution Reduction Scheme by the Commonwealth Government.

The Carbon Pollution Reduction Scheme White Paper released in December 2008 indicates that the scheme will:

- Cover timber plantations established post-1990 on land that was previously clear of forest as at 31 December 1989, on a voluntary basis, from scheme commencement in 2010
- Not cover pre-1990 timber plantations and native forests. While management of these forests is an elective activity under Article 3.4 of the Kyoto Protocol, Australia has elected not to include these activities because of the practical consideration that naturally induced drought or bushfire could result in significant emissions from these sources.

It is important to note that recent research from Australian scientists has found that some carbon accounting models (eg. from the Intergovernmental Panel on Climate Change and the National Carbon Accounting System) may underestimate the carbon carrying capacity of Australia's native forests. Further analysis is required to generate reliable estimates of the carbon storage capacity of Australia's native forests, and may encourage reconsideration of Australia's inclusion of Article 3.4.

In developing the Carbon Pollution Reduction Scheme, the Commonwealth Government has indicated that Australia will increase its efforts to influence changes to the international climate change framework to incorporate recognition of the carbon stored in timber products. Achieving this recognition could introduce significant new market drivers for forestry. Carbon remains stored in timber after harvesting. In furniture

and construction materials, carbon can potentially be held for a long time. In newsprint and packaging, it may be resident for shorter periods, but even then, may be recycled or remain inert in landfill. Current research indicates that the gross annual increase in carbon stored in timber products in use and in landfill produced from Victoria's forests could be around 7 million tonnes. This storage is currently not recognised under the Kyoto Protocol, which deems that forests emit their entire carbon store on harvest.

While the Carbon Pollution Reduction Scheme is a new market opportunity for the owners of post-1990 timber plantations, the relative benefits of participation will depend on a number of factors including:

- the cost of obligations under the scheme
- future prices for logs and for carbon
- whether flexibility exists to amend harvest dates
- the potential impact of changes to international rules.

Forest owners will need to thoroughly understand the potential risks and opportunities prior to opting to participate in the Carbon Pollution Reduction Scheme.

It will also be important to understand the impact that the Carbon Pollution Reduction Scheme will have on other sectors, such as the energy sector, to evaluate opportunities to pursue potential new market openings for the use of wood for energy production (bioenergy and biofuels).



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What the Victorian Government proposes

7.1 Victoria will continue to work alongside the Commonwealth Government to improve the understanding of the implications of the Carbon Pollution Reduction Scheme for Victoria's timber industry.

The commencement of the Carbon Pollution Reduction Scheme in 2010 will present new opportunities for Victoria's timber industry: particularly for the establishment of new timber plantations, and existing post-1990 timber plantations. However, electing to participate in the Carbon Pollution Reduction Scheme will require careful and strategic consideration by forest owners. Comprehensive knowledge of carbon accounting methodology and the carbon uptake and emissions involved in forest management will be required.

Understanding of how the Carbon Pollution Reduction Scheme will impact on the timber industry needs to be further developed in a number of areas, including long-term soil carbon dynamics and sequestration rates for commercial tree species in Victoria's timber plantation forest estate.

Given the existing uncertainties associated with the design and implementation of the Carbon Pollution Reduction Scheme, Victoria will continue to work alongside the Commonwealth to ensure that Victoria's timber industry is well informed to make decisions about participation in the Carbon Pollution Reduction Scheme.

Changes to international accounting rules for a post-2012 climate change framework agreement, including for land-use change and forestry, are currently under negotiation. In the event that changes arise which impact on forestry, research into implications for the industry will be a priority.

7.2 We will continue to advocate to the Commonwealth Government for inclusion of carbon stored in timber products in the international climate change framework.

The Commonwealth Government has indicated that it will seek to influence changes to the international climate change framework to incorporate recognition of the carbon stored in timber products.

Accounting for carbon stored in timber products is a complex area. Research and development in this area could enhance understanding of the workability of various available options for accounting for carbon stored in timber products and aid the Commonwealth Government's negotiations for inclusion of carbon stored in timber products in international frameworks.

Once again, this will be consistent with our research and development priorities outlined at Action 10.1.

7.3 We will support a national approach to the use of native forests for energy production, consistent with the Commonwealth Government's expanded national Renewable Energy Target scheme.

Support for renewable energy is central to the Victorian Government's climate change policy. We have been working cooperatively with the Commonwealth on the terms and conditions under which the Victorian Renewable Energy Target will be transitioned into an expanded national Renewable Energy Target. The expanded national Renewable Energy Target scheme aims to achieve a 20 per cent share for renewable energy in Australia's electricity supply by 2020.

Victorian Government policy states that public native hardwood timber should be directed to the highest value end-use and should predominantly be used for sawlogs. In this context, Victorian Government policy has not previously allowed commercial renewable energy production from public native forest wood. While native hardwood sawmillers have been permitted to generate and use energy from their wastes and residues for their own purposes, they cannot offer this energy into their local energy grids.

Variable oil prices and increasing concern about levels of greenhouse gas emissions from fossil fuels means that there is interest in bioenergy as an energy source. There is potential to generate a better economic, environmental and community value for lower-quality native hardwood logs that are a genuine by-product of sustainable sawlog harvesting by selling this resource into alternative markets, such as for the production of charcoal or bioenergy. Renewable energy production may also be a valuable potential market for logs salvaged from bushfire-affected native forests.

Under the Carbon Pollution Reduction Scheme, scheme obligations will not apply to emissions from combustion from biomass for energy. This could increase the commercial viability of wood as a source of bioenergy. Opportunities may further increase when direct Commonwealth Government assistance through permit allocations for coal-fired electricity ceases.

The changing economic and environmental climate has changed opinion about allowing renewable energy production from public native hardwood. Consistent with the expanded national Renewable Energy Target scheme, and subject to suitable carbon accounting methodologies being in place, we will allow the utilisation of biomass residues from public native forests for renewable energy production.

7.4 We will prioritise research to explore the potential use of wood for biofuel production.

The Carbon Pollution Reduction Scheme's 'zero rating' for emissions from combustion of biomass also extends to biofuels. Therefore, as a sustainably managed and renewable resource, the demand and commercial viability of wood as a potential source of biofuel could increase.

To help industry take advantage of new market opportunities, our research and development priorities outlined at Action 10.1 will include research and development into wood-based biofuel production. 'Second-generation' biofuels based on pyrolysis and anaerobic digestion are of particular interest.

This action is consistent with the Victorian Government's policy on biofuels, as stated in *Converting Victoria to Green Fuels* and its *Biofuels Road Map*.

ACTION 08: Support Market Access and Improve Biosecurity for Sustainable Timber Production

Open market access is a cornerstone for the Victorian timber industry's success. Such access is reliant, however, on producing the 'clean and green' (including pest and disease-free) products, which are now sought by many customers.

In the interests of remaining competitive, Victoria's timber industry has pursued forest certification as a way of demonstrating its sustainable forest management credentials. Victoria's public native forest estate and most of Victoria's timber plantations are now managed under at least one of the two main third-party forest certification schemes operating within Australia: the Australian Forestry Standard and the Forest Stewardship Council.

Biosecurity issues can also have significant implications for market access, both domestically and internationally. Exotic pest and disease incursions can be expensive to control and could threaten the commercial viability of forestry in Victoria. Increasingly, it is necessary to demonstrate absence from specific pests and diseases to ensure market access without the need for costly treatment and further certification of 'disease-free' status.

In a competitive market environment it is important that compliance of timber with Victoria's sustainable forest management and timber production framework is recognised. There must be clear management regimes for forest biosecurity risks, and sustainability and procurement guides need to recognise certified timber products as a sustainable, renewable resource.



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What the Victorian Government proposes

8.1 We will require government and government endorsed procurement and sustainability guides to recognise international third-party certification as meeting the highest possible environmental standards.

The Victorian Government's *Environmental Sustainability Action Statement* (2006) recognises third-party certification schemes, such as those recognised by the Programme for Endorsement of Forest Certification Schemes, including the Australian Forestry Standard, and those recognised by the Forest Stewardship Council, as accredited with the highest possible environmental standards. Forest certification is the primary and sole requirement for demonstrating unequivocally that a forest is managed responsibly and sustainably.

Given that the Victorian Government is a significant purchaser of goods and services, changes in the government's own purchasing behaviour can send strong market signals regarding sustainable products and services.

It is important that the Victorian Government's recognition of international third-party certification as indisputably demonstrating sustainable forest management is reflected in its own business operations. Some procurement and sustainability guides developed by or linked to government specify the use of timber certified by one certification scheme over another. A common theme is a preference for timber products certified to the Forest Stewardship Council scheme. Other trends have been to apply additional criteria over and above third-party forest certification to assess environmental sustainability, or place sustainable forest products at an unfair disadvantage as compared to alternative products.

This behaviour is anti-competitive and will be rectified. No Victorian Government department or agency will endorse any approach, including in procurement and sustainability guides and tools, that does not recognise that third-party certification unambiguously demonstrates sustainable forest management. We also will not provide funding or endorsement to non-government organisations who administer sustainability or procurement guides that discriminate against Victorian timber that meets third-party certification.



8.2 We will develop a Forests and Timber Biosecurity Framework.

Victoria's forestry industry is vulnerable to incursion from exotic pests and diseases. New pest and disease introductions through tourism, trade and single-species production present ongoing risks. These risks may increase as climate change gives rise to stressed forests that are more vulnerable to newly emerging pests and diseases. Climate change may also change the distribution, abundance and potential impact of pests and diseases already in Australia, as well as the probability of entry, establishment and spread of exotic plant pests and diseases not currently present in Australia.

There are significant potential forest biosecurity threats in Victoria, particularly due to the range of land tenures and sectors. Our capacity to respond to these threats is currently limited. While government has a role in providing general advice to the community, well-informed individuals and businesses are best placed to assess and manage their own exposure to climate-change-related risks.

On public land there are overlapping responsibilities for forest biosecurity within and between the Department of Primary Industries, Department of Sustainability and Environment and other organisations. On private land, while the Department of Primary Industries assumes responsibility for the system for prevention, detection, eradication or management of exotic pests and diseases, no funding is allocated to support this role and there are no arrangements for industry, one of the beneficiaries, to contribute to funding biosecurity programs. Given exotic pests and diseases may cross land tenure or sector boundaries, improved clarity and coordination of responsibility is required.

To ensure that market access is preserved for Victorian forest products and that Victoria's forest and timber industries are protected from the negative impacts of biosecurity threats, a properly managed and monitored forest and timber biosecurity program, with well-placed policy, research and operational capacity, is essential and can only be done with the support of the industry and its stakeholders.

Consistent with their role in delivering biosecurity programs to preserve market access for Victoria's agricultural industries, Biosecurity Victoria will prepare a Forests and Timber Biosecurity Framework, which will include recommendations aimed at:

- clarifying the roles, responsibilities and resources to manage forest biosecurity prevention, preparedness and response activities under the *Plant Health and Plant Products Act 1995* on public and private land
- defining efficient governance and cost-sharing arrangements between government and industry for forest biosecurity prevention, preparedness and response activities on public and private land
- developing systems to enhance the early detection of exotic forest pests and diseases in Victoria
- ensuring that the necessary human and infrastructure resources are available to effectively manage a major forestry pest and disease emergency response, including within the private sector.

ACTION 09: Strengthen Governance Arrangements for Forests and Timber Production

The specific governance role for the Victorian Government in relation to Victoria's timber industry is to:

- provide a supportive policy framework that sets the climate for sustainable forest management and industry development, and encourages and facilitates investment in the industry
- reinforce, in accordance with our commitment to National Competition Policy principles, the separation between commercial objectives from the regulatory functions of Government.

This role is fulfilled through various defined institutional, governance and organisational arrangements that involve a number of government ministers, departments and agencies with roles and responsibilities in relation to Victoria's timber industry.

Consistent with the government's regulatory reform initiative, a number of opportunities have been identified to increase the efficiency of government administration of the industry, to minimise duplication and overlap in decision-making processes, and to streamline regulatory approval processes. These opportunities include clarifying the roles and responsibilities of various government agencies, improving the legislative provisions under which they work, and improving their accountability and review frameworks.



A number of changes to governance arrangements are outlined at Action 1 of the Strategy. These include:

- defining areas available for timber production within State forests in eastern Victoria as Working Forest Areas through an ongoing Allocation Order
- defining long-term management arrangements for Working Forest Areas through Working Forest Plans
- the Department of Sustainability and Environment retaining responsibility for formulation and review of the *Sustainability Charter for Victoria's State forests*, the *Code of Practice for Timber Production* and the State of the Forests Report.

The following existing governance arrangements will remain:

- VicForests will remain responsible for the commercial sale of logs from public State forests in eastern Victoria, including contractor harvest and haulage.
- Responsibility for any sales of logs from public native forest in western Victoria (for example, box ironbark and river red gum) will continue to be administered by the Department of Sustainability and Environment.
- The Department of Sustainability and Environment will continue to be responsible for public land-use policy, management and development.
- The Department of Planning and Community Development will continue to be responsible for land-use planning on private land, effected through local councils, consistent with the *Planning and Environment Act 1987*.
- Parks Victoria will remain responsible for the management and administration of designated parks and reserves, and the Department of Sustainability and Environment will continue to be responsible for the management of the remaining public native forest estate.
- Regional Development Victoria (Department of Innovation, Industry and Regional Development) will continue to be responsible for facilitating industry investment.

The following actions aim to further improve and clarify the Victorian Government's governance, institutional and organisational arrangements for administration of the sector.

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What the Victorian Government proposes

9.1 We will improve the governance and administration of VicForests.

The creation of VicForests under *Our Forests Our Future* has been an important reform for Victoria's timber industry. It has provided a number of benefits to the Victorian community, including:

- greater transparency in the management of Victoria's native forests
- a clearer split between the government's commercial operations and environmental regulation functions
- a transparent, market-based system of allocating both contracting work and forest product sales.

The time is now right for the government to undertake the next step of reaffirming VicForests' main focus and direction. In 2009, the Department of Treasury and Finance will lead a review of VicForests, in close consultation with the Department of Primary Industries. The Department of Treasury and Finance will also consult with relevant unions, industry and community organisations as part of this review.

The review will be broad-ranging. It will particularly examine:

- the tension between VicForests delivering annual dividends and maximising long-term economic returns to Victoria from areas of State forest available for timber production
- the challenge of ensuring that VicForests' operations and activities balance economic objectives with other broader Victorian Government policies and priorities
- whether VicForests' current governance and administrative arrangements are in line with best-practice.

In consulting with stakeholders, the review will be required to identify structural, policy and other reforms that will deliver measurable improvements in stakeholder satisfaction.

Where the review identifies appropriate reforms to governance or administrative structures and arrangements, these changes will be implemented. The review will report in sufficient time for any required reforms to be implemented in 2010.

9.2 We will create a Forest Practices Unit within the Department of Sustainability and Environment to streamline implementation of the Code of Practice for Timber Production on public and private land.

Currently, administration, application and audit of the *Code of Practice for Timber Production* is complex, and in some situations, problematic.

On public land, current arrangements involve three different bodies: the Department of Sustainability and Environment has an oversight role over VicForests staff who implement the code at an operational level; and auditors accredited by the Environment Protection Authority conduct regular audits of compliance with the requirements of the code by both the Department of Sustainability and Environment and VicForests.

On private land, local government has responsibility for ensuring compliance with the code, which is implemented by the forest owner or some other designated person. Local government has long argued that it has neither the expertise nor resources to perform this task. Private forestry companies argue that they employ professional foresters to perform this task.

Consistent with the desire to improve the effectiveness of governance arrangements for the timber industry in Victoria, the Victorian Government proposes to make significant improvements to the current arrangements. The government will streamline current arrangements and make these consistent with public policy settings by establishing a new Forest Practices Unit within the Department of Sustainability and Environment.

The Forest Practices Unit will be responsible for:

- overseeing development and regular revision of the content of the code
- initiating or sponsoring research into areas of code operation and content
- training and accrediting persons ('accredited forest practitioners') who will be qualified to implement the code on public and private land in Victoria. This will include VicForests and Department of Sustainability and Environment staff; staff working for forest companies, local government officials and private individuals (for example, environment and forestry professionals providing code implementation services to industry)
- monitoring and enforcing code compliance on public land, based on random and other regular audit processes (note that in relation to private land local government will retain responsibility for ensuring compliance with the code. These arrangements enable councils to draw on the expertise and credibility of the Forest Practices Unit as a state-wide resource for ensuring consistent application of the code)
- reporting to the Minister for Environment and Climate Change annually on the level of code compliance across Victoria's forest estate (public and private land)
- liaising with similar bodies at national and international level, and making recommendations to the Minister for Environment and Climate Change on how implementation of the new arrangement could be improved in future.

The Forest Practices Unit will be assisted by an independent technical advisory panel.



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9.3 The Minister for Agriculture will continue to be responsible for commercial forest policy.

The Minister for Agriculture is responsible for commercial forest policy for Victoria's timber industry on public and private land.

In relation to the native timber industry sector, this includes providing oversight and guidance to VicForests on operating in a framework that is consistent with Victorian Government policy and priorities.

In relation to the plantation forestry industry sector, the Minister for Agriculture will be responsible for forestry industry development, as consistent with the policy directions in the *Future Farming* strategy, and the Minister for Agriculture's existing oversight of agricultural industry development in the rural zone of Victoria.

The Minister for Environment and Climate Change will have a continuing role in forest policy, as it relates to biodiversity, conservation and sustainability objectives.

In light of the streamlining of governance arrangements outlined at Actions 1 and 9, a summary of the responsibilities of various ministers and government agencies involved in administration of Victoria's timber industry is as follows:

Figure 3: Revised governance arrangements implemented by the Timber Industry Strategy

Government Agency	Responsible minister / board	Responsibilities
VicForests	VicForests Board	<ul style="list-style-type: none"> Implements government policy Timber harvesting and sales from Working Forest Areas Works with the Department of Sustainability and Environment to develop Working Forest Plans for Working Forest Areas in eastern Victoria, correlating with the ongoing Allocation Order, for sign off by the Minister for Environment and Climate Change and minister responsible for VicForests (VicForests shareholder) Undertakes other forest management activities by agreement with the Department of Sustainability and Environment (eg. domestic firewood and harvesting in west of state)
Department of Sustainability and Environment	Minister for Environment and Climate Change	<ul style="list-style-type: none"> Public land-use determination Public land manager for State forests Environmental policy and regulation (biodiversity and conservation) Establishes sustainable forest management framework Prepares ongoing Allocation Order for sign off by Minister for Environment and Climate Change Works with VicForests to develop Working Forest Plans for Working Forest Areas in eastern Victoria, correlating with the ongoing Allocation Order, for sign off by the Minister for Environment and Climate Change and Minister for Agriculture Monitoring and reporting on public native forest estate
Department of Sustainability and Environment - Forest Practices Unit (headed by Chief Forest Practices Officer)	Minister for Environment and Climate Change	<ul style="list-style-type: none"> Environmental regulation (<i>Code of Practice for Timber Production</i>, public and private land) Audit of compliance with Code of Practice for Timber Production for public and private land
Department of Primary Industries	Minister for Agriculture	<ul style="list-style-type: none"> Commercial forest policy (public land and private land)
Department of Treasury and Finance	Treasurer	<ul style="list-style-type: none"> VicForests shareholder
Department of Planning and Community Development	Minister for Planning	<ul style="list-style-type: none"> Land-use planning on private land (delivered via local government) Implementation of <i>Code of Practice for Timber Production</i> on private land (delivered via local government)
Department of Innovation, Industry and Regional Development	Minister for Regional and Rural Development Minister for Skills and Workforce Participation	<ul style="list-style-type: none"> Regional development, investment facilitation Skills and workforce participation Industry innovation
Local Government	Councils	<ul style="list-style-type: none"> Determine compliance with <i>Code of Practice for Timber Production</i> on private land