

PRIVATE AND CONFIDENTIAL

Victorian Forest Industry Taskforce Statement of Intent

Contents

1. Introduction	2
2. Process to Date	3
3. Stakeholders and Constituents	7
4. Snapshot: Certainties and Uncertainties - Status Reports	8
5. Statement of Intent	10
6. Opportunities for Change	12
a) The Establishment of New Parks and Reserves	12
b) Threatened Species Protection	13
c) Industry Investment and Growth	13
d) Wood and Fibre Supply Security	14
e) Carbon	15
f) Jobs and Regional Employment	16
g) Regulatory Revision and Reform	17
7. Next Steps, Interim Recommendations and Initial Requests	18
7.1 Future Industry Plan	18
7.2 Future Conservation and Parks System Plan	19
7.3 Separate and concurrent initial investigations undertaken by VEAC	19
7.4 Progressing Carbon Methodologies	20
7.5 Developing a Regulatory Review and Reform Process	20
7.6 Continuing and finalising the Taskforce Areas of Inquiry	20
8. Timeline	21
9. Conclusion	22

1. Introduction

The primary purpose of the Forest Industry Taskforce (the Taskforce) is to arrive at a set of long-term, durable recommendations and proposals for government concerning the future of Victorian forests (east of the Hume Highway), including industry dependent on the forest, jobs reliant on this industry, and the conservation of forest ecosystems and threatened species.

The Taskforce agrees that the current ‘business-as-usual’ response to the many complex issues facing Victoria’s forests is insufficient, and that to continue in this way will be of detriment to all stakeholders and the broader community. Wood and fibre supply and forest dependent industry appears to be uncertain in its current form, fragile ecosystems are diminishing and the effects of climate change and natural disasters increase uncertainty. It is agreed that there is increasing pressure on reducing forest resources.

The challenge then, is to reframe our understanding of the issues facing the forest at a systemic level, and to re-conceive the opportunities and possibilities that lie within the forest in order to ensure industry growth, secure jobs and the health and wellbeing of the environment and the species within it. This challenge requires a new and different approach.

The Taskforce has undertaken a collaborative process of research, dialogue and decision making, aimed at deepening a shared understanding of the multitude of issues and challenges facing the forest and forest industry, with a view to securing a viable, durable future. The outcomes of this process are still being realised, and will take the form of a set of final detailed recommendations and proposals based on independent research, data, consultation, dialogue and agreement by the Core Group.

2. Process to Date

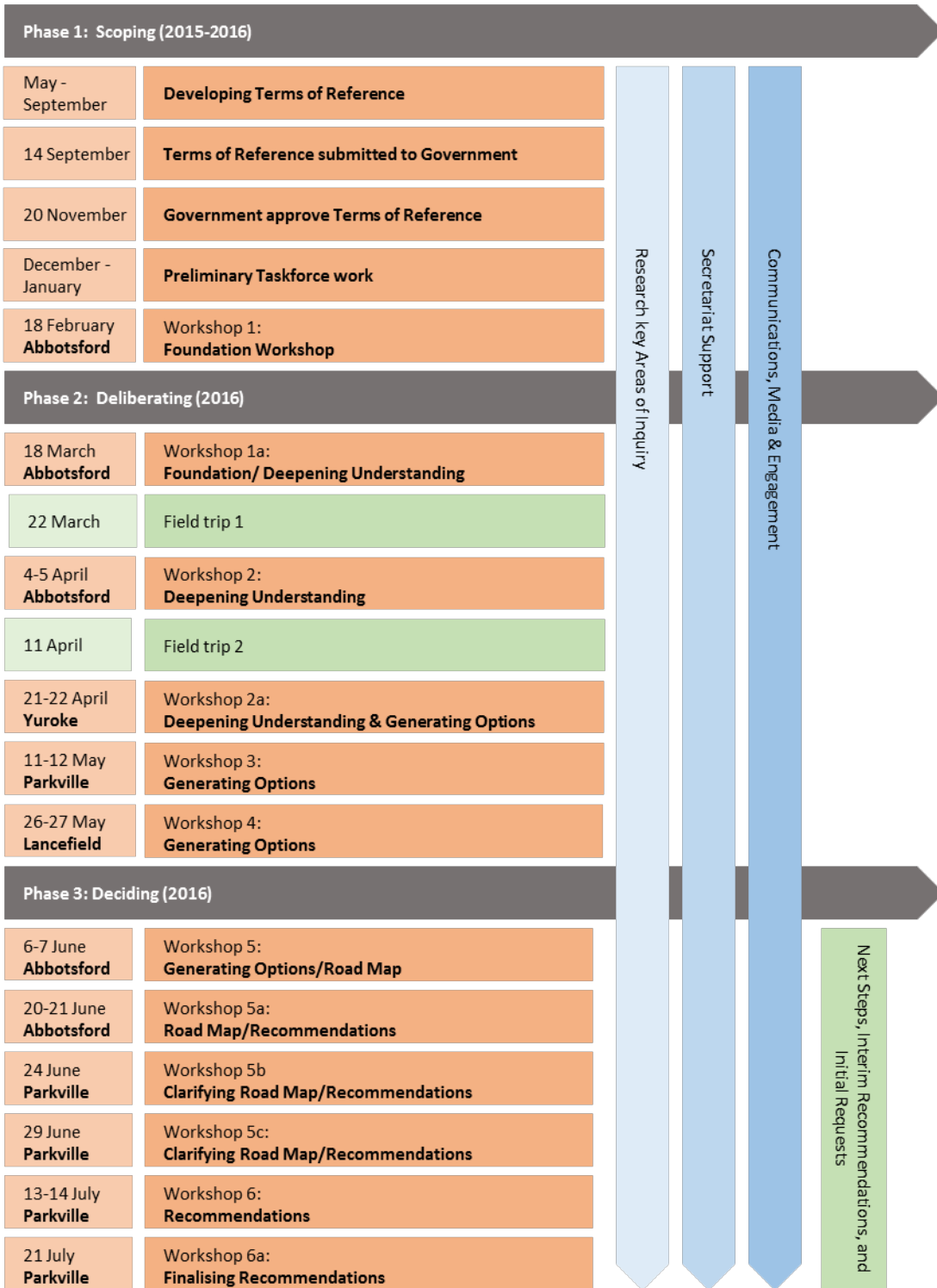
The Taskforce Core Group is comprised of a Planning Group including Jane Calvert (Construction Forestry Mining and Energy Union – CFMEU), Tim Johnston (Victorian Association of Forest Industries - VAFI), and Amelia Young (The Wilderness Society Victoria - TWS Victoria), as well as Alex Millar/Anthony Pavey/Travis Wacey (CFMEU), Vince Hurley (Australian Sustainable Hardwoods - ASH), Julian Mathers/Peter Williams (Australian Paper - AP), John McConachy (harvest and haulage contractors), Sarah Rees (MyEnvironment), Matt Ruchel (Victorian National Parks Association - VNPA), and Jess Abrahams (Australian Conservation Foundation - ACF).

In addition, the Core Group is supported by the State Government through the appointment of an independent Chair, Professor Don Henry (University of Melbourne), a Secretariat to fulfil administrative, research and other support and logistics tasks, as well an independent facilitation team. The Areas of Inquiry (as detailed below) have involved advisory and working groups.



Given the issues facing the Taskforce are of high complexity, a durable outcome requires a collaborative, generative, creative and systemic approach. Therefore, as outlined in the Terms of Reference, the Taskforce has progressed through three phases: *Scoping*, *Deliberating*, and *Deciding*.

Forest Industry Taskforce Process and Activity Plan



The Taskforce is endeavouring to address complex, multidimensional problems that are decades old and seemingly intractable. These problems have never been solved before in a durable way, and the systemic interdependence of issues means they cannot be tackled successfully piece by piece.

This complexity is heightened by the diversity of stakeholder perspectives such that it has traditionally been difficult to agree on what the problems are, let alone what the solutions could be.

Government and key stakeholders recognise previous approaches for addressing these problems have been disjointed, short-term and limited. The Taskforce also acknowledges that relying on existing approaches and usual ways of working are also insufficient.

Thus the Taskforce's approach has been inquiring, systemic, participatory and creative. The unique structure of this process has enabled Core Group members to build relationships, and more considered understandings of perspectives and needs.

During the *Scoping* phase members of the Core Group laid out the concerns and challenges facing their stakeholders and constituents. The *Deliberating* phase focussed on deepening a shared understanding and generating options to form the foundations for durable outcomes. The *Deciding* phase has been geared toward arriving at agreed recommendations for specific pathways to progress the work of the Taskforce.

The Taskforce has worked hard to create a safe space for dialogue in which to foster a shared understanding of all views in the room, and the views and advice of experts and other stakeholders.

Within this space, it has been important to identify key questions, agree on them and their interpretation, and achieve consensus on, and confidence in, different inputs. Recognising this is often an area of contention, the Core Group found it important to have sufficient time to scrutinise and interrogate research and data. The members have consulted experts, whilst commissioning further research, including to inform and address concerns of stakeholders and constituents, and best reach sound, robust and agreed conclusions.

The Areas of Inquiry to date, in no particular order, have included:

1. Plantations;
2. Parks and Reserves;
3. Land Use and Access;
4. Industry Analysis;
5. Fibre-based Jobs and Skills;
6. Ecosystem Services, Carbon and Water;
7. Regulation, Legislation and Management;
8. Silvicultural Systems;
9. Regional Development, Other Industries and Sectors;
10. Threatened Species and Plant Communities; and
11. Fire.

The information provided to date has enabled the Core Group to consider a range of scenarios, identify areas for further research, analysis and dialogue and has informed Opportunities for Change, Next Steps, Interim Recommendations and Initial Requests.

The creative and dynamic process undertaken by the Taskforce has been collaborative and systemic in its inquiry. The unique structure of the process has enabled Core Group members to build relationships, and more considered understandings of perspectives and needs. The Core Group recognised that complex, interdependent, and seemingly intractable problems cannot be solved individually, and must be considered together.

3. Stakeholders and Constituents

There are many interested parties in the forest and each perspective is different and valuable. The forest has economic and social value, as a place of industry, livelihood, community, recreation and education, as well as environmental value, providing biodiversity and habitat for unique native species, water filtration, carbon capture and sequestration and is a natural buffer against climate change. It also has spiritual and cultural value to Traditional Owners and other Victorians. Thus, stakeholders and constituents and their interests and concerns for the forest, are many and diverse.

As highlighted in the Terms of Reference, stakeholders and constituents include workers, other industries, timber-dependent communities in growing and processing areas, government including state and federal, local state authorities, agencies and departments, parliament, affected communities including local residents, farmers, regional towns, forest fibre and wood-based industries, Traditional Owners, forest conservation groups, other forest users including apiarists and recreational users and expert advisors including scientists and economists as well as the general public.



Whilst acknowledging these many viewpoints, the Taskforce cannot and has not sought to directly represent them all. Its focus is to represent the interests of forest, fibre and wood products industries and workers, and of forest conservationists. However, the Core Group is aware that progressing further will necessitate additional engagement with other stakeholders.

4. Snapshot: Certainties and Uncertainties - Status Reports

It became apparent to the Taskforce, in looking at current issues facing the industry, employment, economic activity, protection of our unique native flora and fauna and threatened species, that the carrying capacity of our forests is being stretched by multiple and concurrent expectations.

Major stakeholders share an experience of uncertainty about the future and there is a common desire to create greater certainty, where possible, for industry, jobs and conservation.

The areas of shared concern include:

- ongoing lack of wood and fibre resource security and market certainty which impedes new investment and in turn diminishes employment security and growth;
- lack of jobs growth, lack of security for existing jobs and stalled opportunities for skill development driven by the uncertainty surrounding businesses in the industry; and
- a lack of ecological integrity and security across the forest landscape which creates uncertainty and apprehension about the extent to which conservation values, threatened fauna and flora and ecosystem services are protected across eastern Victoria.

The Core Group agrees that, in no order of priority, it is certain that:

- forests will continue to be important for a range of values;
- fresh potable water will continue to be valued;
- bushfires will occur;
- there will be drought;
- humans will impact upon the environment;
- climate change will have impacts;
- people will continue to need and want jobs;
- global demand for wood fibre and wood products will continue to increase; and
- world markets and technological changes will continue to influence decision-making.

The Core Group agrees that:

- forest, fibre and wood products industries face the following challenges:
 - a range of business performance;
 - resource constraint;
 - limited investment in capital and skill development for some businesses;
 - changing environmental standards;
 - exposure to fluctuations in global currency, markets and commodities; and
 - impacts of change on industry, workers and some regional communities;
- jobs in the industry face the following challenges:
 - a lack of employment growth in forest, fibre and wood products industries;
 - limited capacity for improving employment standards and security; and

- stagnating career opportunities and entry;
- conservation and ecosystem health face the following challenges:
 - a lack of adequate protection of biodiversity values and ecosystem services;
 - vulnerability of some forest ecosystems and forest-dependent threatened species to extinction (including Leadbeater’s possum, large forest owls, galaxias complex, greater glider, etc.);
 - risk of ecological collapse for some ecosystems; and
 - impacts of change on some regional communities.

While the Core Group has grappled with many complex and challenging issues, there are a number of key questions that remain unresolved. These include:

- the role of the remaining 1939 re-growth Ash forest as a resource for industry;
- the degree to which the native forest component of industry feedstock is socially contentious;
- a mixed outlook for business performance;
- the degree to which the conversion of forest ecosystems results in devaluation of the ecological asset and leads to a decline in long-term viability of ecosystems;
- scope and scale of the opportunities for change; and
- timeframes for change.

Notwithstanding certainties, uncertainties and influences outside our control, the Core Group is committed to continuing to reach common ground on a durable, long-term set of recommendations and proposals to government, about future issues facing the industry, job protection, economic activity, and protection of our unique native flora and fauna and threatened species, such as the Leadbeater’s possum, that create security and certainty for all parties.

5. Statement of Intent

As members of the Taskforce, the Core Group is working cooperatively to agree durable solutions for Victoria's state forests east of the Hume Highway that will provide for improved conservation, economic and social outcomes.

Our intention is to continue dialogue and reach agreement to secure a durable future for Victoria's forests for industry, conservation, workers and the wider community. We acknowledge that responsibility for delivering durable outcomes is shared by all members of the Taskforce and requires leadership.

The scope and scale of changes required for durability is not yet agreed, and will be informed by the next stage of Taskforce work.

The Core Group has identified a number of significant Opportunities for Change that will lead to a more durable future for all stakeholders. This Statement of Intent is integrated and interdependent. The Opportunities for Change inform each other and one cannot be delivered without the others - all are required, not just some. The opportunities include:

- a) The Establishment of New Parks and Reserves;**
- b) Threatened Species Protection;**
- c) Industry Investment and Growth;**
- d) Wood and Fibre Supply Security;**
- e) Carbon;**
- f) Jobs and Regional Employment; and**
- g) Regulatory Revision and Reform.**

The Core Group has not yet reached a final set of detailed recommendations for government, however it has identified immediate next steps to further investigate the Opportunities for Change:

- a Future Industry Plan;
- a Future Conservation and Parks System Plan;
- two initial, separate, but concurrent and rapid Victorian Environmental Assessment Council (VEAC) investigations (*Conservation Values*; and *Fibre and Wood Supply*);
- development of carbon methodologies; and
- continuing the Areas of Inquiry.

While the scope and scale is yet to be determined, for a durable outcome, the Core Group expects final detailed recommendations will need to include both:

- guaranteed improved outcomes for biodiversity and control of threats to conservation values that will provide secure conservation outcomes, including through establishment of new parks and conservations reserves in eastern Victoria; and
- guaranteed wood and fibre supply that will provide secure economic outcomes for the short, medium and long term, including through a mix of sources and designated areas.

The Core Group acknowledges that we operate in a changing environment and that future durability will be measured by the capacity of all relevant stakeholders, governments and processes, to be adaptable and flexible.

Next steps, mechanisms and processes to deliver Taskforce outcomes will require the timely support of governments, their agencies and departments, and engagement with relevant stakeholders.

Appropriate and ongoing support and resourcing from State Government is required to realise the Opportunities for Change outlined in this Statement of Intent, and ensure they are embedded for a durable future.

6. Opportunities for Change

a) The Establishment of New Parks and Reserves

For a durable outcome, the Core Group agrees the need for solutions that guarantee improved biodiversity outcomes and control of threats to conservation values, including by establishing new parks and conservation reserves in eastern Victoria, with a range of tenures.

The Taskforce agrees that biodiversity values and threatened species need to be effectively protected and monitored across the landscape.

We agree key driving forces include, but are not limited to: the ecological integrity of the forest landscape; impacts and responses to climate change; fire severity and frequency; and Victorians' quality of life.

The Taskforce agrees the need to assess current uses of the eastern Victorian forest landscape, including the State Forests, in order to best secure durable economic, environmental and social outcomes.

While scope and scale is yet to be agreed, the Core Group agrees that new parks and conservation reserves, including national parks, are an agreed essential component of Victoria's conservation future. They will protect forested ecosystems and ecosystem services, and will maximise the persistence of vulnerable species in the wild, especially the Leadbeater's possum.

We agree that adequate, reliable and long-term funding is necessary for the effective care and sustainable management of existing and new parks and conservation reserves.

We agree there needs to be significant investment in new parks and conservation reserves to grow nature-based employment opportunities.

Next Steps

This work will be progressed through the 'Future Conservation and Parks System Plan', informed by the VEAC *Conservation Values* investigation, and will be included in the agreed terms of reference for these processes, and through the Areas of Inquiry (including Parks and Reserves; Threatened Species and Plant Communities; and Ecosystem Services Carbon and Water) with a view to making a final recommendation on the establishment of new national parks and conservation reserves.

Once this recommendation has been agreed, as indicated in correspondence from government to the Taskforce, a further scientific and independent VEAC investigation will assess and determine the scope and scale of any new national parks and conservation reserves. It will be based on scientific analysis of all available data and information on the habitat conservation needs of forest dependent species. This VEAC investigation's terms of reference will be developed and agreed by the Taskforce and recommended to government.

At the appropriate time, this VEAC investigation will involve community consultation with all relevant stakeholders, including but not limited to: recreational users; local government; government departments; scientists; conservation groups; community users; outdoors industry; tourism operators; the forest wood and fibre industries; other groups; and with Traditional Owners, including to identify opportunities to increase Traditional Owner management involvement, establish or improve shared decision making and management responsibilities, or joint- or co-management arrangements.

b) Threatened Species Protection

To protect and enhance the viability of forest health across the broader forest ecosystem, and the viability of threatened flora and fauna the Core Group agrees to:

- minimise the risk of extinction and maximise the probability of persistence in the wild;
- protect critical and high value habitat for forest dependent threatened species;
- the removal and/or mitigation of key threatening processes that can be readily addressed;
- the requirement for adequate, reliable, secure and on-going funding for the effective protection, monitoring and management of threatened species across all native forest tenures;
- the application of effective ecological restoration to degraded and fragmented native forest areas to restore habitat for threatened species; and
- ecosystem processes being recognised, valued and integrated into decision making about forest landscape management.

Next Steps

This work will be progressed through the 'Future Conservation and Parks System Plan', informed by the VEAC *Conservation Values* investigation, and the Regulatory Revision and Reform Process, will be included in the agreed terms of reference for these processes, and through the Areas of Inquiry (including Parks and Reserves; Fire; Ecosystem Services, Carbon and Water; Threatened Species and Plant Communities; and Regulation, Legislation and Management).

c) Industry Investment and Growth

The Core Group recognises the need to provide a secure resource for the forest, fibre and wood products industries over appropriate timeframes, acknowledging that industry investment cycles range from 3 to 80 years.

Within the forest, fibre and wood products industries there is a willingness to invest significant capital when long term wood and fibre security is assured. Growth in industry investment, diversification and stability will flow from this certainty.

The Core Group agrees there needs to be significant investment in the industry in order to grow wood and fibre based employment opportunities.

Next Steps

This work will be progressed through the 'Future Industry Plan', will be informed by the VEAC *Fibre and Wood Supply* investigation, will be included in the agreed terms of reference for these processes, and through the Areas of Inquiry (including Plantations; Industry Analysis; Fibre-based Jobs and Skills; Regulation, Legislation and Management; and Silvicultural Systems).

d) Wood and Fibre Supply Security

For a durable outcome, the Core Group agrees industry requires solutions that guarantee wood and fibre supply that will provide secure economic outcomes for the short, medium and long term, including through a mix of sources and designated areas.

Wood and fibre supply security and certainty is an agreed essential component of the Victorian forest, fibre and wood products industries.

We agree that key drivers of change include but are not limited to: social licence; cost pressures; customer preferences and the capacity of the forest to continue to provide resources and services.

The Core Group agrees that a secure wood supply best supports investment and jobs in the forest, fibre and wood products industries.

The availability of wood and fibre supply to industry from state forests is limited, has reduced over time, and remains under pressure and constrained.

The native forest estate will be reviewed to consider the viability of future supply and appropriate areas for use to secure durable economic, environmental and social outcomes.

While scope and scale is yet to be agreed, the Core Group agrees that a mix of public and private native forest, existing plantations and agroforestry, recycled fibre, and the development of new plantations and agroforestry will be elements for future wood and fibre supply. The Taskforce will consider recommendations for change in the existing mix of wood and fibre supply.

There is a shared recognition that there is currently a lack of available plantation sawlog resource volume, and that long term, there needs to be a diversified plantation resource that, with further research and development, allows for manufactured products from sawn timber.

For pulp and paper manufacturing, transition to plantation supply, including use of existing plantation resource, is viable for quality, quantity and potentially for short-term bridging supply, although at significant cost, that cannot be borne by industry or the market.

We agree the development of new plantations and agroforestry are subject to appropriate planning and environmental regulations, and recognise that an attractive investment environment is required, which may include direct and indirect government incentives.

A comprehensive and independent assessment of the entire wood and fibre supply resource is required to inform the sustainable yield and secure wood supply.

Next Steps

This work will be progressed through the 'Future Industry Plan', will be informed by the VEAC *Fibre and Wood Supply* investigation, and the Regulatory Revision and Reform Process, and will be included in the agreed terms of reference for these processes, and through the Areas of Inquiry (including Plantations; Industry Analysis; Fibre-based Jobs and Skills; and Silvicultural Systems), with a view to making a final recommendation on wood and fibre supply for the short, medium and long-term through a mix of sources and designated areas.

Once this recommendation has been reached, an agreed process will need to be initiated to determine the scope and scale of the future mix of wood and fibre supply, for plantation development, and for regulatory or legislative arrangements to provide ongoing security for wood and fibre supply from any designated areas. The terms of reference for this process will be developed and agreed by the Core Group and recommended to government.

e) Carbon

The Core Group agrees that consistent measuring and accounting for carbon is vital to understanding its value, and encouraging future investment.

Valuing carbon across the landscape presents significant opportunities for securing financial resources for industry development, landowners and securing forest protection and biodiversity benefits.

In a carbon constrained economy, the forest, fibre and wood products industries and the conservation of forest ecosystems, could contribute positive solutions to lowering Victoria's carbon emissions.

Developing carbon methodologies is an important next step in recognising the potential carbon value of productive plantations and native forests, and of and new parks and conservation reserves.

We recognise that in private and public land plantations and agroforestry, there are opportunities and challenges in obtaining carbon benefits, noting these require enabling policy settings and that there are a range of potential environmental, social and industry impacts and/or benefits.

We recognise that in native forests, there are opportunities and challenges in obtaining carbon benefits from the full range of different forest management regimes, including in new protected areas and in production of wood and fibre, noting these require enabling policy settings and that there are a range of potential environmental, social and industry impacts and/or benefits.

In order to explore these opportunities and encourage investment in forest management and protection, and to account for carbon, we agree that methodologies are required for measuring and accounting for carbon abatement in native forests and in plantations.

The Core Group agrees that state and federal government agencies should assess carbon opportunities and establish methodologies that are compliant with both international carbon accounting and trading standards and federal emissions abatement mechanisms.

Next Steps

In line with the above, the Taskforce requests governments promptly progress development of carbon methodologies, as they will usefully inform final Taskforce recommendations.

f) Jobs and Regional Employment

The Core Group agrees that the forest, fibre and wood products industries support direct and indirect employment and businesses across Victoria, and that these jobs are vital to the social fabric of local and regional communities and make a contribution to the economy.

It is agreed that decent, secure jobs in the forest, fibre and wood products industries, are fundamentally reliant on investment, secure wood supply, market certainty, and skills development and training.

The Core Group agrees that other industries, including nature-based businesses, the outdoors economy, tourism, and other primary production, support direct and indirect employment and businesses, and are also vital to local and regional communities across Victoria and make a contribution to the economy.

The Core Group supports the need for durable outcomes that build strong, resilient communities and decent and secure jobs for workers and contractors in the industry, and throughout metropolitan and regional Victoria.

The Core Group agrees that jobs maintenance and growth is important and we support the creation of diverse and emergent employment opportunities, including in:

- additional value-added wood and fibre products and other downstream processing;
- the establishment, maintenance and management of new plantations and agroforestry; and
- the outdoors economy, recreation, tourism, water, parks and fire management, and ecological restoration.

The Core Group supports the need for no net job losses and for orderly and just transition for any workers where employment changes arise. A just transition includes, but is not limited to: support for additional training; assistance and support for job seeking; further employment and redundancy payments; and relocation assistance.

Next Steps

This work will be progressed through the 'Future Industry Plan', and in the 'Future Conservation and Parks System Plan', the Areas of Inquiry (including Fibre-based Jobs and Skills and Regional Development, Other Industries and Sectors), and will be included in the agreed Terms of Reference for these processes.

g) Regulatory Revision and Reform

The Core Group agrees that the current regulatory framework is unclear, uncertain and requires transformation which is fundamental to ensuring security for industry, wood and fibre supply, conservation values, threatened flora and fauna and employment.

We agree that for durable outcomes, an evidence-based review of laws, regulations and forest practice codes is required. This should include, but should not be limited to: potential new, modernised or amended legislation and regulation; a range of options for accountability and enforcement (including processes for dispute resolution); forest management practices including silvicultural regimes; carbon values; prescriptions for protecting threatened flora and fauna; and a review of the process to establish and review sustainable yield.

This review will draw on agreed and appropriate expertise and evidence from relevant experts and stakeholders.

Next Steps

This work will be progressed through an agreed process for the above-mentioned review, drawing on advice from relevant experts and the Areas of Inquiry (including Silvicultural Systems, Threatened Species and Plant Communities, and Regulation, Legislation and Management). The terms of reference for this review will identify relevant experts to undertake the review, and will be developed and agreed by the Taskforce and recommended to government.

7. Next Steps, Interim Recommendations and Initial Requests

In order to realise the above Opportunities for Change, detailed analysis and verification of data is required to support consensus decision-making.

The Core Group has agreed on a series of work streams that need to be undertaken in order progress the Opportunities for Change and reach agreement about a final set of detailed recommendations.

These are:

- 1. Developing a Future Industry Plan;**
- 2. Developing a Future Conservation and Parks System Plan;**
- 3. Commencing two separate and concurrent initial investigations undertaken by VEAC;**
- 4. Progressing carbon methodologies;**
- 5. Developing a regulatory review and reform process; and**
- 6. Continuing and finalising the Taskforce Areas of Inquiry.**

Each of the work streams 1-3 requires its own agreed terms of reference to be developed and agreed by the Core Group, and recommended to government. Each of the work streams 4 and 5 requires its own agreed proposals or work plans. In each case, the terms of reference, proposals or works plans, will be consistent with the Taskforce Terms of Reference and shall consider:

- impacts and opportunities for jobs;
- the potential impact of fire;
- the required governance structures needed for the short and longer-term;
- funding;
- carbon; and
- climate change.

7.1 Future Industry Plan

An integrated 'Future Industry Plan' will be developed. The Plan will take into account and make recommendations about, but not be limited to: wood and fibre supply mix; land capability; plantation species and silviculture; the potential role of carbon in forestry; verified sustainable yield; processing and manufacturing; marketing opportunities; and the financial frameworks required for investment. It will investigate further options for industry innovation and support, plantation development, research and development and job outcomes. The Plan will also take into account current geography, infrastructure, and processing capacities and skills and will involve stakeholder engagement.

It is proposed that this 'Future Industry Plan' be developed in consultation with, but not limited to: industry members; forestry and industry experts; VicForests and other government agencies; unions and other relevant stakeholders as required.

The Plan will develop an estimated future wood and fibre demand and through this the Core Group will explore opportunities for: a secure resource and fibre mix (both short and longer-term); investment and capacity building; products in markets; industry change; viable timelines for change; and skilled and well-paid jobs.

This Plan will involve an agreed independent verification and assessment of key data inputs, and the process will be developed and included in the terms of reference for this plan.

Based on the 'Future Industry Plan', the VEAC *Fibre and Wood Supply* investigation, and other Areas of Inquiry work, consideration will also be given to the future mix of wood sources, and timing and availability of each, and future application of silvicultural methods.

7.2 Future Conservation and Parks System Plan

A 'Future Conservation and Parks System Plan' will be developed. The Plan will explore opportunities for and make recommendations about protecting ecosystem services and values, funding for future investment in conservation and parks, forest carbon, threatened species, skilled and well-paid jobs, and restoration of the landscape, and investigate off-park infrastructure and programs that optimise conservation outcomes, support nature-based tourism and regional employment and business opportunities.

It is proposed that the 'Future Conservation and Parks System Plan' be developed in consultation with key stakeholders and experts including, but not limited to: academics from relevant universities (including the Australian National University, Deakin University, the University of Melbourne, Griffith University); the Threatened Species Scientific Committee; Parks Victoria and other government agencies; the Threatened Species Commissioner; Outdoors Victoria; land managers; land users; and other relevant stakeholders as required.

This Plan will involve an agreed independent verification and assessment of key data inputs, and the process will be developed and included in the terms of reference for this Plan.

Based on this Plan, the VEAC *Conservation Values* investigation and other Areas of Inquiry, consideration will also be given to the future mix of parks and reserves, to conservation science, and identify needs for regulatory reforms, the habitat conservation needs of threatened species, and the role of ecosystem services in forest conservation.

7.3 Separate and concurrent initial investigations undertaken by VEAC

The Core Group recommends that two initial, separate and rapid VEAC investigations be concurrently commissioned in order to undertake an assessment, and verify data to be used for decision-making.

The terms of reference for these two VEAC investigations will be developed and agreed by the Taskforce and recommended to government.

The VEAC *Conservation Values* investigation involves identifying and assessing biodiversity and ecological values, current and likely threats to these values and opportunities to reduce or remove these, and public land use and management in state forest in Regional Forest Agreement (RFA) areas east of the Hume Highway. This investigation will be informed by landscape-wide biodiversity, taking into account relevant state, regional and local levels, and conservation values in existing and new national parks and other reserves, as well as economic, social and environmental values. This investigation will supply data for determining the viability of future national parks and reserves.

A separate but concurrent VEAC *Fibre and Wood Supply* investigation will assess the viability of, and capacity for, current volumes and potential fibre and wood supply areas in RFA state forests east of the Hume Highway, informed by whole of community benefits including economic, social and environmental values. This investigation will supply data for determining the viability of future supply and viable timelines for industry change.

It is recognised that timing is a factor and that these investigations must be completed prior to final detailed recommendations on the scope and scale of the Opportunities for Change, as they are two of the key inputs required for the Taskforce to produce durable outcomes.

Both of these investigations will be consistent with the Taskforce Terms of Reference.

7.4 Progressing Carbon Methodologies

The Core Group requests governments promptly progress development of forestry carbon methodologies, as they will play a key role in informing and implementing Taskforce outcomes.

7.5 Developing a Regulatory Review and Reform Process

The Core Group will develop a process for this review and will recommend it to government as part of agreed terms of reference, which will also identify relevant experts to undertake the review.

7.6 Continuing and finalising the Taskforce Areas of Inquiry

To support consensus decision making, further detailed analysis and verification of data will also be progressed through the ongoing Areas of Inquiry. In addition, the Taskforce will continue to work on ongoing future durability and governance structures and processes and stakeholder engagement in order to reach final detailed recommendations.

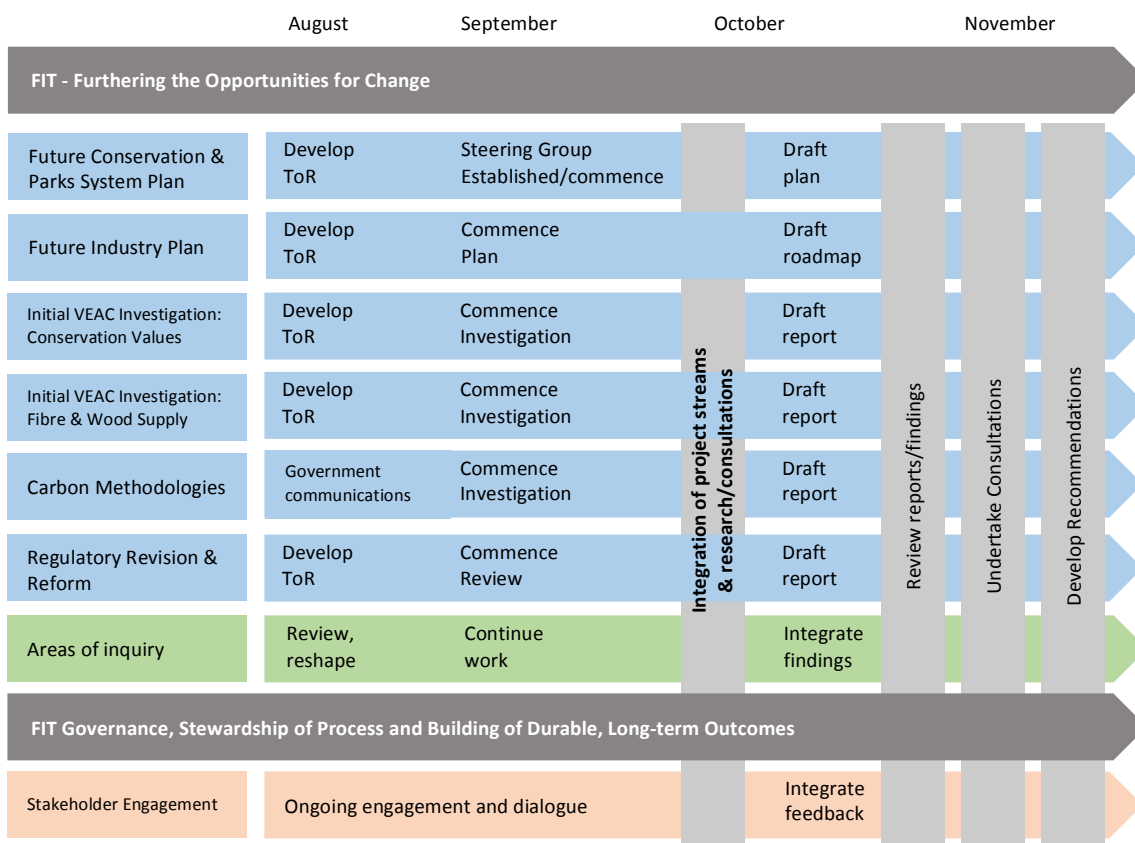
8. Timeline

Below is a timeline that outlines how the Taskforce would ideally proceed with these and other work streams.

The Core Group acknowledges that the ideal timeline is ambitious; however it is crucial that the Opportunities for Change are considered and resolved in a timely manner and we therefore request that the Government provide adequate resources and support to allow for this to occur.

The Core Group will develop terms of reference for the above planning, investigation and reviewing processes by mid-August, with a view for these processes to commence in early September. While these processes would ideally conclude by November 2016, the timeline for completion will be reviewed as part of the finalisation of the terms of reference.

Next Phase: Forest Industry Taskforce – Ideal Timeline



9. Conclusion

Victoria's forests are vitally important to a broad range of interests and the Core Group has worked hard to more deeply understand the issues facing major stakeholders in the forest, fibre and wood products industries, unions and conservation groups.

This Statement of Intent presents a shared understanding of the challenges and opportunities, and a consensus approach on the next steps to build a durable outcome.

The members of the Core Group are of the strong view that a generative, creative and systemic approach will best deliver durable, long-term outcomes for forest, fibre and wood products industries, the jobs reliant on this industry, the conservation of forest ecosystems and threatened species, and a plan for the good stewardship of Victoria's forests that can be embraced by the Victorian community.