

Regional Forest Agreements Reference Group

Report of Advice
September 2019

The Reference Group was appointed to enable representatives of key organisations representing diverse community and commercial interests to work together to provide advice on potential changes to the Victorian RFAs. The Reference Group provides a forum for strategic discussion of relevant issues and opportunities, informed by contemporary science and community values.

Meeting 1: Monday 13 May 2019

Meeting 2: Monday 3 June 2019

Meeting 3: Monday 1 July 2019

Meeting 4: Monday 29 July 2019

Meeting 5: Monday 12 August 2019

Chair Jane Brockington

Attendees Ian Cane, Victorian Apiarists Association
Wayne Hevey, Four Wheel Drive Victoria
Tim Johnston, Victorian Association of Forest Industries
Andrew Knight, Outdoors Victoria
Jonathan La Nauze, Environment Victoria
Mike Nurse, Federation of Victorian Traditional Owner Corporations
Amelia Young, The Wilderness Society

Introduction

The Regional Forest Agreement Reference Group was commissioned by the Deputy Secretary, Forests, Fires and Regions, Department of Environment, Land, Water and Planning (DELWP) in May 2019. It was commissioned in the context of the Victorian Government's work and negotiations with the Commonwealth of Australia towards renewal of the Victorian Regional Forest Agreements as part of the Victorian forest modernisation program.

Specifically, the Reference Group was asked to provide strategic advice to the Minister through DELWP on how to best achieve the Victorian Government's objectives of modernising the Victorian RFAs and forest management system to:

- drive strategic, landscape-scale management of multiple forest values
- provide greater opportunity for local communities in the sustainable management of forests
- simplify the RFA framework and increase regulatory certainty
- increase the transparency and durability of forest management and
- improve the long-term sustainability and viability of forest-based industries.

The Reference Group comprised seven representatives of organisations involved in forest management and advocacy from:

- environment non-government organisations
- the timber industry
- the apiary industry
- the tourism and educational industries
- recreational users and
- Traditional Owners.

In parallel to the Reference Group, an independent Scientific Advisory Panel (SAP) was also commissioned to provide advice to DELWP and it was anticipated the two groups would inform the other's work.

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Approach adopted

The timelines for the Victorian-Commonwealth negotiations on the renewed RFAs are short, with the aim for the renewed RFAs to be confirmed by March 2020. There was concern about the short time-frame available for the Reference Group to diligently undertake its work and substantively explore each of the themes. However, to inform and influence the negotiations, the Reference Group agreed to meet regularly.

Between May and August 2019, the Reference Group met five times to formulate advice to DELWP on the renewal of the Regional Forest Agreements (RFAs). It agreed to adopt a thematic approach adopting the seven negotiating themes Victoria is using to frame the negotiations to provide structure and focus to its work. These are:

- Review and accountability
- Forest management system
- Environmental protections
- Timber industry development
- Other forest values and uses
- Traditional Owner rights and partnership
- Research priorities (primarily addressed by the Scientific Advisory Group).

The Reference Group determined key questions that required attention for each theme, and the inputs to support these considerations (refer to [Attachment 1](#)).

The Reference Group's discussions were facilitated by an independent Chair and conducted under the Chatham House Rule to encourage trust amongst members to speak freely and openly. The Reference Group was supported administratively by a Secretariat in DELWP and an independent scribe. The Summary Reports of the Reference Group are not a verbatim record and comments are not generally attributed to individuals. The reports are available on the DELWP [Future Forests](#) website.

To inform the Reference Group's work, DELWP provided briefs at each meeting on the overarching Forest Modernisation Program and within this the RFA renewal process and invited subject leads from within DELWP and other parts of government to speak on specific topics. From time to time, the Reference Group also sought further advice from DELWP on matters of fact or clarification. The Chairs of the Scientific Advisory Panel and of the Reference Group attended meetings and provided updates on the work of their group as part of the exchange between the groups.

All members agreed that the existing RFAs have not realised the ambition and outcomes sought when they were signed more than 20 years ago – notably in terms of ecological conservation and diversity outcomes though it has also failed to provide certainty for industries and communities - and that the pressures facing our forest reserves and resources require different approaches to the past. Beyond this starting point, Reference Group members' views regularly diverged through the discussions, for example, on the question of whether RFAs should be renewed or allowed to expire. It was also noted that as there are no provisions to create new RFAs, and that some existing RFA clauses are not open for change, the ability to fully modernise the RFAs is likely to be constrained.

Nonetheless, the Reference Group's work was undertaken within existing policy settings and the lens of the renewal of the RFA legal instruments. The focus was on what changes could be implemented to improve the outcomes realised through the renewed RFAs, although, as is reflected in the Summary Reports, the discussion of the themes often extended to broader matters. Importantly, the Reference Group was not required to, and did not, achieve a consensus view.

The Reference Group often discussed 'multiple use' as an approach to forest management under the RFAs and more broadly. The term is frequently misunderstood, can mean different things to different interests and, therefore, is difficult to give practical effect to. For the purposes of its work and as a working definition in the renewed RFAs, the Reference Group takes 'Multiple use' to mean managing the natural world as a holistic natural system, for all its

ecological, productive and cultural values and processes. The Reference Group considers this a core concept in forest management that should be integrated into both the renewed RFAs and forest management systems generally.

The following advice is a summary and distillation of the key elements of the Reference Group's discussion around the themes. As noted above, it does not represent a consensus view in all aspects.

Theme 1 – Review and Accountability

The Reference Group consider the renewed RFAs need to take a broad view in order to achieve an equitable and sustainable approach to forest use. To support this, the RFA reviews should:

- be outcomes based
- recommend change based on the best available science and Indigenous cultural knowledge, and therefore involve information exchange (not just information management)
- have specific and clear objective(s), scope and outcomes to be achieved and establish a clear link between the process of review and those outcomes
- be transparent, consultative and take into account the needs and views of all forest users
- take a comprehensive view of environmental, social, cultural and economic costs, (dis)benefits and environmental economic accounting
- have regard to and assess all relevant matters including:
 - the extent to which the RFA objectives are achieved
 - the extent to which the RFA accredited state systems meet the EPBC Act requirements
 - institutional and management arrangements
 - relevant international agreements notably the Paris and Kyoto Agreements and
 - the effectiveness and performance of the forest management system
- engage Traditional Owners in the RFA review, particularly around cultural values and the planning and management arrangements to protect those values, including the further development and enabling of country plans
- be evidence-based and underpinned by cultural knowledge, robust scientific data, research and analysis to support findings and recommendations, rather than take a checkbox approach
- be flexible to take account of relevant changes occurring over the 20-year life-cycle of the RFAs including changes in policy and legislation, scientific understanding, forestry practice, climate and other environmental changes, and not create barriers to alternative pathways, particularly with regards to any Treaty outcomes
- be aligned with climate responses and requirements
- review the extent to which RFAs are delivering on national forest policy objectives, and their alignment with national and international forest, climate, and human rights obligations
- be independent, meaningful, authoritative and influential. Potential review models include:
 - a single reviewer – recognising the difficulty in finding an appropriately qualified and respected person who is not conflicted – supported by a formalised list of groups to be consulted and have input to the review findings, or

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- a review committee appointed to prevent bias from a single reviewer - recognising this might exacerbate the appointment challenges, or
- the Victorian Commissioner for Environmental Sustainability – recognising that this would in effect be the Victorian Government is reviewing itself, or
- the Productivity Commission as auditor.
- be well-resourced and have sufficient time and resources to be conducted thoroughly
- be timely, regular and conducted when scheduled if not triggered before
 - there was discussion over the appropriate length of the review period, to balance the adaptability of the RFAs with providing enough time for changes to be implemented properly between reviews. Suggestions were for three, five or seven year review cycles.
- Potential triggers for bringing on an early review could include:
 - events that impact forest reproductivity
 - environmental and weather events including bushfires, severe frosts and droughts, and other large-scale or severe climate events
 - a species is uplisted as threatened, vulnerable or endangered
 - a change in demand for forest industry products or
 - the changing needs or rights of Traditional Owners and/or failure in Traditional Owner consultation and partnership.

To strengthen accountability of the RFAs, Governments should make explicit, measurable commitments to:

- clearly articulate the purpose of and outcomes sought through the RFAs, then monitor, measure, report and act on these
- annual partnership meetings as check-in points
- regular monitoring and reporting (potentially annually) on the impacts of forest uses including forestry operations, non-timber industries, water harvesting, recreational, cultural to inform adaptive forest management
- support transparent, holistic and consultative review processes and their timely conduct
- provide adequate time and resources to the reviews
- support and invest in ongoing and enhanced monitoring and data collection, and
- clearly demonstrate that review insights and recommendations are considered and acted upon.

Theme 2 – Forest Management System

The Reference Group considered the Forest Management System, discussing the improvements to the RFAs to support adaptive forest management systems, commitments required to achieve these improvements, what role accreditation might play in the RFAs and how the RFAs can support social license for all forest industries.

The Group agreed that renewed RFAs should be inclusive, rather than exclusive and describe the core features/criteria of an adaptive Forest Management System against which accreditation is comprehensively assessed. These include:

- objectives and plans to protect biological diversity, ecosystem services and other conservation values
- values and implements both best available Western science and Traditional Owner knowledge

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- adapts based on research and collected data, and has an emerging issues focus rather than making knee-jerk or hasty decisions
- is evidence-based and transparent and includes a holistic monitoring and evaluation framework (the Reference Group has provided a definition of multiple use; this criterion should be assessed with that in mind)
- is underpinned by robust and comprehensive data and analysis, recognising that models and outputs can only be as good as the data that are fed into them
- is informed by state and Commonwealth data, as broader data will provide a more comprehensive picture of climate change and impacts on forest ecosystems, for example, from population growth pressure
- provides sufficient ongoing resources via agencies to support ongoing monitoring, review and reporting
- provides guidance on what adaptability is but acknowledges that 'adaptable' will have different meanings and expectations for different users and interest groups
- can be adapted in response to Traditional Owner input on living culture as part of working in true partnership
- takes into account all relevant Australian and international legislation and agreements, including international climate and human rights agreements,
- avoids decision-making becoming centralised and remote from on-the-ground experience and practice
- has regard to tenure on a case by case basis, for example:
 - habitats and ecosystems defy human-created boundaries and definitions, and so a tenure-blind approach may potentially allow aspects of some ecosystems to fall through the gaps, or
 - restrictions which may mean, for example, that equitable access does not necessarily mean equal access to all forest areas, for all uses, at all times, and
- could be harnessed as a tool for broader community learning and engagement.

The role of accreditation, particularly third-party accreditation or standards, within the renewed RFAs is challenging as the RFAs are legal instruments of government and third-party standards may change in ways that diverge from the RFAs and forest management policy and goals.

Relevant elements of an appropriate standard, for example the FSC standards, could be incorporated into the RFA accreditation process. At a minimum, the renewed RFAs should be aware of such standards and not create disincentives for business seeking accreditation.

Whether these standards are included or not, the forest management system in the RFAs must incorporate:

- sustainable yield numbers that take into account all timber – pulp as well as sawlog – and possibly waste wood that is burned post-harvest, in order better assess the actual volume of timber harvested
- ongoing research and monitoring of the effects of various uses and the impacts of climate change on Victorian forests
- monitoring and improving water and catchment health to inform a holistic view of the forest ecosystem
- the effects of bushfires on estimates of sustainable yields, forest ecosystems, and the forest management system more broadly
- Traditional Owner cultural values

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- forest management plans that capture changes to all forest values across time, and
- consideration of systemic issues and overlays, for example: reviews or new regulation may cause flux in the regulations and make it difficult to determine the impact on the operation of the RFAs.

A 'social license to operate' is an oft used but vexed term and frequently means different things to different interests. Broadly social license was considered to be the community perceiving that an activity operates within society's values or goals and is often reflected in or permissioned by government policy and regulation. Where the community or part of the community perceives an activity diverges from its values or goals, it may seek changes to the authorising environment (potentially legal, civil or moral) to bring an activity back into line or to stop it all together.

In the context of forests, social license may be supported or enhanced if the renewed RFAs:

- require responsible forest management and responsible behaviour of all actors in the system, and measurement of this on an outcomes basis
- build trust and predictability (currently missing from the RFAs and forest management systems they accredit)
- reflect the values and goals of all forest users, and regulation and forest management systems demonstrably achieve those goals
- support genuine consultation and engagement so all users have an equal voice at the table
- provide for equitable (but not necessarily equal) access for all forest users
 - in theory, an adaptive system providing adequate accreditation, with a strong and accountable review process could foster social license, but
 - this may be compromised given the current RFA design affords preferential treatment by accrediting and granting exemptions to some users but not others
- science and cultural values must inform the RFAs and the forest management system at a fundamental level
- provide for regular, transparent reviews and accountability mechanisms demonstrably undertaken robustly and in a timely fashion, in contrast to the current arrangements
- consider and adapt to future forest industry and uses, and sensibly and fairly treats with the consequences of these, for example:
 - potential augmentation of plantation estates or
 - potential changes in silviculture practices for native timber harvesting or
 - the continuation of clear-felling practices or
 - consideration of forests harvesting for biomass energy production.

Theme 3 – Environment Protections

The Reference Group discussed the topic of environmental protections: how the RFAs can ensure there are adequate provisions to protect the environment, the CAR reserve system and its effectiveness, and the implications of climate change and other large-scale natural disruptions, and potential implications for the renewed RFAs.

This was a challenging and contested theme for the Reference Group. It was generally accepted that due to the complexity of forest systems, changes and impacts due to climate change increases uncertainty and are

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challenging to predict and, therefore, science and research are essential and need to continue. Beyond this, views diverged.

The following are considered important for the RFAs and forest management systems to enhance and strengthen environmental and biodiversity protections, but do not necessarily represent a consensus view:

- they must be based on modern knowledge of environmental systems, modern datasets on species, and Traditional Owner knowledge, needs and values
- the RFAs must be able to adapt, update and evolve as new information becomes available
- modelling, data, mapping and research are essential foundations for the forest management system
- to protect biodiversity, forest management system instruments - for example, action statements and recovery plans - should be strengthened or created for all relevant species
- Traditional Owner knowledge can be beneficial in environmental protection, particularly where Traditional Owners are involved from the start and should be reflected in the RFAs and recognise the importance of IUCN Category 6
- the RFAs need to respect that some Traditional Owner knowledge about which species are being protected and why may be considered private
- public trust in the RFAs will be partly underwritten by evidence of, and accountability for, actions to give effect to environmental protections and
- the RFAs will need to balance adaptability in response to change across time, and prescription to provide certainty and accountability.

The Reference Group considered whether Victoria's CAR reserve system is adequate for the renewal of RFAs; whether reserves should be expanded to ensure adequacy; and whether other management techniques were better suited to enhancing environmental protections and biodiversity outcomes. The Reference Group did not reach a consensus, but key considerations included:

- ensuring (through extension or other management) Victoria's CAR reserve system is adequate and able to protect:
 - old growth forests
 - rainforests
 - fire refugia
 - critical habitat for listed species and
 - an upcoming cohort of old growth forests
- protected species lists should include protections for culturally important, vulnerable and endangered species
- establishing / extending reserved areas, for example, the proposed Great Forest National Park and Emerald Link areas
- informal reserves could further supplement formal reserves, for example, to connect habitats, focussing on culturally valuable areas and threatened species habitats
- parks and reserves need to work for all users and uses, and productive forest sites should be available to a range of forest-based industries and users
- a substantial barrier to creating and managing parks is resourcing for effective management; new parks or reserve areas require adequate funding for their ongoing care and management

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- forest management systems can better engage and value volunteers' and the community's support and effort available to enhance the management and restoration of parks and reserves
- if CAR reserves are extended, consider the access, amenity and economic impacts on nature-based and cultural tourism and other activities
- the CAR reserves' fire management practices need to be updated, given the increased probability of bushfires due to climate change and
- how to recognise and realise the value of the ecosystem services provided by forests and CAR reserves.

In considering expansion of the parks estate:

- it is important to build up communities adjacent to / within RFA areas
- unsustainable wood contracts may be a key barrier and
- completing the industry's transition to plantations may be a key opportunity.

How the RFAs could consider climate change and other large-scale natural disturbances (including bushfires) was contested. The Reference Group did not reach a consensus but considered how or whether the RFAs should:

- support and be in alignment with climate change goals and emissions reduction targets and plans for how to reach them, and actively and adaptively managed to address and respond to climate change, invasive species and other disturbances
- alter the use of timber harvesting in forest management to reduce bushfire risk and severity. Some members advocated for increasing timber harvesting to reduce fuel load, while others advocated for reducing timber harvesting to increase forest resilience
- model the economic and ecological impact of bushfires on wood supply quotas over the long term
- increase Victoria's carbon trading as a method of environmental management and recognise the significant carbon sequestered in native forests
- support state, national and international climate change and environmental targets and
- require and support development and implementation of a system of economic-environmental accounts.

Theme 4 – Timber Industry Development

The Reference Group considered timber industry development including: opportunities to provide stability and certainty for the timber industry, removing barriers to or stimulating investment to expand the plantation estate, how the RFAs could support industry adaptation to greater reliance on plantations, what effect plantations would have on supply of timber and on other forest uses.

There was some alignment amongst Reference Group members on some matters, but in general views diverged significantly on this theme. No consensus was reached but the following were considered important:

- The current RFAs have struggled to deal with intersections of competing pressures, and have failed to meet jobs, skills and training objectives for the industry
- Promising sawlog volumes and then reducing them, as happened under the current RFAs, would be difficult for, and detrimental to, the timber industry
- Victoria exports a range of timber products derived from native forest reserves and plantation estates. If the area of timber grown and/or harvest volumes expanded, particularly from plantation estates, it would

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be desirable to encourage and support greater value-adding local processing to maximise the economic value returned to the Victorian economy

- Plantations could help reduce the pressure on native timber forests but are unlikely to meet all of Victoria's timber supply needs, for example:
 - the economics of private plantation hardwood timber are challenging, requiring a long-term investment approach as the trees mature over decades (noting that the market for Victorian hardwood timber is changing in the face of lighter weight and higher performing alternatives such as engineered wood products)
 - plantations often compete for prime agricultural land, finding locations with a suitable climate and rainfall is already challenging and likely to become more so under climate change scenarios, expanding urban sprawl and as world food and fibre requirements grow
 - there are logistical challenges, for example, the expense of overland transport of timber generally, which may also be exacerbated for plantations that are remote from existing major land and port infrastructure, particularly processing facilities
- Social license to operate requires nuanced consideration when determining the forest management policy setting and management plans as:
 - there can be community concern about negative ecological and amenity impacts from timber harvesting practices
 - but forest industries can also be seen as important socio-economic contributors in regional communities
 - plantations may have some increased social license because they are considered a 'better' alternative to native timber harvesting, but this can be challenged, for example, where a plantation becomes a habitat for some species, or where the plantation becomes viewed as a community amenity
- Restoration of forests is necessary, and has previously been poorly undertaken and inadequate, but opinions differ over the best way to address this
 - Some believe that industry-managed regeneration of harvested forest areas could produce better outcomes with better alignment of responsibilities and incentives for realising a long-term sustainable resource. It was also suggested there is the potential for industry to be able to commit resources to this more consistently over time than governments can
 - Others believe industry would not adequately manage forests and restoration should be managed by other groups
- Existing native timber harvesting could apply more sustainable practices, for example, adequate forward planning, selective harvesting and thinning programs
- Sawlog volume guarantees are necessary to the stability of the timber industry
 - But Victoria should not lock itself into an unsustainable guarantee of timber volume, particularly in the face of climatic disruption
- Export exemptions are necessary for the timber industry to continue to do business and removing the exemptions would put large export contracts at operational risk and that the exemptions address and remove red-tape between the Commonwealth and State jurisdictional regimes and ought not be conflated with other forest management mechanisms

- A strong counter-view expressed that the timber export control exemptions are fundamentally flawed and inequitable as they are not available to all forest-based industries and activities, and further, are a driver of poor forest management. The view was that they protected some industries from market imperatives and allowed ecologically and economically unsustainable activities and practices to continue.
- This point is highly contested - noting the controls apply only to export-related activities.

Theme 5 – Other Forest Values and Uses

This discussion centred around forest values, uses and users and their access to Victorian forests, with a focus on tourism, apiary and carbon, and how RFAs could support non-timber forest-based industries, noting the current RFAs provide little acknowledgement of most non-timber industry values and uses.

The following is a non-exhaustive list of values, uses and users the Reference Group agreed ought to be considered in the RFA renewal:

- Ecosystem services including:
 - Climate regulation
 - Water supply and quality
 - Air production and quality
 - Carbon - both for carbon markets and carbon sequestration
 - Biodiversity
 - Honeybee pollination services
 - Recreation, spirituality, connection to nature and other passive uses
- Forest management activities including:
 - Forest thinning and restoration
 - Emergency management
 - Management of pests and invasive species
- Traditional Owner practices, rights to and aspirations for country including:
 - Cultural services, for example, food gathering practices, native foods and botanicals, and fibre gathering
 - Cultural fire management which requires significant time and resource commitment and delivers benefit to other values and uses as well as risk reduction
- Tourism including nature-based tourism
- Recreational access and activities including driving, biking and walking; camping; game hunting and fishing; and preservation/maintenance of tracks, trails and campsites
- Food security including apiary and bee-pollinated horticulture crops that are dependent on the productive health of forests
 - Noting that food security is linked to healthy forest ecosystems, one example being that many food crops are dependent on honeybees for pollination, and honeybee health is dependent on healthy forest ecosystems
- Agriculture, for example, stock grazing

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- Research and education purposes, including Traditional Ecological Knowledge (TEK)
- Health uses including physical and mental well-being by accessing forests as well as harvesting native botanicals for wellness and medicinal or pharmacological purposes
- Infrastructure uses such as transmission of electricity and power through forest areas.

The Reference Group considered how the RFAs could recognise and provide for multiple forest values, support non-timber forest-based industries, support more equitable coexistence and competitive neutrality, and how allocation transparency can support sustainability outcomes. The follow are considered important, but do not necessarily represent consensus views:

- Multiple use management should be a core tenet of the updated RFAs and central to all forest allocation, management and investment decisions to support, optimise and realise the highest and best use and value of forests. The term ‘multiple use’ was taken to mean holistic and integrated approaches, not simply ‘taking turns’ or compartmentalising individual uses. The Reference Group proposed a definition for the renewed RFAs:
 - Multiple use means managing the natural world as a holistic natural system, for all its ecological, productive and cultural values and processes.
- The RFAs must have a robust and timely review process (Refer to Theme 1)
- More sophisticated management processes are required in a genuinely multiple use, and potentially coexistence, model of forest management. For example:
 - recognising and engaging the capability of different users as a resource able to contribute to the effective management and health of the forest is necessary
 - the Victorian Government should adopt an integrated management matrix to reduce siloed decision-making, including having regard to the long term impact and access implications of one activity on others
 - management initiatives should be supported by a set of environmental economic accounts that recognise multiple uses and benefits
 - tree planting initiatives are common and helpful, but alone are not sufficient to restore or regenerate forests or manage climate change effects for all forest uses long-term
 - genuine engagement and inclusion of diverse voices is required, invitations to stakeholder briefings are not sufficient and
 - meaningfully and effectively engaging with and supporting participation of Traditional Owners requires careful consideration and co-design, founded on the application of cultural knowledge and practice in planning and management.
- The renewed RFAs need to recognise the importance of water in all its uses and values, and clauses that refer only to the importance of Melbourne’s water supply need to be updated to include, for example, rural and regional water needs and users
- The renewed RFAs must:
 - acknowledge the competing pressures on forests and land
 - recognise a fuller range of forest uses and values in order to properly balance these and their needs

- consider opportunities for synergies and complementarities between different uses/users in a multiple-use context
- re-visit the definition of forest operations to align with a multiple use approach
- define 'multiple use', which could encompass managing the ecology of the whole system; holistic multiple use that is multi-faceted; and the sharing of planning and management.
- Suggestions to readdress the unequal playing field for forest uses and users beyond the timber industry arising from the export and environmental law exemptions in the current RFAs included: adding analogous exemptions, removing the exemption entirely, and whether other mechanisms are available such as access rights.

Theme 4 & 5 - Cross-cutting questions

There were several questions that pertained both to the timber industry and to other forest uses considered by the Reference Group, including how the RFAs could encourage investment and new market opportunities; could support adaptation to climate change and other natural disturbances; could support data collection and monitoring for sustainable native forest uses; and the potential for complementary certification.

In addition to the matters raised in the theme-specific sections above, the follow are considered important but again do not necessarily represent a consensus view:

- More data are needed for government to make sustainable management plans that account for multiple forest uses, particularly around fire risk management
- The need to understand what the forest can provide over time
- Cultural forest strategies will need to be taken into account, both from data and management perspectives
- It is unlikely the renewed RFAs would or could formally recognise third party accreditation requirements, but equally the RFAs should not create a barrier to attainment of such accreditations (Refer to Theme 2)
- Carbon was considered at some length, with the discussion covering:
 - accounting for, valuing and protecting and/or releasing to market all carbon stocks and flows in forests and plantations
 - planning and accounting for carbon sequestration in standing forests and plantations, harvested timber products, and avoided harvested timber products
 - the concept of carbon trading does not resonate with Traditional Owner groups, and it will require significant effort before Traditional Owners are willing or able to engage in the same way as with forest management
- In the context of industry support and investment, the renewed RFAs should avoid creating barriers or impediments to efficient supply chains.

Theme 6 – Traditional Owner Rights and Partnership

The Reference Group as a whole did not feel it had the expertise or authority to speak for or offer specific advice on the needs of Traditional Owner groups. The following insights are provided for information only and cannot take precedence over the views and needs expressed directly by Traditional Owners and their representatives.

- Incorporating Traditional Owner groups into environmental management processes holistically from the beginning, rather than simply adding their voices to existing processes, will lead to more effective communication
- Keeping the RFAs open to adaptation and avoiding creating barriers to Traditional Owner groups or their self-determination are important considerations
- There are opportunities for co-regulation and co-development of policy, for example, the existing co-governing arrangements with Traditional Owner groups in fire and sea country management can be used as templates
- Government agencies need to de-compartmentalise their typical functional approaches so that Traditional Owner knowledge can be incorporated holistically, for example, dealing with fire and forest management together
- Provisions should be made for developments in Traditional Owner knowledge to be part of the RFA reviews, including assessing whether the hooks in the RFAs are sufficient to respond to Traditional Owner needs
- Definitions and treatment of 'forests' under the RFAs ought to encompass the water sources, waterways and catchments within those areas, as Traditional Owners do not differentiate the management of these areas or elements within them from the management of surrounding areas
- There are a number of internationally-recognised typologies of traditional ecological knowledge, expressed in general terms as:
 - indications and measurements of natural change
 - a set of management arrangements codified in association with particular species
 - the discussion and transfer of social norms
 - sacred Indigenous worldview
- While 'Traditional Ecological Knowledge' is a generally accepted term, it implies a static process, its application in 'planning and management' is more appropriate. Traditional Owners are keepers of an adaptive and living process and knowledge
- Engagement with Traditional Owners and the recognition of Traditional Owners within renewed RFAs should:
 - recognise and respect the diversity of hierarchies within and between Traditional Owner communities
 - approach groups in terms of knowledge holders and expertise as a way to begin productive conversations and build trust
 - focus on how to word and structure the RFAs so that they open doors for ongoing and future engagement
 - not restrict the way that engagement can take place or create barriers to engagement
 - create opportunities for mutual learning and

- be open to finding the best way to engage to avoid conversations becoming deficit arguments that risk reinforcing hurt and disadvantage
- Being mindful of finding the most appropriate ways to incorporate Traditional Owner knowledge into the RFAs and forest management instruments is important both to the immediate rewrites and ongoing relationships with Traditional Owners
- For culturally valuable areas, the RFAs need to enable Traditional Owners to undertake the planning and management of these areas as identified cultural landscapes, where cultural knowledge and practices are applied according to Lore
- Victoria should create capacity for economic as well as environmental opportunities for Traditional Owners over the short and longer term; these could include cultural tourism, educational services, land management, pest control services, mining, forestry, timber harvesting and/or, timber product production
 - There must be recognition and support for Traditional Owners to build capability to realise the potential benefit of these over time. The Victorian Government should not assume it is possible or desirable for all groups.
- Engagement and partnership on the RFAs and forest modernisation more broadly must go beyond talking to Registered Aboriginal Groups (RAGs) to get a true representation of what is necessary and
- The RFAs ought not create exclusions or barriers arising from the different legal recognition or status of different groups. For example, they must:
 - ensure that discussions are held with the right people with the right traditional claim to the specific land being discussed, which may not strictly align with administrative reserve boundaries and
 - not assume that all or any Traditional Owners are responsible for and can speak for all Victorian lands.

Theme 7 – Research Priorities

It was noted that the Scientific Advisory Panel was specifically tasked to provide advice on this theme. However, the Reference Group felt it important to share its insights on research priorities for inclusion in the renewed RFAs and to inform the supporting future research program. These include:

- all values, uses and users
- Traditional Owner values and Traditional Ecological Knowledge
- climate impacts and uncertainty on forest resilience
- a multiple use system of management
- a holistic socio-economic view
- enhancing data collection
- strengthening monitoring systems and
- an adaptive approach to research priorities across the period of the RFAs.

Reference Group Member priorities for the RFA renewal

The Reference Group members represent a diverse set of stakeholders and interests. It was important to capture each member's priorities for the renewed RFA, acknowledging that not all members believe the RFAs should be renewed.

The following sections details the priorities where there was general agreement across the group, followed by additional organisation-specific priorities. Unlike the rest of this advice, the organisation-specific priorities and opinions are attributed to the relevant organisation.

(i) General Priorities for the renewed RFAs

- Accountability and enforceability – the accountability mechanisms are weak in the current RFAs and need to be strengthened in the renewed RFAs if they are to be effective in holding both governments to account for implementation and outcomes.
- All values, users and uses – the renewed RFAs should adopt an 'all values, all uses' approach which is utilised at the centre of decision-making if the RFAs are to be effective.
- Traditional Owner engagement - has historically been very poor, and this needs to be rectified in the modernisation process through genuine co-design and support for Traditional Owner management of country.
- Define 'multiple use' – the term is frequently misunderstood, can mean different things to different interests and therefore is difficult to give practical effect to. 'Multiple use' has to mean holistic and integrated approaches, not simply 'taking turns' or compartmentalising individual uses. A working defining was proposed as:
 - Multiple use means managing the natural world as a holistic natural system, for all its ecological, productive and cultural values and processes.
- Integrated management and planning - should be a core tenet of the updated RFAs and central to all forest allocation and management decisions and be truly collaborative and founded on a respect for Indigenous cultural, knowledge and practice.
- Climate change - the modernised RFAs must recognise and be adaptive having regard to the impact and uncertainty of climate change and to ensure forests are resilient, healthy and functioning.
- Monitoring and data - A key aspect of the renewed RFAs, and modernising the overall Forest Management System, is enhancing monitoring and data collection to support effective implementation, to make informed long-term decisions about the forests and to be adaptive in response to changing circumstances.

(ii) Specific Priorities

The following were identified as priorities for the renewed RFAs by individual Reference Group members specifically. Points already raised in the previous section are not repeated here.

The Federation of Traditional Owner Corporations' priorities include:

- Significant reforms that create a positive development in Victoria's understanding of Traditional Owner values and how they engage Traditional Owners in decision making
- A move away from deficit-focused approaches (that is, approaches that seek to restore the forests or Traditional Owners to a point before wrongs occurred) and towards strength-focused approaches (that is,

approaches that seek to work with things as they are and find the best future outcomes possible from that starting point)

- Acknowledgement and application of the success factors for engaging Traditional Owners that were outlined in a presentation in Theme 6.

The Victorian Association of Forest Industries' priorities include:

- RFAs that deliver industry certainty to the timber industry for the whole of the next 20 years
- No net reduction in wood supply quantity or quality
- Balancing sustainable harvesting practices and selective harvesting with other values and uses so that the timber industry can continue to operate alongside other forest values and uses.

The Victorian Apiarists' Association's priorities include:

- Acknowledge and rectify shortcomings of the current RFAs including failure to recognise all forest uses and values, for example; in maintaining biodiversity, engagement with Traditional Owners, water and food security, and to provide appropriate certainty for the timber industry or the Beekeeping Industry that is heavily dependent on the Public Land Estate for honey production and very importantly, for beehive health prior to and after servicing many pollination dependent food crops.
- Develop an integrated decision making process to systemically calculate effects on forest values and uses, and thereby update and refine decision making over the next 20 years to achieve Victoria's forest management goals.
- Clear-fell/seed tree harvesting is unsustainable in many aspects, and also reduces the capacity of forests to regenerate, and should not be provided for in the renewed RFAs
- Build a shared, (all values and uses) future vision for forests and what a healthy and functional forest looks like long-term (ie 100+ years) and focusing particularly on being climate change adaptive and working collaboratively and consistently towards this.

Outdoors Victoria's priorities include:

- Recognise explicitly outdoor education and other activities as part of a multiple use approach adopted by the renewed RFAs
- Enhanced data, for example, the State of Forests report has inadequate information on creek or river flows, which are key to forest management
- Established a representative group or taskforce committed to factoring multiple use into the decision-making to support implementation of the renewed RFAs and increase confidence that actual changes could and would be made. The group/taskforce would desirably:
 - have access to scientific advice / representatives (for example, on climate change and adaptation)
 - involve Traditional Owner engagement
 - bring a 'all values, all uses' focus and representation
 - support monitoring, evaluation and reviews
 - address issues of non-action where relevant
 - enliven and enact the RFAs in tangible ways to support effective implementation.

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Four Wheel Drive Victoria's priorities include:

- Education about forests and forest management, especially regarding Traditional Owner values and uses, to address the current information deficits and build community support for change
- Facilitating information sharing between groups and gathering data from a wider range of sources - for example, recognition of the contribution groups such as Four Wheel Drive Victoria and Outdoors Victoria can make
- There is a significant opportunity to draw on and draw in the diversity and strengths of different interests around a shared understanding and 'all value, all uses' approach.

The Wilderness Society's priorities include:

- There is no need to continue the RFAs at all and, if they are to continue, the timber industry's exemption under the EPBC Act should be discontinued and the special treatment of the timber industry should end
- There should be no rolling 20-year agreements which it considers to be dangerous in light of the likely future changes to the forest estate and the likely scale of the effect of climate change
- Bushfire risk should be a required input for wood models
- The CAR reserve system must be changed so that it meets the 'adequate' criterion prior to any extension or renewal, which it has not in the current RFAs
- Five-yearly reviews are too infrequent; in order to be properly adaptive, reviews should take place every three years, with clear triggers outlined so that events affecting the structure, condition and/or function of Victorian forests can be immediately assessed and taken into account
- RFAs must provide certainty for all forest-dependent businesses and industries.

Environment Victoria's priorities include:

- Mitigation of, and adaptation to, climate change which will involve the protection and restoration of carbon stocks and flows, and precautionary and adaptive management to ensure the protection of key environment values threatened by climate change
- Maintenance of biodiversity and the prevention of extinction and prevention of catastrophic forest systems collapse. This will require expanding the reserve system in order to protect species and maintain connectivity between habitats
- Restoration of damaged ecosystems to a state of health and proper function, but not necessarily returning forests to a pre-colonisation state
- Protection and restoration of all ecosystem services, including use values such as provision of water supply and climate regulation, but also facilitating people's connections with nature. The adoption of robust environmental accounting would support this objective
- Environment Victoria understands that to achieve these objectives will require a major re-prioritising of forest uses, and in particular reducing the priority placed on the wood products industry and supporting that industry to transition to a primarily plantation-based wood supply. Environment Victoria considers it unlikely the current or renewed RFA structures and RFA Act can achieve these outcomes and changes. But sees value in seeking a different kind of inter-governmental agreement that gets governments to discuss and commit to the large changes necessary to manage the forests.

Gaps in Discussions and processes

As part of the wrap-up of the Reference Group's final working meeting, members reflected on the scope and process undertaken. In terms of the engagement process, the Reference Group members:

- were disappointed with the limited exchange of information or engagement between the Science Advisory Panel (SAP) and the Reference Group
- were disappointed by the apparent lack of engagement with Traditional Owner ecological knowledge by the SAP
- were concerned about who will be responsible for rewriting the RFAs and ensuring the Reference Group's intent is clearly understood and incorporated, and
- proposed that DELWP / the Victorian Government share the draft of the rewritten RFA document for comment before it is finalised.

The Reference Group did not consider it had been able to fully explore or comment upon some matters considered important and relevant to forest policy settings and mechanisms, including:

- duplication between the Commonwealth and Victorian systems
- the circumstances that would result if the RFAs were removed
- the burden on the timber industry seeking export applications or on the Commonwealth Government to process applications if the exemptions under the RFAs were removed, or
- the Forest Wood Pulp Agreement Act (that expires in 2030) and is a significant feature in the forestry legislative landscape in Victoria.

Concluding comments

The Reference Group members, individually and collectively, have offered constructive insights to strengthen and enhance the effectiveness of the renewed RFAs (assuming they continue to exist) through the negotiations between the Victorian and Commonwealth Governments.

The insights, expertise and experience of the members of the Reference Group are diverse as are their priorities. Their interests and views sometimes aligned, sometimes not, and alignments shifted depending on the topic under discussion. This is reflected in this advice. But all agree that the existing RFAs have not realised the ambition and outcomes sought when they were signed more than 20 years ago, and that the pressures facing our forest reserves and resources require different approaches to the past.

Members have expressed concern that the short time-frame available for the Reference Group to diligently undertake its work and substantively explore each theme as well as the narrowness of the scope of the task has limited the potential impact of their advice. All are concerned that government acts on this advice not only in the RFA renewal negotiations but also the broader forest modernisation reform processes and further changes made that make both Governments accountable for the commitments made under the RFAs for implementation and outcomes.

The Reference Group is willing to convene in future where its advice is sought on matters that may arise through the RFA renewal and forest modernisation processes.

The Reference Group commends this advice to DELWP and the Minister.

Reference Group Chair's observations

It been my privilege to work with the Reference Group members all of whom are passionate and committed to ensuring the quality and sustainability of Victoria's forest estate today and for the future. This advice is theirs. But as I was responsible for the distillation of the Reference Group's discussions into this document, any omissions or errors of fact are mine.

Being the Independent Chair has provided me with perspectives on the process and journey which I believe are important to reflect upon here.

The Reference Group members engaged openly in the discussion of challenging and often contested topics in a thoughtful and respectful way. The adoption of the Chatham House Rule encouraged and supported this. Within this trusted environment, and through the lens of considering improvements to the RFAs, nuanced discussions were possible, improvement opportunities do exist and are possible if a genuinely multiple use approach is adopted and implemented. This does not necessarily represent the preferred end-state or outcome for individual Reference Group members, who can and will continue to advocate for and advance their specific interests.

The Reference Group has presented an invaluable opportunity for the members to make connections, to learn from each other, to raise awareness of the machinery of government and key contacts within it, and to find opportunities for ongoing collaboration. It has already produced benefits as data and information are being shared and is showing signs of lifting the quality and effectiveness of engagement for all well beyond this process.

Finally, the task has proven far more time consuming than envisaged for all involved and was not easy. That the Reference Group members remain engaged reflects their commitment and recognition of the importance of this once in a generation opportunity presented by the RFA renewal and forest modernisation processes.

I thank each member for their trust, openness and engagement.

Jane Brockington

Independent Chair, RFA Reference Group

20 September 2019

Regional Forest Agreements Reference Group

Report of Advice

Attachment 1 – Themes and questions

PURPOSE

Negotiate amendments to the Victorian RFAs that enable the Victorian Government to adaptively manage our forests to deliver the highest and best value uses to Victorian communities into the future.

KEY OBJECTIVES

1. Drive strategic, landscape scale management of multiple forest values
2. Provide greater opportunity for local communities in the sustainable management of forests
3. Simplify the RFA framework and increase regulatory certainty
4. Increase the transparency and durability of forest management
5. Improve the long-term sustainability and viability of forest-based industries (in both the short and long term)

Negotiation themes	THEME 1 Review and Accountability	THEME 2 Forest Management System	THEME 3 Environment Protections	THEME 4 Timber Industry Development	THEME 5 Other Forest Values and Uses	THEME 6 Traditional Owner Rights and Partnership	THEME 7 Research Priorities
Key questions for RFA Reference Group discussion and advice	<ul style="list-style-type: none"> • How could RFA monitoring, review (including five-yearly reviews) and reporting arrangements be improved? E.g. Triggers/duration/frequency • Is there a need to establish triggers for review within each five-year review period (e.g. in response to major bushfires)? What would the trigger be? What would an appropriate response be? • What opportunities exist to strengthen the accountability of the parties to meet commitments within the RFAs? • Transparency of benefits associated with all uses? • Have the goals of the RFA been achieved? • Why weren't reviews and reporting done? 	<ul style="list-style-type: none"> • How can the RFAs support the adaptive management of Victoria's forests in response to emerging issues (e.g. major bushfires) and opportunities (e.g. emerging industries)? • What commitments to future improvements to Victoria's forest management system could be made within the RFAs? • What elements of Victoria's forest management system should form the basis of the accreditation through the RFAs? • How can the RFAs support social license for all forest industries? • What are the gaps and weaknesses in the Victorian system? 	<ul style="list-style-type: none"> • How can the RFAs ensure the adequacy of the Comprehensive, Adequate and Representative (CAR) reserve system under a changing climate? SAP advice on CAR sufficiency. • How could the RFAs consider climate change and other large-scale natural disturbances (including bushfires)? In terms of both adaptation and mitigation, as distinct from TO fire priorities? • What other commitments could be made in the RFAs to improve biodiversity outcomes? • TO protections, knowledge and access to country. • What opportunities do the RFAs provide to support expansion of the parks estate? By removing barriers or stimulating investment? 	<ul style="list-style-type: none"> • What opportunities do the RFAs provide to support expansion of the plantation estate? By removing barriers or stimulating investment? • How could the RFAs support industry adaptation to a forest and wood products sector with a greater reliance on plantations? • Noting that sawlog volumes will not be included in the amended RFAs, in what other ways could the RFAs provide stability/certainty to the timber industry? 	<ul style="list-style-type: none"> • How could the RFAs better recognise and provide for multiple forest values and uses (i.e. recreation, conservation, livelihood and economy)? • How could the RFA's support non-timber forest-based industries (including tourism, apiary and emerging markets such as carbon)? • Multiple use question – more equitable coexistent forms • How can transparency of benefits allocation support/facilitate environmental accountability? • How can it strengthen areas of competitive neutrality? 	<ul style="list-style-type: none"> • How could the RFAs enable the legal rights of Traditional Owners to partner in land management? • What other roles can be enabled? Eg. joint management. • What opportunities could the RFAs provide to support Traditional Owners to seek economic and cultural opportunities from forests and forest management? • What opportunities could the RFAs provide to support the advancement of Traditional Owners towards self-determination and in planning? 	<ul style="list-style-type: none"> • Identify research priorities • SAP: what is the role of science in supporting TOs in forest management eg. Cultural fire • TO knowledge • What will a healthy forest look like in 20, 50, 100, 200 years? <p><i>The Scientific Advisory Panel will provide advice on this theme.</i></p>
<p>Cross-cutting questions (predominantly Themes 4 & 5 but also Themes 6 & 7)</p> <ul style="list-style-type: none"> • How could the RFA's encourage investment and new market opportunities for timber and non-timber forest-based industries? • How could the RFAs support timber and non-timber forest-based industries in adapting to climate change and other large-scale natural disturbances (including bushfires)? • How could the RFAs support monitoring and data collection to underpin ongoing sustainable native forest uses? • What is the role of certification in complement to RFAs to strengthen certainty and security for industry, and to support governments to meet RFA accountability requirements? 							