

Summary of the Report

The Comprehensive Regional Assessment (CRA) of the Central Highlands of Victoria brings together a wide range of studies conducted in recent years, as well as research conducted specifically for the CRA. It provides information required for the development of a Regional Forest Agreement (RFA).

The natural and cultural studies undertaken for the CRA are biodiversity, old-growth forest, wilderness, national estate and world heritage. The resource and economic studies focus upon forest management, timber production and other forest products, recreation and tourism, plantation potential, water and minerals. These studies are also underpinned by a social assessment.

The Region

The Central Highlands RFA Region lies immediately to the north and east of the Melbourne metropolitan area and extends to Seymour and Lake Eildon in the north, the Hume Freeway in the west and Baw Baw National Park and Moe in the east. Townships within the region include: Lilydale, Toolangi, Healesville, Marysville, Alexandra, Eildon, Kinglake, Whittlesea, Woods Point, Warburton, Powelltown, Noojee, Erica/Rawson, Neerim South and Warragul.

The region covers a little over one million hectares, about half of which is private land used mainly for agriculture. The other half is public land and, by contrast with private land, is mostly native forest. About one third of this public forest is in reserves of various types, and the remainder is mostly State forest.

Forest Management

The objective of forest management on public land is to conserve natural and cultural values whilst providing economic benefits for the community. Activities in State forest are undertaken consistent with State-wide, regional and local planning and regulatory mechanisms, including:

- the Code of Forest Practices for Timber Production and operator licensing arrangements;
- a forest management planning process which applies a zoning scheme to protect biodiversity and other forest values as well as the identification of areas where timber production is a high priority;
- Wood Utilisation and Coupe Harvesting Plans; and
- legislated regional sustainable yield.

The methodology for determining sustainable yield forecasts has been appraised and found to be satisfactory. Victoria is undertaking a Statewide Forest Resource Inventory for the region, the results of which will be available by the next review of sustainable yield in 2001. This will improve the level of knowledge about sustainable yield in the region.

Wood Based Industries

The Central Highlands represents a significant native hardwood resource for the wood based industries, accounting for 33 per cent of total sawlog production and 57 per cent of total pulplog production from Victorian State forests in 1995-96. The Central Highlands region contributed around \$11.9 million in log royalties in

1995-96, or 48 per cent of total log royalties received by the Victorian Government in that year.

The Central Highlands provides high quality hardwood resources which support a range of sawmilling and pulpwood processing industries which are located both within the region and beyond. These hardwood resources support an estimated 1537 direct jobs, including jobs associated with forest management, pulp and paper manufacturing, sawmilling and logging and haulage.

There are 41 sawmills and four major domestic pulpwood processors receiving hardwood resources from the Central Highlands. Hardwood sourced from the Central Highlands is estimated to account for around \$232 million in product output from the pulpwood processing industries, together with a further \$91 million in product output from the sawmilling industry.

The wood based industries receiving hardwood resources from the Central Highlands also contribute to further economic activity and jobs throughout Victoria. It is estimated that these wood based industries contribute 3830 direct and indirect jobs, and \$731 million in State output across the Victorian economy.

Plantations

Plantations can contribute significantly to the regions wood supply, particularly as an additional source of pulpwood and small sawlogs for industry. They can also contribute to regional economic development and provide substantial environmental and agricultural productivity benefits to landholders and the broader community.

The existing plantation estate in the region is 10 320 ha and the CRA has identified that there is potential for this estate to be expanded on private land although such decisions will be made by individual landholders.

Other Forest Products

State forests supply a range of produce and benefits in addition to sawlogs and pulplogs, tourism and recreation and water production, including:

- posts and poles, firewood and specialty timbers
- grazing
- apiculture
- tree-ferns

These activities are licensed and supervised by NRE.

Tourism and Recreation

Tourism activities are also an important part of the regional economy of the Central Highlands:

- in 1995 the region received approximately 764 600 day visitors and 1.8 million visitor nights;
- expenditure in the region by Australian and international visitors is estimated to have been about \$97 million in 1995; and
- sixty-three per cent of visitors to the Central Highlands in 1995 were visiting the region for pleasure or holiday.

Forests contribute significantly to regional tourism and recreation, providing a wide range of opportunities while conserving the natural environment. The region's State forests attract around 850 000 visitors each year and have some of the highest usage of any State forests within Victoria. In 1995-96, almost 3 million people visited the region's National and State parks. The Dandenong Ranges National Park has the third highest visitation rate of all national parks in the State.

Water

The catchments of the Central Highlands contribute all of the water supply for Melbourne and are a significant source rural and urban water supplies in the Goulburn, Latrobe, Yarra and West Gippsland regions. The streams and catchments of the Central Highlands also have significant ecological, heritage and tourism and recreation values.

Approximately fifty percent of Melbourne Water's catchments are covered with ash eucalypt species:

- several of the Melbourne Water Supply Catchments are included in the Yarra Ranges National Park where timber harvesting is not permitted;
- a range of uses such as water production, recreation and timber production are permitted under certain conditions in water supply catchments within State forest such as in the Yarra tributaries and in the Tarago and Thomson catchments; and
- water quality is generally high, and these catchments provide a reliable supply of safe, high quality drinking water that consistently meets national guidelines.

In State forest water quality is managed through a range of techniques that limit opportunities for soil or high energy water flows to directly enter drainage lines. Provisions in the Code of Forest Practices for Timber Production are designed to maintain catchment values, in particular water quality and quantity. Other provisions in the forest management plan also place limits on the timing and extent of timber harvesting in various water supply catchments to ensure that water quality and yield are maintained.

Minerals

The region is an important supplier of construction materials and other industrial mineral commodities, has a long history of mining and contains a number of known mineral deposits. There are 41 operating quarries in the region supplying a wide range of industrial, construction and agricultural uses.

The Central Highlands is part of a major gold province and is estimated to have produced about 11% of Victoria's gold production. The region is also prospective for a number of deposit types, including:

- high potential for slate-belt gold and some construction materials over most of the Central Highlands, with small tracts of high potential for brown coal in the southeast of the region, and
- moderate to high potential for disseminated gold, epithermal gold, nickel-copper, secondary deposits of kaolin, and higher value construction materials.

Social

The social assessment provides a social profile of the regions population of around 300,000 and its townships and communities. New research for the social assessment included a survey of 1100 people in the region, workshops with community and interest groups, case studies and demographic data analysis. The social assessment process has provided communities and other stakeholders the opportunity to present their views and opinions in an open and neutral forum. They are keen to have a voice in determining how forest resources are used and managed and their views will provide an important input to decisions about the Central Highlands RFA.

The assessment indicates that communities in the region are self-reliant and committed and also have a clear vision for their future. Social cohesion within the communities is also very high. The region is seen to afford a quality of life which is unattainable in urban areas. Residents value the safety of rural areas, the friendliness of the people and the beauty of the surrounding environment. Communities and other stakeholders consider a range of values to be important in relation to forest use.

Biodiversity

The biodiversity assessment is based on a study of forest ecosystems and communities (ecological vegetation classes), flora and fauna species and their habitats, the potential threats to these in the region and the management arrangements that are in place to address those threats.

The region is of significant interest because of the diversity and pattern in its vegetation and faunal communities. Forty ecological vegetation classes (EVCs) have been identified in the Central Highlands. An assessment of the pre-1750 distribution of forest EVCs shows that they are all currently represented in the reserve system. Twenty EVCs are now recognised as rare, endangered or vulnerable. This group includes a wide variety of types such as grasslands, rocky outcrop shrubland, valley heathy forest, box woodland, riverine forest and granitic hills woodland. For many, this status is connected with past land-use, in particular, clearing for agriculture and most occur largely on private land.

The biodiversity assessment also provides detailed information about 67 plants of conservation significance, including factors that may predispose them to decline or extinction, potential threats and management actions in place to mitigate those threats.

Information about 33 species of mammals, reptiles, birds and frogs and 15 flora species that are listed under Commonwealth or State legislation as being threatened is provided in the CRA Report. The Central Highlands contains the only known populations of Leadbeater's possum, an endangered species with complex habitat requirements. The Baw Baw frog is also confined to the Central Highlands, where it occupies a restricted range at higher elevations. The region also provides important habitat for a number of large forest owls.

Old-growth Forest

The 1939 wildfires killed large areas of ash forest in the Central Highlands. Consequently, old-growth forest occurs usually in small and scattered patches across the region. Of the 40 ecological vegetation classes identified in the Central Highlands, 16 contain old-growth forest. Old-growth forest covers about 26 000

hectares or about 4.5% of the 600,000 hectares of native vegetation in the study area and over 90% of it is protected.

Wilderness

A study of wilderness quality in the Eastern Victorian forests (east of the Hume Freeway) found that there is no area of high wilderness quality which meets the national reserve criteria in the Central Highlands region.

National Estate

The national estate assessment completed in 1993 has explored a wide range of natural and cultural heritage values. The 1939 fires in the Central Highlands have had a major influence on natural values and the cultural values of people currently living in the region. While there are no tangible historic features left from the fires, a number of fire disaster sites have a strong association with community memory and meaning. The 1939 fires burnt considerable areas of the region and natural landscapes identified in the study are largely confined to the Yarra Ranges National Park.

Other natural values identified included refuges from climatic change, relict species and remnant vegetation. There are a number of threatened species in the region, including Leadbeater's Possum and the Helmeted Honeyeater, the States faunal emblems.

A number of Aboriginal places were identified in the study, these have traditional and historic associations such as hunting and gathering places, missions and reserves, massacre sites and pastoral properties. The nature of the forest areas and their past remoteness and difficulty of access are highlighted in the national estate assessment. One of the most outstanding areas considered was the Rubicon Forest with its sawmills, including the innovative Clark and Pearce No. 1 mill. This typifies bush sawmilling in Victoria's mountains, with isolated and temporary sawmill settlements deep in the forest, serviced by tramways which linked up to the Victorian railway system.

World Heritage

Two possible World Heritage themes have been identified as potentially represented in the Central Highlands - Australian marginal swells associated with the Eastern Highlands and areas with outstanding relevant examples of Eucalyptus-dominated vegetation. An assessment of the possible representation of these themes in the Central Highlands will be undertaken in a broader context which covers other parts of Victoria and other states.

ESFM

Ecologically Sustainable Forest Management (ESFM) is the management of forest on all land tenures to maintain the overall capacity of forests to provide goods, protect biodiversity, and protect the full suite of forest values at the regional level.

An Independent Advisory Group assessed the systems and processes for delivering ESFM in the East Gippsland RFA. Following its completion, it was recognised that the information and assessments arising from that work related largely to management systems and processes that are relevant in a Statewide

context. Consequently the Steering Committee agreed to a Statewide ESFM assessment, using as much information as possible from the East Gippsland work. The assessment was then independently peer reviewed by Professor Ian Ferguson of the University of Melbourne.

The report examines and assesses the systems and processes underpinning the delivery of ESFM in Victoria. The assessment adopts a 'systems' approach rather than seeking to catalogue specific on-ground practices. An analysis of the overall management system and the process elements was undertaken because there are no nationally agreed performance indicators or benchmarks for ESFM.

Given that the assessment is based on the findings of an independent panel and an assessment of Statewide practices which was independently peer reviewed, it does not necessarily reflect the views of the Steering Committee. The Steering Committee will consider the assessment in the development of the Central Highlands RFA.