

Memorandum of Understanding

Modernising Victoria's Regional Forest Agreement Framework between the Commonwealth of Australia and the State of Victoria

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Background

Objectives of Regional Forest Agreements

The Parties agree the objectives of Regional Forest Agreements (RFAs) are to:

- provide for a comprehensive, adequate and representative reserve system;
- provide for the ecologically sustainable management and use of forested areas in a region or regions; and
- provide for the long-term stability of forests and forest industries.

Purpose of the Memorandum of Understanding

The purpose of this Memorandum of Understanding (MOU) is to set out actions to be undertaken by the Australian and Victorian governments to ensure that long term extensions and updates to the Victorian RFA framework can be agreed by 31 March 2020.

The Parties will work towards delivering a modernised and harmonised RFA framework to meet the needs of communities, industry and the environment.

The Parties agree that Victoria's RFA framework will provide long-term certainty for ecologically sustainable forest management and forest-based industries and businesses.

The Parties commit to the terms of Victoria's existing RFAs (including the short-term extensions to the East Gippsland, Central Highlands and North East Victoria RFAs) until they are extended and amended through this process.

Going forward, Victoria's RFAs will be consistent with the National Forest Policy Statement 1992 and the *Regional Forest Agreements Act 2002*.

This MOU does not create contractual or other legal obligations between Parties and a breach of this MOU will not give rise to any cause of action, or right to take legal proceedings.

Parties to the MOU

The Parties to this MOU are:

- The Commonwealth of Australia (the "Commonwealth"), and
- The State of Victoria ("Victoria").

Context of the MOU

Between 1997 and 2001, Victoria and the Commonwealth entered into five RFAs (East Gippsland; Central Highlands; North East; Gippsland and West Victoria). All five RFAs are due to expire on 31 March 2020.

Period of the MOU

This MOU commences on the date that the MOU is signed by the Parties and will remain in operation until 31 March 2020.

Regional Forest Agreements

This MOU applies to the Victorian RFA framework, which comprises the following five Victorian RFAs, and in accordance with the *Regional Forest Agreements Act 2002*:

- East Gippsland;
- Central Highlands;
- North East;
- Gippsland; and
- West Victoria.

Term of Regional Forest Agreements

The Parties commit to working towards 20-year extensions to Victoria's RFAs to come into effect from March 2020 that have regard to the outcomes of the further assessments - consistent with the *Regional Forest Agreements Act 2002* - and the engagement processes set out in this MOU.

Areas of focus for modernisation of Victoria's five RFAs

The purpose and form of the amendments to modernise the RFA framework will reflect extensive engagement with Victorian communities and a robust process to prepare the Parties' further assessments of matters listed under paragraph (a) of the definition of RFA in section 4 of the *Regional Forest Agreements Act 2002*.

The RFAs also require amendments and modernisation to reflect changes that have occurred in the twenty years since they commenced. The Parties acknowledge the impact of climate change, extreme weather events (including drought and bushfires), scientific and technological progress, advances in our understanding of forests and ecosystems, the changing forest-based industries and opportunities, and the recognition of the rights of Victoria's traditional owners to partner in land management and seek economic and cultural opportunities.

The Parties will, having regard to the further assessments of matters, community engagement processes and outcomes of the five yearly reviews of the Victorian RFA framework, seek to modernise Victoria's RFA framework. Practical improvements to enhance the performance of the Victorian RFA framework and to ensure it remains effective and credible in the long term include:

- **Reflect contemporary legislation, policy and institutional arrangements** – where practicable, the Parties will update references to legislation, policies and institutions where these have been superseded. In particular, the Parties will amend and modernise the RFAs to clearly express legislation, policy and institutional changes affecting: the protection of Matters of National Environmental Significance; climate change mitigation and adaptation; the sustainability of forest based-industries and businesses; Indigenous heritage; traditional owner values; and Victoria's contemporary framework for ecologically sustainable forest management.

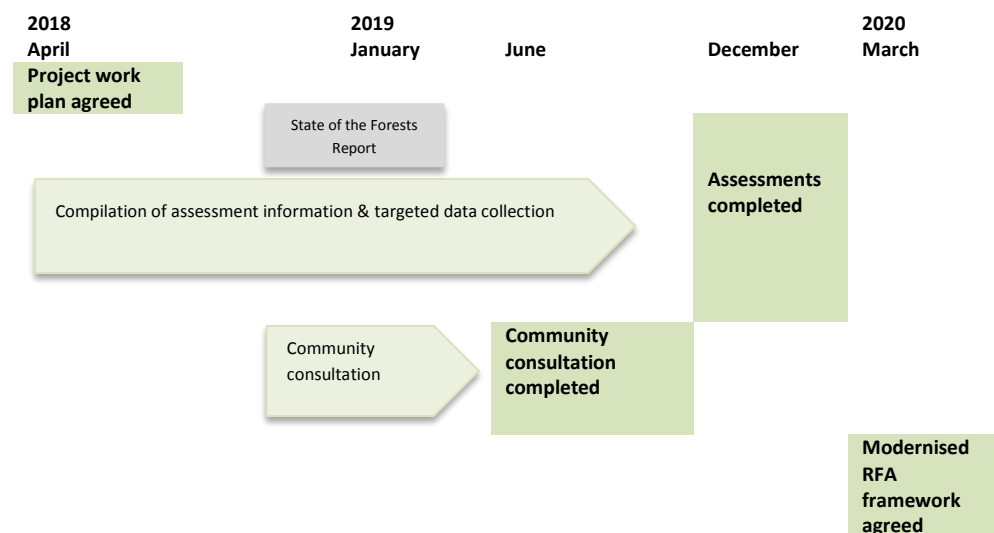
- **Simplify and harmonise the Victorian RFA framework** – where practicable, the Parties will make amendments to simplify and synchronise the structure and provisions of Victoria's five RFAs to ensure clarity and consistency.
- **Increase the transparency and durability of forest management** – the Parties will make amendments to improve the monitoring and reporting arrangements in the RFAs to ensure that they are robust, transparent and focused on outcomes of forest management.
- **Improve engagement and communication** – The Parties recognise the importance of engagement in the amendment and modernisation process and will ensure the engagement process is inclusive of a broad range of Victorian communities. The Parties will also improve communication between the Parties on the implementation of RFAs.

Amendment and modernisation process

A timetable of milestones to be met by March 2020;

Both Parties agree the key stages and timing of the amendment and modernisation process will include:

- A project work plan by June 2018;
- Completion of further assessments of environmental values, Indigenous heritage values, economic values of forested areas and forest industries, social values and the principles of ecologically sustainable management as described in paragraph (a) of the definition of 'RFA' or 'Regional Forest Agreement' in Section 4 of the *Regional Forest Agreements Act 2002* by December 2019;
- Completion of community consultation and engagement by June 2019; and
- Completion of amendments to the Victorian RFA framework by 31 March 2020.



Further assessments of matters

The Parties agree Victoria will lead a joint process to undertake the further assessments of matters that underpin the RFAs.

The Parties agree that the further assessments will cover the matters set out in paragraph (a) of the definition of RFA in section 4 of the *Regional Forest Agreements Act 2002*, including:

- i. environmental values, including old growth, wilderness, endangered species, national estate values and world heritage values;
- ii. Indigenous heritage values;
- iii. economic values of the forested areas and forest industries;
- iv. social values (including community needs); and
- v. principles of ecologically sustainable management.

The further assessments of matters will build upon and consider the comprehensive regional assessments previously undertaken for the RFAs, along with other relevant assessments, five yearly reviews, reports, investigations, studies and information prepared by or for Victoria or the Commonwealth.

Both Parties agree to supplement these assessments and studies with further stakeholder consultation and research and analyses as agreed.

The Parties agree the assessment process, outcomes and data collected may be used to support other processes to help achieve objectives of ecologically sustainable forest management.

Community engagement - additional community consultation processes

Both Parties recognise that effective community engagement and consultation is critical to the credibility and durability of the Victorian RFA framework. Community engagement will provide the opportunity to guide amendment and modernisation of the Victorian RFA framework.

The Parties agree to prepare and implement a communications and engagement strategy to contribute to the amendment and modernisation process.

Governance

The Parties agree to cooperate actively to meet the overall amendment and modernisation process program and timetable, noting the timing may be varied by mutual agreement.

Both Parties agree to the continuation of the Joint Working Group, which has overseen the review of progress with implementation of the Victorian RFAs. The Joint Working Group will oversee the implementation of this MOU, coordinate the RFA amendment and modernisation process, prepare project plans, outputs and reports, and oversee the community communication and engagement.

The Joint Working Group may establish support groups to assist them on assessment matters or other priorities.

The Joint Working Group comprises two nominees of the Victorian Government and two nominees of the Australian Government. It is jointly chaired by a representative of the Commonwealth Department of Agriculture and Water Resources and a representative of the Victorian Department of Environment, Land, Water and Planning.

Resourcing needs and contributions

Both Parties agree that budget and cost sharing arrangements for agreed assessments and communications and engagement activities required for amending and modernising Victoria's RFA framework, will be shared equally by the Parties.

Signatory page

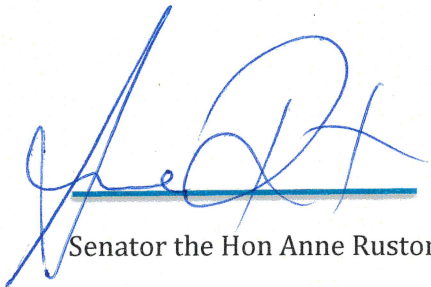
EXECUTED as a Memorandum of Understanding

SIGNED for and on behalf of the

Commonwealth of Australia

as represented by the

Assistant Minister for Agriculture and Water Resources

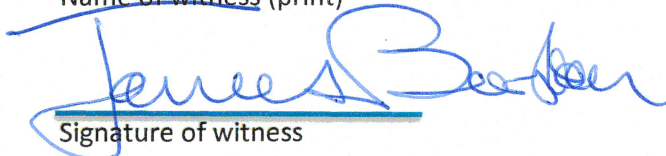


Senator the Hon Anne Ruston

Date 5.5.18



Name of witness (print)



Signature of witness


5/5/18
Date

SIGNED for and on behalf of the State of

Victoria

as represented by the

Minister for Energy, Environment and Climate Change



The Hon. Lily D'Ambrosio MP

Date 27/3/18

DIONNE EAGLESON

Name of witness (print)



Signature of witness

27/03/18

Date