

The Hon. John Pandazopoulos MP
Chair, Environment & Natural Resources Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

15 September 2008

Dear Mr Pandazopoulos

INQUIRY INTO MELBOURNE'S FUTURE WATER SUPPLY

The Victorian Association of Forest Industries (VAFI) appreciates the opportunity to comment on the Environment and Natural Resource Committee's Inquiry into Melbourne's Future Water Supply.

The VAFI is the peak representative body for the Victorian timber industry, with a membership that includes forest producers, sawmills, processors and associated bodies. VAFI is a member of NAFI and the two bodies maintain a close working relationship in representing the forest industry in Victoria and nationally.

We welcome the Environment and Natural Resources Committee's (ENRC's) Inquiry into Melbourne's Future Water Supply. Melbourne has endured 10 years of drought and faces the ongoing impacts and risks associated with climate. Water security is a significant challenge for the future. It is vital to Melbourne's growth, sustainability and liveability.

The VAFI welcomes the ENRC's consideration of supplementing Melbourne's water supply by:

- Further water savings that can be achieved by increased conservation and efficiency efforts;
- The collection of stormwater;
- The re-use of treated waste water;
- The use of groundwater;
- Small locally based desalination plants; and
- Other appropriate water sources.

Timber harvesting in Melbourne's water supply catchments

In addition to providing clean water, State forests in Melbourne's water supply catchments also provide high quality timber and economic benefits for regional Victoria.

The management of state forests in Melbourne's water supply catchments is currently subject to an investigation of the impact of timber harvesting on water yield and a sustainability assessment of potential forest management regimes. The VAFI is a stakeholder in this project, which is an initiative under the Our Water Our Future White Paper (Action 2.2.1).

Only a very small area of the catchments is subject to timber harvesting; about 265 hectares (0.17 percent of the total catchment area) has been harvested each year over the past two decades according to the Department of Sustainability and Environment (DSE).¹ The timber produced is high quality and high value hardwood, which underpins value-added businesses in Victoria and provides much-sought after appearance grade products such as furniture and floorboards.

State forests available for timber harvesting are managed responsibly, transparently and accountably. VicForests manages these areas according to a strict regulatory and legislative framework, with oversight from DSE and Melbourne Water. Operations are independently audited annually by the Environmental Protection Authority and the results publicly reported. VicForests' operations are also independently certified under the Australian Forestry Standard, an internationally recognised standard for sustainable forest management.

Although the area of forest harvested is very small, forestry can play a role in increasing future water availability through active management of Melbourne's water supply catchments. The VAFI believes a program of thinning of regrowth forest could be undertaken to maximise water yield. This approach has been tested in research trials in Victoria and Western Australia and is being considered under Action 2.21 as an element of potential forest management regimes.

As the ENRC recognised in its Inquiry into the Impact of Public Land Management Practices on Bushfires in Victoria, uncontrolled wildfire is a significant threat to water yield and other environmental and economic values of Melbourne's water supply catchments. We believe forestry is part of a risk minimisation approach to fire management through the maintenance of access roads, equipment and skilled personnel, which can be employed to control fire outbreaks.

The VAFI encourages the ENRC to consider the role of active management strategies such as thinning, which can deliver improve water yield as part of a responsible forest

¹ http://www.ourwater.vic.gov.au/_data/assets/pdf_file/0016/12742/Melbourne_Catchments_-_Sustainable_Resource_Management_Fact_Sheet.pdf

management regime, which supports economic, social and environmental outcomes from state forests in Melbourne's water supply catchments.

Should you have any queries or require further information please do not hesitate to contact me.

Kind Regards

A handwritten signature in black ink, appearing to read 'Lisa Marty', with a small flourish at the end.

Lisa Marty
Deputy Director