

REGIONAL FOREST AGREEMENT
for the
NORTH EAST REGION
of
NEW SOUTH WALES

(Upper North East and Lower North East Regions)

*Progress on the implementation of the
Regional Forest Agreement for the North East Region*

1 July 2001 – 30 June 2002

ANNUAL REPORT

REGIONAL FOREST AGREEMENT

for

NORTH EAST

NEW SOUTH WALES

ANNUAL REPORT

1 July 2001 – 30 June 2002

Introduction

Regional Forest Agreements (RFAs) are separate Agreements between the Australian Government and the State Governments of NSW, Victoria, Tasmania and Western Australia. Based on good science and extensive consultation, the Agreements set out broad strategies to achieve a balance between conservation and a sustainable and competitive forest industry. The Agreements are in place for 20 years.

In NSW there are three RFAs in place covering the North East, Eden and Southern regions. The Prime Minister, the Hon John Howard MP and the Premier of NSW, the Hon Bob Carr MP, signed the North East RFA on 31 March 2000.

The RFAs are subject to annual reporting during the first four years and thereafter five-yearly reviews, to report progress against milestones and recommend remedial action where necessary. Progress reporting by the Australian and NSW Governments (the Parties) on the implementation of the NSW RFAs has been aligned to a financial year basis, being the period 1 July to 30 June each year.

This is the second North East annual report providing details in the achievement of milestones for the period 1 July 2001 to 30 June 2002. Progress to 30 June 2002 reflects steady progress. The challenges experienced in initially establishing and implementing the North East RFA are being progressively overcome.

Progress on Milestones

Note: References to NSW Government agencies are as they were established at 30 June 2002.

Clause	Action	Timeline	Implementation
6	The Parties to determine the process for extending the Agreement for a further period.	As part of the third five-yearly review	Not required until the third five year review.
33	Commonwealth to use its best endeavours to secure the enactment of legislation which amends the <i>Environmental Protection and Biodiversity Conservation Act, 1999</i> (Cwlth).	30 June 2000	The Australian Government enacted the <i>Regional Forest Agreements Act 2002</i> in May 2002. The Act defines forestry operations, Regional Forest Agreements (RFAs) and amended the relevant sections of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> to reflect these definitions.
39	Parties to report annually on the achievement of milestones in this Agreement.	Annually for the first five years	This is the second annual report on the achievement of milestones contained within the North East RFA, covering the period 1 July 2001 to 30 June 2002. The first report was an interim report which covered progress from the date of implementation of the RFA from March 2000 to 30 June 2000, and was subsequently updated to reflect the agreed reporting timeframe of 1 July to 30 June each year. Reporting is to continue on this basis.
42	The Parties to determine the mechanism for the five-year review.	Before the end of the five-year review period	Initial discussions between NSW and the Australian Government were held in January 2001 Further discussions to determine the process for the review are to take place in 2003. In preparation for the five year review, NSW is initiating a system to retain information and implementing strategies for data generation and retention. This will provide input into the review.
43	Commonwealth will table the signed RFA in the Commonwealth Parliament.	Following Signature	The signed North East RFA was tabled in the House of Representatives on 30 May 2001.
43	Commonwealth will table in the Commonwealth Parliament the annual reports of achievement of milestones for the first four years.	Annually	The Interim Report on implementation of the North East RFA, for the period 31 March 2000 to 30 April 2001, was tabled in Federal Parliament on 20 June 2002. The interim report was subsequently updated to reflect progress for the period 1 July 2000 to 30 June 2001.
43	Commonwealth will table in the Commonwealth Parliament the first five-yearly review on performance against milestones and commitments.	Following first five yearly review	Not required until after the first five year review.

Clause	Action	Timeline	Implementation
48(c)	NSW to complete and publish plans of management for areas dedicated under the NSW <i>National Parks and Wildlife Act 1974</i> (NSW).	1 January 2005	<p>At 30 June 2002 there were 287 national parks, nature reserves, state recreation areas, historic sites and Aboriginal sites in the North East region which require plans of management to be prepared. The number of areas requiring management plans to be prepared has increased since 2000/2001 due to new additions to the national park estate.</p> <p>At 30 June 2002, the NSW Minister for the Environment had adopted 65 plans of management (including seven which were being revised). Plans adopted included those developed for Boonoo National Park, Cathedral Rock National Park and Wollemi National Park. A further 133 plans are in preparation. Preparation of the remaining 89 plans of management had not yet begun.</p> <p>Plans of management may be viewed on the NPWS website at: http://nationalparks.nsw.gov.au.</p>
48(d)	NSW to complete and publish Regional ESFM Plans for State forests.	30 June 2000	Draft Regional Ecologically Sustainable Forest Management (ESFM) Plans were placed on public display in September 2000. Feedback received during the public exhibition resulted in further refinement of the plans throughout 2001/2002.
48(e)	NSW to implement the Forest Management Zoning system for the Upper North East and Lower North East regions.	30 June 2000	<p>The 'Forest Management Zoning System' for State forests was publicly announced in March 1999 with the release of the document entitled <i>Managing Our Forests Sustainably: Forest Management Zoning in NSW State Forests</i>.</p> <p>Proposed forest management zones (FMZs) were identified on maps attached to the draft Regional ESFM Plans which were publicly displayed in September 2000. The maps illustrate the areas of State forest to be managed for conservation purposes and those to be managed for timber production by applying the FMZ system. FMZs are being progressively implemented across State forests. However, final procedural action associated with the FMZs was postponed due to further negotiations undertaken throughout 2002, between the National Parks and Wildlife Service (NPWS), State Forests of New South Wales (SFNSW), the Department of Mineral Resources, and facilitated by PlanningNSW, in response to the NSW Government's <i>Action for the Environment: NSW Government Environment Statement 2001</i>.</p>
48(g)	NSW to implement the review and monitoring processes and develop the strategic and operational requirements of sustainable yield systems and processes to enable a review of Sustainable Yield.	1 December 2006.	SFNSW are finalising an approach, including pre and post harvest assessment and growth and other model refinement. The approach will be discussed with the Environment Protection Authority (EPA), PlanningNSW, NPWS and stakeholders to develop a Forest Resource and Management Evaluation System (FRAMES) implementation strategy.

Clause	Action	Timeline	Implementation
48(h)	NSW to develop and implement environmental management systems.	Within five years of signing	<p>Development of an Environmental Management System (EMS) at NPWS is being progressively developed and is on schedule for implementation by 2004.</p> <p>The development of the NPWS EMS during 2001/2002 has included expanding the system to cover all areas of NPWS operations. This development included trials of components of the system. The <i>State of the Parks</i> report will comprise one component of the system [refer Att 5, Point 1(p)].</p> <p>SFNSW is continuing to develop an EMS to assist in continuous improvement in environmental management in native and planted forests. The EMS will be a comprehensive planning, assessment, implementation, monitoring, auditing and reporting system which details how SFNSW is implementing ESFM on its native and planted forest estate.</p> <p>Following the public display of the Native Forest Strategic Framework in September 2000 and a 'gap analysis' by an external ISO 14001 certification company, the Native Forest Environmental Management System (NFEMS) was rolled out to all Native Forests regions. Simulated (training) EMS audits followed with audit outcomes used to focus further development work (continuous improvement) of the NFEMS. Development is continuing with an objective of obtaining ISO 14001 certification.</p>
51	NSW to report on compliance of the <i>Integrated Forestry Operations Approval</i> for the Upper North East Region and the <i>Integrated Forestry Operations Approval</i> for the Lower North East Region and furnish the Commonwealth with a copy of these reports.	Annually	<p>Annual reporting on compliance with the integrated forestry operations approvals (IFOAs) has been incorporated into the NSW Forest Agreement annual reports which are completed on a financial year basis [refer milestone Att 5 Point 2 (i)].</p> <p>The first report for 1999/2000 is complete, and covers compliance on the IFOAs for the period 1 January 2000 to 30 June 2000 and achievement of milestones in the forest agreements from 5 March 1999 to 30 June 2000.</p> <p>The second report is also complete covering the period 1 July 2001 to 30 June 2002.</p> <p>Subsequent reporting will continue on a financial year basis (1 July to 30 June).</p>
53(d)	Both Parties to further develop, review, and if necessary revise Sustainability Indicators.	In time for the first five-yearly review	<p>The sustainability indicators (ESFM criteria and indicators) referred to in clause 49 of the RFA for North East New South Wales and described in Table 1 and Attachment 9 of the NSW Forest Agreements for the Upper North East and Lower North East regions were developed consistent with the Montreal process criteria. The indicators have been implemented since 1999/2000.</p> <p>NSW prepare a report on the results of the monitoring of the sustainability indicators for each financial year. The results of monitoring are summarised in the annual reports for the NSW Forest Agreements.</p> <p>The Parties are continuing to undertake activities to monitor progress on implementation of the regional indicators and review and revise them as appropriate.</p> <p>An evaluation of the effectiveness and appropriateness of the indicators will be made at the five year review of the NSW Forest Agreements.</p>

Clause	Action	Timeline	Implementation
57	NSW to produce a code of practice for Timber Harvesting of native forest on private lands.	By the first five-yearly review	The 'Interim Best Operating Standards for Harvesting of Private Native Forestry', under <i>Native Vegetation Conservation Act 1997</i> were released in June 2001. The Standards replace existing draft Best Management Principles and other standards used by vegetation officers. The Standards were prepared to guide forestry operations on private lands requiring consent. In April 2002, a Private Native Forestry Reference Group was established to examine the regulation of forestry on private lands and make recommendations for a workable exemption and consent framework.
58	NSW to complete Code of Practice for Plantations on Private Land.	31 December 2000	The <i>Plantations and Reafforestation Act 1999</i> and Code of Practice came into effect in December 2001. The Act and Code are subject to review in 2004.
81	NSW to review the Forest Resource and Management Evaluation System (FRAMES) and Wood supply.	1 December 2006	Approach discussed in clause 48(g) will include the review of FRAMES and wood supply levels. Annual reporting on wood supply against FRAMES estimates is contained in forest agreement annual report.
83	Changes in contracted volumes following review to be incorporated in this Agreement and Wood Supply Agreement holders to be advised.	1 December 2006	Not required until 2006.
100	NSW to establish a Research Liaison Committee and publish a list of research priorities.	1 August 2000	The Committee was formed in October 2000, and held its first meeting in November 2000. The Committee includes representatives from NPWS, the Department of Land and Water Conservation, PlanningNSW and SFNSW. At 30 June 2002, representatives were identifying current research being undertaken by their agency and other non-government groups and universities. List of research priorities is to be included in the Compendium [refer milestone clause 102]
102	NSW to prepare a Compendium of New South Wales Forest Research.	By the first five-yearly review	Development of the Compendium is underway by PlanningNSW for completion by the end of 2004.
105	NSW and the Commonwealth to lodge archival copies of data.	Within six months of signing	A joint NSW/Australian Government archive was completed in July 2001.
Att 1A & Att 1B Point 4	NSW to prepare Plans of Management for Crown Reserves.	1 January 2005	At 30 June 2002, preparation of plans of management for Crown Reserves had been deferred pending the completion of negotiations between NSW State agencies over the potential transfer of all Crown Reserves to State Conservation Areas. Such a transfer will avoid duplication of land use categories and solve some of the management anomalies that currently exist with Crown Reserves. A Memorandum of Understanding regarding the management of Crown Reserves was signed on 26 March 2001 between the Directors-General of NPWS and the Department of Mineral Resources.
Att 1A Point 5	NSW will finalise boundaries of CAR reserve to enable implementation.	Within six months of signing	Boundaries established by the <i>Forestry and National Park Estate Act 1998</i> have been finalised. [refer milestones Att 1A Point 8 and Att 1B Point 12]

Clause	Action	Timeline	Implementation
Att 1A Point 8 & Att 1B Point 12	New South Wales to establish all Dedicated Reserve and Informal Reserve components of the CAR Reserve System.	Within six months of signing	Flora reserves were created by the <i>Forestry and National Park Estate Act</i> and identification of informal reserves on State forests is complete. Administrative steps to create FMZ 2 and 3a are underway. All national parks, nature reserves and Crown reserves have been created by the <i>Forestry and National Park Estate Act</i> .
Att 3 Point 4	NSW will complete the Threat Abatement Plan for the European Red Fox.	1 July 2000	The draft plan was publicly exhibited in July 2001, and approved by the NSW Minister for the Environment in December 2001. The final threat abatement plan for the European Red Fox can be viewed on the NPWS website at: http://www.nationalparks.nsw.gov.au/PDFS/Redfox approved.pdf .
Att 2 [sic Att 3] Table 1	NSW to develop Recovery Plans for species listed in Table 1 of Attachment 2 (sic should be Attachment 3).	Within five years of signing	The progressive preparation of recovery plans is continuing. At 30 June 2002, of the 68 recovery plans specifically listed as State responsibilities in the RFA, 10 plans had been approved, three plans had drafts that had been publicly exhibited, a further five had drafts completed, 26 were in preparation and a further four were at the initial planning stage. Preparation of the remaining 20 plans had not yet begun. Development of plans for a further 19 species listed in the RFA as national plans had also begun. Five of the listed national plans have been completed. <i>Note: 'complete' means the draft is complete and ready for public exhibition. Plans are not final until they have been approved by the NSW Minister for the Environment and may change in response to public submissions received during exhibition.</i> Recovery plans may be viewed on the NPWS website at: http://www.nationalparks.nsw.gov.au .
Att 6 1(p)	NSW to publish a <i>State of the Parks</i> report.	1 April 2001	The first <i>State of the Parks</i> report was released in November 2001. The report provided an overview of the conservation values of NSW and their management within the parks system. This was supported by a series of 'case studies' for parks around the State. Indicators are being developed by which NPWS management effectiveness will be reported in future <i>State of the Parks</i> reports. The next report is due for release in December 2004. The 2001 <i>State of the Parks</i> report may be viewed on the NPWS website at: http://www.nationalparks.nsw.gov.au/npws.nsf/Content/State+of+the+Parks+2001 .
Att 6 2(b)	NSW will publish Eco Field Guides for the Upper North East Region and the Lower North East Region.	30 June 2000	Eco-field guides are being prepared in two parts: Part 1 – The Overview of Forest Management in North East NSW is still being prepared. Part 2 – the diagnostic component has been prepared and was exhibited with draft regional ESFM plans in September 2000. Part 2 of the Guide has since been finalised and is currently being used in the field. It will be updated on an ongoing basis.
Att 6 2(c)	NSW to publish the <i>Native Forest Silviculture Manual</i> (SFNSW).	31 December 2000	SFNSW published a <i>Native Forest Silviculture Manual</i> in September 2000. The Manual complements its field guides and training programs. The Manual documents the basis for SFNSW's silvicultural practices and contains the silvicultural specifications and guidelines required by the NSW Forest Agreements and IFOAs.

Clause	Action	Timeline	Implementation
Att 6 2(d)	NSW to document and publish a description of the NSW Forest Management System covering Public and Private Lands.	In time for the first five-yearly review	The approach will build on and update the overviews on the responsible agencies contained in the Comprehensive Regional Assessment (CRA) ESFM report entitled <i>Description of Management Systems and Processes for Achieving Ecologically Sustainable Forest Management in NSW</i> .
Att 6 2(e)	NSW to publish a description of the methods and results of calculating Sustainable Yield on Public Land.	1 December 2006	Milestone not yet due but is under development.
Att 6 2(e)	NSW to publish independent audits of Sustainable Yield as outlined in Attachment 12.	For the second and subsequent five-yearly reviews	Milestone not required until the second five-year review.
Att 6 2(f)	NSW to table in each House of Parliament an annual report on the New South Wales <i>Upper North East Region Forest Agreement</i> and <i>Lower North East Region Forest Agreement</i> in accordance with the <i>Forestry and National Park Estate Act 1998</i> (NSW) which will include an ESFM report and the outcomes of compliance with any Integrated Forestry Operations Approval for the regions.	Annually	<p>The 1999/2000 NSW Forest Agreement Annual Report was tabled in the NSW State Parliament in February 2002.</p> <p>The second annual report for the period 1 July 2000 to 30 June 2001 is complete. Preparation of the report experienced some delays due to the establishment and allocation of State resources and refinement of the report structure and reporting process.</p> <p>Annual reporting for the NSW Forest Agreements is now aligned to report on a financial year basis and provides progress on:</p> <ul style="list-style-type: none"> ▪ Discussion on significant achievements. ▪ Achievement of milestones in the forest agreements. ▪ Monitoring of ESFM criteria and indicators (sustainability indicators) by NPWS and SFNSW. ▪ Compliance with the IFOAs. <p>A supplementary report, the <i>ESFM Criteria and Indicators Annual Report</i>, which provides details on the monitoring of the sustainability indicators has also been completed for 1999/2000 and 2000/2001. The 2000/2001 <i>ESFM Criteria and Indicators Annual Report</i> also underwent considerable review and refinement, causing some delays in its completion.</p>
Att 8 1(a)	NSW NPWS will develop an Environmental Management System for lands dedicated under the <i>National Parks and Wildlife Act 1974</i> (NSW).	1 April 2004	Refer to milestone 48(h).
Att 8 1(b)	SFNSW to develop a Native Forest Management System as an Environmental Management System.	1 April 2001	Refer to milestone 48(h).
Att 8 1(l) [sic provisions]	NSW to incorporate codes of practice that address in an integrated fashion bush and other fires within Regional ESFM Plans and plans of management for areas dedicated under the <i>National Parks and Wildlife Act 1974</i> (NSW).	By the first five-yearly review	<p>Addressed through District Fire Committees under <i>Rural Fires Act 1997</i> where consideration of these values is undertaken prior to finalisation of District Hazard Reduction Plans.</p> <p>Bushfire management is also addressed through NPWS plans of management. ESFM principles are also being incorporated into bushfire risk management plans.</p>

Clause	Action	Timeline	Implementation
Att 8 1(m)	NSW to incorporate within the Regional ESFM Plans and Plans of Management under the <i>National Parks and Wildlife Act 1974</i> integrated feral animal and weed control programs.	By the first five-year review.	<p>Following the exhibition of the model management plans for weeds and feral and introduced predators with the draft Regional ESFM Plans in 2000, the plans are being further developed and refined in response to public submissions and discussions with regulatory agencies.</p> <p>Feral animal and weed control programs are integrated into NPWS plans of management, recovery plans and threat abatement plans. [Refer specific milestones regarding the preparation of these plans].</p>
Att 8 1(n)	NSW to establish a process, including public reporting, for regular audits of compliance and reviews of Codes of Practice, Eco-Field Guides and/ Regional Prescriptions.	1 December 2002	<p>An overview of the process was included in the SFNSW draft NFMS which was displayed for public comment in September 2000, and will be finalised as part of the EMS in December 2001.</p> <p>A comprehensive set of procedures and guidelines were endorsed by NPWS in March 2002. The procedures and guidelines, in handbook form, were designed for NPWS officers carrying out compliance audit and enforcement activities. The guidelines are now applied across the NPWS to ensure a consistent standard. These procedures cover proactive auditing as well as reactive investigations in response to allegations of contraventions made by the public. They set out guidelines for planning a targeted proactive audit, responding to external complaints, communicating within the NPWS and with SFNSW, carrying out an investigation, finalising data and preparing an audit report, and making and carrying out enforcement decisions.</p> <p>The EPA has developed an active audit program of SFNSW forestry operations to determine compliance with licence conditions. The audit program ensures that SFNSW is taking the required measures to protect the aquatic environment through responsible planning and operational activities. Non-compliance with conditions of the licence are dealt with through meetings with senior SFNSW officers, issuing feedback or warning letters, clean-up notices, penalty notices or prosecution action as appropriate to the circumstances.</p> <p>Focused threatened species compliance activities in relation to forestry operations are carried out by NSW Fisheries opportunistically where they coincide with NSW Fisheries compliance duties. NSW Fisheries investigate complaints as they are received.</p>

Clause	Action	Timeline	Implementation
Att 8 1(n)	NSW to undertake audits as described above.	By the first and subsequent five-yearly reviews of the Agreement	<p>During 2000/2001 16 new complaints and 23 complaints carried over from the previous reporting period were investigated by the NPWS. These investigations covered a total of 37 separate harvesting operations and identified breaches to 20 separate Threatened Species Licence conditions during the period. Additionally, the NPWS carried out seven proactive audits in the North East region that identified an additional 10 contraventions to the Licence and one to the Upper North East IFOA. At 30 June 2002, no enforcement action had been undertaken.</p> <p>The EPA conducted 15 operational and planning audits of the Environment Protection Licence during 2001/2002. Results of these audits identified 134 breaches of Licence conditions. The EPA subsequently provided feedback to SFNSW and issued warning letters outlining the issues of non-compliance that were identified. Remedial work was also required to be undertaken at 15 locations across the North East region.</p> <p>One contravention of the Fisheries Licence was detected during 2001/2002. This contravention occurred in the Lower North East region and related to reporting anomalies.</p> <p>Internal compliance monitoring by SFNSW to ensure activities comply with the conditions of the IFOAs continued throughout 2001/2002. Results of the checks identified 682 incidents of non-compliance within the North East regions. Of the incidents recorded, 50% were related to soil erosion and water quality, 30% were related to flora and fauna, nil were related to fish habitat and passage, and 20% related to other issues such as safety. Overall, the total number of incidents recorded by SFNSW internal monitoring fell by 16% since 1999/2000.</p>
Att 8 1(o)	NSW will establish demonstration areas in both the Upper North East Region and the Lower North East Region for illustrating silvicultural practices and the suite of silvicultural regimes practiced.	1 April 2001	Silvicultural demonstration areas are continuing to be established across the UNE and LNE regions. These sites are used to assist the training of forest operators, covering a range of forest types and silvicultural regimes permissible under the IFOA. At 30 June 2002, five demonstration sites had been established, including sites at Queens Lake and Kiwarrak. Other sites are nearing completion.
Att 8 1(q)	NSW will develop a model to predict recruitment and maintenance of habitat trees over time.	31 December 2010.	Milestone not due until 2010, but is under development.
Att 8 1(s)	NSW will publish the <i>Native Forest Silviculture Manual</i> (SFNSW).	31 December 2000	SFNSW published a <i>Native Forest Silviculture Manual</i> in September 2000. The Manual complements its field guides and training programs. The Manual documents the basis for SFNSW's silvicultural practices and contains the silvicultural specifications and guidelines required by the NSW Forest Agreements and IFOAs. [refer also milestone Att 6 2(c)]
Att 12 Part B 15	SFNSW will complete the enhancement of FRAMES, commission and publish an independent review of the enhanced system and review the timber and annual volume to be harvested from 2007 – 2018.	1 December 2006.	Milestone not yet due but is under development.

Clause	Action	Timeline	Implementation
Att 12 Part C 19	Subject to availability of suitable land, NSW will purchase Private Lands and/ or timber rights to supply High Quality Large Sawlogs and Large Veneer Logs.	31 December 2004	At 30 June 2002, eight properties had been purchased within the North East region under the Private Property Timber Supplementation Program. The approximate area purchased was 11 000 hectares with an estimated 97 000m ³ of quota sawlogs purchased.
Att 12 Part C 19	Subject to availability of suitable land NSW will establish at least 10 000 hectares of hardwood plantations.	31 December 2004	During 1999/2000, approximately 2 000 hectares of hardwood plantation were established in the North East region. Approximately two thirds of this area is joint venture. An additional 3 400 hectares of hardwood plantation were established in 2000/2001, with a further 1 274 hectares established in 2001/2002.
Att 12 Part D 21 Dot 5	Use best endeavours to undertake an inventory of private forests to determine the basis of yield of wood products.	Within five years of signature.	Inventory on private land is being progressed.
Att 12 Part E 22 Dot 4	Report on the annual production of all timber products.	Annually	Reported in the NSW Forest Agreement Annual Report.
Att 12 Part E 22 Dot 6	Monitor FRAMES through comparison of actual versus predicted volumes.	Annually	Reported in the NSW Forest Agreement Annual Report. The results of monitoring actual versus predicted volumes will form part of the process to review FRAMES.
Att 12 Part E 23	NSW will undertake independent audits of the progress of the Sustainable Wood Supply Strategy.	To be completed in time for the 2 nd and 3 rd five-yearly reviews.	Milestone not yet due but approach is being considered.

Acronyms

CAR reserve system	Comprehensive, Adequate and Representative reserve system
CRA	Comprehensive Regional Assessment
EMS	Environmental Management System
EPA	Environment Protection Authority
ESFM	Ecologically Sustainable Forest Management
FMZ	Forest Management Zone
FRAMES	Forest Resource and Management Evaluation System
IFOA	Integrated Forestry Operations Approval
NFEMS	Native Forest Environmental Management System
NPWS	National Parks and Wildlife Service
RFA	Regional Forest Agreement
SFNSW	State Forests of New South Wales