

**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 2002 – 30 June 2003**

**ANNUAL REPORT**

# **REGIONAL FOREST AGREEMENT**

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## **Introduction**

Regional Forest Agreements (RFAs) are separate Agreements between the Australian Government and the State Governments of New South Wales, 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 New South Wales, the Hon Bob Carr MP, signed the North East RFA on 31 March 2000.

The RFAs are subject to annual reporting during the first five years and thereafter five-yearly reviews, to report progress against milestones. Progress reporting by the Australian and New South Wales 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 third North East RFA annual report and provides details on the achievement of milestones for the period 1 July 2002 to 30 June 2003.

## Progress on Milestones

*Note: References to NSW Government agencies are at 30 June 2003.*

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 yearly 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, RFAs and amended the relevant sections of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (Cwlth) to reflect these definitions and exempt RFA forestry operations from specific legislative requirements.
39	Parties to report annually on the achievement of milestones in this Agreement.	Annually for the first five years	This is the third annual report on the achievement of milestones contained in the Regional Forest Agreement for North East New South Wales (North East RFA) and covers the period 1 July 2002 to 30 June 2003.
42	The Parties to determine the mechanism for the five yearly review.	Before the end of the five-yearly review period	Discussions were held between Australian and NSW government officials in early 2003 to discuss mechanisms for conducting the review. NSW agreed to develop a proposal for the review of the RFAs for consideration by the Australian Government.  At 30 June 2003, NSW was continuing to develop a scoping agreement (including terms of reference) for the five yearly review. Elements of the scoping agreement (including terms of reference) that deal with the review of the RFAs will be finalised with the Australian Government following the establishment of a State position.
43	Commonwealth will table the signed RFA in the Commonwealth Parliament.	Following Signature	The signed North East RFA was tabled in the Federal Parliament on 30 May 2000.
43	Commonwealth will table in the Commonwealth Parliament the annual reports of achievement of milestones for the first four years.	Annually	This is the third annual report for the North East RFA to be tabled in the Federal Parliament.
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 yearly 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>Plans of management for areas dedicated under the <i>National Parks and Wildlife Act 1974</i> are being progressively completed. There were 293 national parks/nature reserves/state conservation areas (SCAs)/historic sites/Aboriginal areas in the North East region requiring management plans to be prepared. At 30 June 2003, 72 areas had plans of management adopted by the NSW Minister for the Environment (including seven that were being revised). Plans adopted include those for Bald Rock and Boonoo Boonoo National Park, Wollemi National Park and Torrington SCA. A further 135 plans were in preparation (including 63 that were in draft form and one that was publicly exhibited).</p> <p><i>Note: Increase in the total number of management plans required across the estate since the last reporting period generally reflects the addition of new areas.</i></p>
48(d)	NSW to complete and publish Regional ESFM Plans for State forests.	30 June 2000	<p>Following the public exhibition of the draft Regional Ecologically Sustainable Forest Management (ESFM) Plans in 2000, State Forests of NSW (SFNSW) has been progressively refining the documents in response to feedback from the public and regulatory agencies.</p> <p>Delays in the completion of the plans have been experienced due to changes within SFNSW operating environment and NSW government structures following the March 2003 State election.</p> <p>The final plans are scheduled for completion in early 2005, following which a further public exhibition period will occur prior to publication in late 2005/early 2006.</p>
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 (FMZ) 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>A Geographic Information System (GIS) operational layer was agreed at the time of the signing of the NSW forest agreements for the Upper North East and Lower North East regions in 1999. These areas were illustrated on maps attached to SFNSW draft Regional ESFM Plans, publicly exhibited in 2000. The maps illustrated the areas of State forest to be principally managed for conservation purposes and those to be principally managed for timber production by applying the FMZ system. The FMZs have been progressively implemented across State forests in the region. Some Special Management Zones were created by the <i>National Park Estate (Reservations) Act 2002</i> (assented to on 18 December 2002). The final aspects of the FMZ system were postponed, awaiting the completion of negotiations undertaken throughout 2002 between the National Parks and Wildlife Service (NPWS), SFNSW, the Department of Mineral Resources, and facilitated by Planning NSW. These negotiations were undertaken in response to the NSW Government's <i>Environment Statement 2001: Action for the Environment</i>, dealing principally with those areas illustrated in Map 2 of the NSW forest agreements for the Upper North East and Lower North East regions as being 'lands for further consideration'.</p> <p>The FMZs have been progressively implemented across State forests in the region, including some minor changes to some FMZs. A FMZ layer is to be publicly displayed with the final Regional ESFM Plans in early 2005.</p>

Clause	Action	Timeline	Implementation
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.	<p>To improve the application of FRAMES (Forest Resource and Management Evaluation System) to the North East region, the NSW inter-agency North East Wood Resources Working Group was established (chaired by RACD of Planning NSW and represented by SFNSW, NPWS and EPA). This group reviewed timber volumes available in the North East region according to FRAMES modelling and new SFNSW inventory work. Critical review of the FRAMES model by this Working Group has also led to overall improvements in the FRAMES model.</p> <p>By the end of 2005, SFNSW expects to have completed a broad series of improvements to its FRAMES modelling, including to inventory data used as input, pre- and post-harvest assessment, growth modelling, improvements to biometrics within FRAMES, and the architecture of the model itself. These processes will contribute to improved strategic and tactical wood flow estimates, and a better understanding of sustainable yield available from the forest estate.</p> <p>It is intended that the members of the former North East Wood Resources Working Group will reconvene in 2005 to discuss and review SFNSW' work on FRAMES improvements in all RFA regions. Subsequently, the FRAMES improvements will also be discussed with stakeholders to enable broad understanding and acceptance of an improved FRAMES throughout the community.</p>
48(h)	NSW to develop and implement environmental management systems.	Within five years of signing	<p>Development of the NPWS environmental management system (EMS) is progressing. The EMS is intended to cover all areas of NPWS operations. A major component of the system will comprise the <i>State of the Parks</i> report. As part of <i>State of the Parks</i>, trial and implementation of indicators to measure management effectiveness on a sample of parks throughout the State was undertaken during the year. At 30 June 2003, a framework for the expansion of the program was under development.</p> <p>SFNSW' Native Forest Management System (NFMS) was renamed the Native Forest Environmental Management System (NFEMS) to better highlight the intent of the system. Following a gap analysis and 'roll out' to SFNSW regions during 2001/2002, SFNSW has continued to develop the EMS to ISO 14001 standard. Once fully implemented the system will ensure management plans and processes are consistently applied across State forests, providing a framework for the achievement of ESFM, ensuring continuous improvement in the management of State forests. Completion of the EMS has taken longer than expected due to the size of the task.</p> <p>Development of an EMS for planted forests also continued throughout the year. This system is also being developed with the objective of obtaining ISO 14001 certification.</p> <p>SFNSW is working towards certification of a corporate EMS (ISO 14001) by early 2006 for both planted and native forests.</p>

Clause	Action	Timeline	Implementation
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 IFOAs for the Upper North East and Lower North East regions has been incorporated into the NSW forest agreements reports that are completed for each financial year (1 July to 30 June). [Refer Att 5 2(i)].</p> <p>The report for 1999/2000 is complete and was tabled in NSW State Parliament on 28 February 2002. The report for 2000/2001 is also complete and has been submitted for tabling. Preparation of the reports for 2001/2002 and 2002/2003 is continuing.</p> <p>Procedural difficulties have lead to delays in the completion of the reports for the NSW forest agreements, including departmental restructures following the March 2003 State election. However, all reports are being completed as a matter of priority.</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 North East RFA 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.</p> <p>The sustainability indicators for the North East region have been monitored since 1999/2000. Results of monitoring of the indicators for the North East (Upper North East and Lower North East) and Eden regions are reported together on for each financial year (1 July to 30 June) in the ESFM criteria and indicators monitoring reports. The reports for 1999/2000 and 2000/2001 have been completed. Reporting for 2001/2002 and 2002/2003 is nearing completion.</p> <p>A summary of the results of monitoring reported in the above reports is included in the NSW forest agreement reports described in clause 51 and Att 6 2(f).</p> <p>Results of monitoring of the sustainability indicators over the first five years will feed into an evaluation of their appropriateness at the five yearly review.</p>
57	NSW to produce a code of practice for Timber Harvesting of native forest on private lands.	By the first five-yearly review	<p>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.</p> <p>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 and accepted by the State Government in September 2002. The Department of Land and Water Conservation (DLWC) has since been progressively implementing the recommendations, including the development of a draft Exemption Operations Standard (for forest operations that may be undertaken without consent) and a Forest Operations Standard (to guide operations where consent is required).</p>
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 for Private Plantations came into effect in December 2001. The Act and Code are due for review in 2004.
81	NSW to review the Forest Resource and Management Evaluation System (FRAMES) and Wood supply.	1 December 2006	<p>Approach discussed in clause 48(g) will include the review of FRAMES and wood supply levels.</p> <p>Wood supply against FRAMES estimates is reported annually in the NSW forest agreements reports.</p>

Clause	Action	Timeline	Implementation
83	Changes in contracted volumes following review to be incorporated in this Agreement and Wood Supply Agreement holders to be advised.	1 December 2006	There had been no change to contracted volumes at 30 June 2003.
100	NSW to establish a Research Liaison Committee and publish a list of research priorities.	1 August 2000	<p>The Committee was formed in October 2000, and held its first meeting in November 2000. The Committee includes representatives from NPWS, Planning NSW and SFNSW. Representatives were to identify current research being undertaken by their agency and priorities for future research.</p> <p>Since then, Planning NSW has coordinated contributions from a range of land management agencies, research organisations and universities on current research being undertaken, future research priorities and published research related to forests. Information on current research and future research priorities will be compiled to create a list for inclusion in the compendium of forest research. At the end of 2002/2003, this work was continuing. [Refer clause 102]</p>
102	NSW to prepare a Compendium of New South Wales Forest Research.	By the first five-yearly review	<p>Development of the Compendium continued throughout 2002/2003.</p> <p>[Refer clause 102]</p>
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	During 2002/2003 all Crown reserves managed by the NPWS in the North East region (Upper North East and Lower North East regions) were reclassified as SCAs. The reclassification of Crown reserves to SCAs avoids duplication of land use categories and solves some of the management anomalies that exist with Crown reserves and which affect the preparation of plans of management. The principal anomaly is that the legislation under which Crown reserves are established does not allow for the responsibility for the reserves (and therefore the plans of management) to rest with the NSW Minister for the Environment, Plans of management for SCAs will now be prepared progressively and will be included in the figures reported for clause 48(c).
Att 1A Point 5	NSW will finalise boundaries of CAR reserve to enable implementation.	Within six months of signing	Boundaries were established by the assent of the <i>Forestry and National Park Estate Act 1998</i> on 14 December 1998 and adjustments made by 28 February 1999. [Refer Att 1A Point 8 and Att 1B Point 12]
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	<p>Dedicated – All national parks, nature reserves and flora reserves were created by the <i>Forestry and National Park Estate Act</i> assented on 14 December 1998. Additional areas were added to the dedicated reserve system by the <i>National Park Estate (Reservations) Act 2002</i> assented to on 18 December 2002.</p> <p>Informal – Crown reserves were created by the <i>Forestry and National Park Estate Act</i>. The <i>National Park Estate (Reservations) Act</i> declared FMZ 2 and 3a special management zones (under section 21a of the <i>Forestry Act 1916</i>).</p> <p>Further areas for potential inclusion in the reserve system were being considered at the end of the reporting period.</p>
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 a final plan was approved by the NSW Minister for the Environment in December 2001.

Clause	Action	Timeline	Implementation
Att 2 [sic Att 3] Table 1	NSW to develop Recovery Plans for species listed in Table 1 of Attachment 2 (sic Attachment 3).	Within five years of signing	<p>Recovery plans are being progressively prepared. At 30 June 2003, 49 of the 68 recovery plans listed in the North East RFA were in various stages of preparation. Twelve plans had been approved, five draft plans had been publicly exhibited, a further four draft plans had been completed. Another 24 plans were being prepared and another four at the initial planning stage. Preparation of the 19 remaining plans had not yet commenced at the end of the reporting period, although two of these had national plans prepared under the <i>Endangered Species Protection Act 1992</i> (Cwlth).</p> <p>The NPWS has one approved recovery plan and work underway on a further 16 for species listed in Table 1 of Attachment 2 of the RFA as requiring a national plan.</p> <p><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></p>
Att 6 1(p)	NSW to publish a <i>State of the Parks</i> report.	1 April 2001	<p>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.</p> <p><i>State of the Parks</i> is an ongoing program. During 2002/2003, this program included the trial and implementation of indicators of management effectiveness on a sample of parks throughout the State. A framework for the expansion of the program is underdevelopment.</p> <p>The next report is due for release in early 2005.</p>
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	<p>Eco-field guides for the Upper North East and Lower North East regions were published in 2000. The guides were made up of two parts:</p> <p>Part 1 - Overview of Forest Management in North East NSW. Part 2 – Diagnostic component.</p> <p>In accordance with EMS principles (continual improvement), SFNSW review its corporate documents and systems. Part 1 of the eco-field guides were being reviewed at 30 June 2003. Part 2 of the eco-field guides were being applied in the field and updated on an ongoing basis.</p>
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 2000. The manual documents the basis for SFNSW' silvicultural practices, and complements its field guides and training programs.
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	Approach is being developed. It will likely update the overviews of each of the NSW agencies that were contained in the Comprehensive Regional Assessment/Regional Forest Assessment (CRA/RFA) 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	Refer clause 48(g).
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 yet due but is under development.

Clause	Action	Timeline	Implementation
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>Reporting for the NSW forest agreements provides progress on:</p> <ul style="list-style-type: none"> <li>▪ Significant achievements made by participating NSW agencies.</li> <li>▪ Achievement of milestones in the NSW forest agreements.</li> <li>▪ Monitoring of ESFM criteria and indicators (sustainability indicators) by NPWS and SFNSW.</li> <li>▪ Compliance with the IFOAs.</li> </ul> <p>The report for 1999/2000 was tabled in the NSW State Parliament on 28 February 2002. The report for 2000/2001 had been submitted for tabling in State Parliament. The reports provided details on the implementation of the NSW forest agreements for the Upper North East, Lower North East and Eden regions.</p> <p>Reporting for 2001/2002 (covering the implementation of the NSW forest agreements for the Upper North East, Lower North East and Eden regions) is nearing completion. Reporting for 2002/2003 (covering the NSW forest agreements for the Upper North East, Lower North East, Eden and Southern regions) is also nearing completion.</p> <p>A supplementary report which provides details on the monitoring of the sustainability indicators contained in the NSW forest agreements for each region has also been completed for 1999/2000 and 2000/2001 for the North East (Upper North East and Lower North East) and Eden regions. Reporting for 2001/2002 and 2002/2003 is nearing completion. [Refer clause 53(d)]</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 clause 48(h).
Att 8 1(b)	SFNSW to develop a Native Forest Management System as an Environmental Management System.	1 April 2001	Refer clause 48(h).

Clause	Action	Timeline	Implementation
Att 8 1(l) [sic provisi ons]	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> <p>SFNSW and the NPWS have statutory obligations for fire management arising from the <i>Rural Fires Act 1997</i>.</p> <p>SFNSW is recognised as one of four fire authorities under the <i>Rural Fires Act</i>, is a member of the NSW Bush Fire Coordinating Committee, and is subject to the Coordinated Fire Management provisions of the <i>Rural Fires Act</i>.</p> <p>SFNSW Draft Corporate Fire Plan (to be completed in early 2006 with the finalisation of the EMS) and Regional Fire Plans are designed to dovetail into section 52 (<i>Rural Fires Act</i>) plans of operations and bush fire risk management plans to present a coordinated response to hazards and fires across the landscape by all fire authorities in NSW.</p> <p>The NSW approach to bush fire risk management planning essentially complies with the recommendations of the Council of Australian Governments (COAG) process. It is based on a risk management process that is coordinated state wide via the Bush Fire Management Committees and the Bush Fire Coordinating Committee.</p>
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 yearly review.	<p>At 30 June, SFNSW was finalising the model (strategic) management plans for weeds, feral animals and introduced predators following discussions with NSW regulatory agencies. The model plan will be used in all regions to maintain consistency. The model plans are scheduled for completion in late 2005, following which region-specific plans, based on the model plan, will be progressively developed.</p> <p>NPWS manages feral animal and weed control according to programs included in its plans of management, recovery plans and threat abatement plans. [Refer clause 48(c) and Att 2 Table 1].</p>

Clause	Action	Timeline	Implementation
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 SFNSW audit process was included in its draft NFMS Overview, publicly exhibited in 2000 (since re-named the NFEMS). The audit process has since been put in place following the implementation of its Operational Compliance Monitoring and Audit Manual. The final audit process will be included in the EMS when complete.</p> <p>SFNSW continues to publicly report, at a statewide level, compliance and monitoring results in its <i>Social, Economic and Environmental (SEEing)</i> report each year.</p> <p>NPWS assesses compliance with the Threatened Species Licence in accordance comprehensive guidelines and procedures that were endorsed in March 2002. The guidelines and procedures were compiled into handbook form and are used across the NPWS to ensure a consistent approach to compliance monitoring and enforcement.</p> <p>The EPA has developed an active audit program of SFNSW' forestry operations to ensure that SFNSW is taking the required measures to protect the aquatic environment through responsible planning and operational activities. Non-compliance with conditions of the Environment Protection Licence are dealt with through meetings with senior SFNSW officers, issuing feedback or warning letters, clean-up notices, penalty notices or prosecution actions as appropriate at the circumstances.</p> <p>NSW Fisheries carry out opportunistic threatened species compliance activities in relation to forestry operations where they coincide with other fishery compliance duties and investigate complaints when received.</p> <p>Public reporting of compliance audits is provided in the reports for the NSW forest agreements described under clause 51.</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 2002/2003, the NPWS received nine new complaints from the public concerning alleged breaches of the Threatened Species Licences for the Upper North East and Lower North East regions. A further three complaints were ongoing investigations carried over from 2001/2002. In response to complaints received from the public, NPWS investigations identified breaches to 16 separate Threatened Species Licence conditions. NPWS also undertook five proactive audits during the year that identified two contraventions of the Threatened Species Licence.</p> <p>The EPA conducted 11 operational and planning audits of SFNSW forestry operations in the Upper North East and Lower North East regions during 2002/2003. Results of these audits identified 160 breaches of the Environment Protection Licence (breaches identified as a result of one of these audits were still being determined at the end of the reporting period and had not yet been included in the above total). For the Upper North East region, a total of 20 breaches were identified, of these three breaches were related to non-compliance with pre-operational planning requirements, and 14 breaches related to operational activities during harvesting in the region, three breaches pertained to non-compliance with operating conditions for roads. For the Lower North East region, a total of 140 breaches were identified, of these 111 breaches related to pre-operational planning requirements, 14 breaches identified for non-compliance with operational activities during harvesting operations, and 15 breaches related to non-compliance with operating conditions for roads in the region. Action taken by the EPA in response to these breaches included warning letters to SFNSW outlining the issues of non-compliance identified, and the issuing of one penalty notice for non-compliance with the Licence in the UNE region. Remedial work was required to be undertaken on four occasions in the UNE region and eight occasions in the LNE region, as well as instructions to seek expert soil conservation advice at four sites. Audits were also undertaken for SFNSW' complaint, compliance and operations registers in the UNE region, which identified 305 breaches. One penalty notice as a result of this audit.</p> <p>NSW Fisheries report that there were no known contraventions of the Fisheries Licence during 2002/2003.</p> <p>SFNSW is continuing to undertake internal monitoring on its compliance with the conditions of the IFOAs. These audits are undertaken independently of those undertaken by the NPWS, EPA and NSW Fisheries. Internal auditing of major harvest contractor/operations by SFNSW allows the identification of possible breaches of the conditions of the IFOAs and where better management/processes need to be implemented. During 2002/2003, SFNSW identified 561 incidents of non-compliance across the North East region. The total number of incidents recorded fell by about 18% compared to 2001/2002. Most of the incidents recorded were related to soil and water quality (57%), and flora and fauna (32%). No incidents related to fish habitat and passage were recorded, and 11% of incidents were related to other issues such as safety.</p>

Clause	Action	Timeline	Implementation
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	Three silvicultural demonstration areas have been established in the Lower North East region, including sites at Queens Lake, Tuggolo and Kiwarrak State forests. The three sites continue to be available to assist the training of forest operators, covering a range of forest types and silvicultural regimes permissible under the IFOA.
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 Forests Silvicultural Manual</i> in September 2000. The Manual complements its field-guides and training programs. The Manual documents the basis for SFNSW's silvicultural practices. [Refer 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.	Refer clause 48(g).
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 2003, ten properties had been purchased across the North East Region (Upper North East and Lower North East regions) under the Private Property Timber Supplementation Program. These cover an area of 13 357 hectares of native forest with an estimated standing volume of 141 439m <sup>3</sup> of high quality large quota sawlogs.  Specifically, during 2002/2003, two properties were purchased across the North East region under the Private Property Timber Supplementation Program. These cover an area of 2 426 hectares of native forest (704 ha in the Upper North East region and 1 722 ha in the Lower North East region), with an estimated volume of 58 115m <sup>3</sup> of high quality large quota sawlogs (4 013m <sup>3</sup> in the Lower North East region and 10 102m <sup>3</sup> in the Upper North East region) purchased. Additionally, two Timber Sale Agreements for purchase of private property timber rights have been implemented across the Lower North East region.
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	SFNSW planted 10 607 hectares of hardwood plantation in the North East region between 1999 and 2003. During 2002/2003, 1 465 hectares was planted as part of SFNSW environmental services for carbon sequestration plantings with the TEPCO company.  Strong real estate prices and competition for land made it difficult for SFNSW to secure additional hardwood plantation investor(s).
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 considered.
Att 12 Part E 22 Dot 4	Report on the annual production of all timber products.	Annually	Reported in the NSW forest agreement reports each year for public forests.

Clause	Action	Timeline	Implementation
Att 12 Part E 22 Dot 6	Monitor FRAMES through comparison of actual versus predicted volumes.	Annually	Reported in the NSW forest agreement reports each year. The results of monitoring actual versus predicted volumes will form part of the information 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 <sup>nd</sup> and 3 <sup>rd</sup> five-yearly reviews.	Milestone not yet due but approach is being considered.

## Acronyms

CAR reserve system	Comprehensive, Adequate and Representative reserve system
COAG	Committee of Australian Governments
CRA/RFA	Comprehensive Regional Assessment/Regional Forest Assessment
DLWC	Department of Land and Water Conservation
EMS	Environmental Management System
EPA	Environment Protection Authority
ESFM	Ecologically Sustainable Forest Management
FMZ	Forest Management Zone
FRAMES	Forest Resource and Management Evaluation System
GIS	Geographic Information System
IFOA	Integrated Forestry Operations Approval
NFEMS	Native Forest Environmental Management System
NFMS	Native Forest Management System
NPWS	National Parks and Wildlife Service
RACD	Resource and Conservation Division
RFA	Regional Forest Agreement
SCA	State Conservation Area
SFNSW	State Forests of New South Wales