

THE CENTRAL HIGHLANDS REGIONAL FOREST AGREEMENT

THIS AGREEMENT is made on the _____ day of _____ 1998

BETWEEN

THE STATE OF VICTORIA, (“Victoria” or “the State”), and

THE COMMONWEALTH OF AUSTRALIA (“the Commonwealth”).

Recitals

WHEREAS:

Purpose of Agreement

A This Regional Forest Agreement (RFA) establishes the framework for the management of the forests of the Central Highlands. Parties are committed to ensuring the Agreement is durable and that the obligations and commitments that it contains are delivered to ensure effective conservation, forest management and forest industry outcomes.

B This Agreement is a Regional Forest Agreement, for the purposes of the *Export Control Act 1982*, Export Control (Hardwood Wood Chips) (1996) Regulations and the Export Control (Regional Forest Agreements) Regulations. As such, the Agreement:

- identifies a Comprehensive, Adequate and Representative Reserve System and provides for the conservation of those areas;
- provides for the ecologically sustainable management and use of forests in the region;
- is for the purpose of providing long-term stability of forests and forest industries; and
- has regard to studies and projects carried out in relation to all of the following matters relevant to the region -
 - (a) environmental values, including old growth, wilderness, endangered species, national estate values and world heritage values;
 - (b) indigenous heritage values;
 - (c) economic values of forested areas and forest industries;
 - (d) social values (including community needs); and
 - (e) principles of ecologically sustainable management.

C This Agreement is divided into Parts. Part 1 applies to the whole Agreement. Part 2 is not intended to create legally binding relations. Part 3 is intended to create legally binding relations. The Attachments are not intended to create legally binding relations except to the extent that this is necessary to give effect to Part 3.

NOW IT IS AGREED as follows:

PART 1

Interpretation

1. This Agreement is to be interpreted, unless the contrary intention appears, with reference to the definitions and general provisions specified in clauses 2 and 3.

Definitions and General Provisions

2. In this Agreement unless the contrary intention appears:

“Action Statement” means an Action Statement made under the *Flora and Fauna Guarantee Act 1988* (Vic);

“Agreement” means all parts of this Agreement between the Commonwealth of Australia and the State of Victoria and includes the Attachments to this Agreement;

“Australian Heritage Commission” or **“the Commission”** means the Commission established by the *Australian Heritage Commission Act 1975* (Cwth);

“Biodiversity” means biodiversity as defined in the JANIS Report;

“CAR Reserve System” means areas under any of the following categories of land tenure - as described in the JANIS Report - Dedicated Reserves, Informal Reserves and other areas on Public Land protected by prescription, and areas of private land where the CAR values are protected under secure management arrangement by agreement with private landholders. This reserve system is based on the principles of comprehensiveness, adequacy and representativeness;

“CAR Values” means the conservation values as described by the JANIS Reserve Criteria embodied in the CAR Reserve System;

“Code of Forest Practices for Timber Production” means the Code of Forest Practices for Timber Production Revision No 2 1996 developed in accordance with the *Conservation, Forest and Lands Act 1987* (Vic);

“Code of Practice for Fire Management on Public Land” means the Code of Practice for Fire Management on Public Land developed pursuant to the *Conservation, Forests and Lands Act 1987* (Vic);

“Competition Principles” means principles as described in the Compendium of National Competition Policy Agreements, January 1997, National Competition Council;

“Comprehensive Regional Assessment” or **“CRA”** means the assessment process carried out pursuant to Attachment 1 of the Scoping Agreement for Victorian Regional Forest Agreements between the Commonwealth of Australia and the State of Victoria;

“Crown land” means land which is, or is deemed to be, unalienated land of the Crown and includes--

- (a) land of the Crown reserved permanently or temporarily or set aside by or under an Act; and
- (b) land of the Crown occupied by a person under a lease, licence or other right.

“Dedicated Reserve” means a reserve equivalent to International Union for the Conservation of Nature and Natural Resources (IUCN) Protected Area Management Categories I, II, III, or IV as defined by the IUCN Commission for National Parks and Protected Areas (1994). The status of Dedicated Reserves is secure, requiring action by the Victorian Parliament or in accordance with Victorian legislation for reservation or revocation. In Victoria, Dedicated Reserves include, but are not limited to, parks under the *National Parks Act 1975* (Vic) and flora, fauna or nature conservation reserves under the *Crown Land (Reserves) Act 1978* (Vic);

“Ecologically Sustainable Forest Management” or **“ESFM”** means forest management and use in accordance with the specific objectives and policies for ecologically sustainable development as detailed in the National Forest Policy Statement;

“Ecological Vegetation Class” or **“EVC”** means for the purposes of the Agreement a forest ecosystem as defined in the JANIS Report. EVCs as they exist at the present time are described in the Central Highlands CRA “Biodiversity Report” published by the Commonwealth and Victorian RFA Steering Committee in 1997;

“Environmental and Heritage Values” means values assessed pursuant to Attachment 1 of the RFA Scoping Agreement;

“Environment Conservation Council” means the Council of the same name established under the *Environment Conservation Council Act 1997* (Vic);

“Forest Management Area” or **“FMA”** means a Forest Management Area as defined in the *Forests Act 1958* (Vic);

“Forest Management Plan” means a forest management plan as defined in the Code of Practices for Timber Production to address the full range of values and uses in State forest;

“Forest Management System” means the State’s suite of legislation, policies, codes, plans and management practices and processes as described in the “*Victorian Statewide Assessment of Ecological Sustainable Forest Management*” published by the Commonwealth and Victorian RFA Steering Committee in 1997 as varied by this Agreement;

“Forest Products” means all live and dead trees, ferns or shrubs or parts thereof;

“Forestry Operations” means -

- (a) the planting of trees; or
- (b) the managing of trees before they are harvested; or
- (c) the harvesting of Forest Products

for commercial purposes and includes any related land clearing, land preparation and regeneration (including burning), and transport operations;

“General Management Zone” means the zone of the same name described in the Forest Management Plan for the Central Highlands;

“Informal Reserve” means a reserve that contains and is managed for conservation values which unequivocally contribute to the CAR Reserve System and meets the principles for Informal Reserves as described in the JANIS Report. In Victoria, it includes, but is not limited to, the State forest Special Protection Zone;

“Integrated Forest Planning System” means Victoria’s integrated forest planning system for forecasting sustainable yield;

“Interim Forest Agreement” means the Interim Agreement between the Commonwealth of Australia and the State of Victoria signed in January 1996;

“JANIS Report” means the report by the Joint Australian and New Zealand Environment and Conservation Council (ANZECC) / Ministerial Council on Forestry, Fisheries and Aquaculture (MCFFA) National Forests Policy Statement Implementation Sub-committee, titled ‘Nationally Agreed Criteria for the Establishment of a Comprehensive, Adequate and Representative Reserve System for Forests in Australia’, published by the Commonwealth of Australia in 1997;

“JANIS Reserve Criteria” means the criteria as described in the JANIS Report for establishing the CAR Reserve System addressing biodiversity, old growth forest and wilderness, taking account of reserve design and management and social and economic considerations;

“Land Conservation Council” means the Council established under the former *Land Conservation Act 1970* (Vic);

“Licence, Permit or Authority” in clause 90 means any licence permit or authority pursuant to the *Mineral Resources Development Act 1990* (Vic) and the *Extractive Industries Development Act 1995* (Vic);

“Mineral” means mineral as defined in the *Mineral Resources Development Act 1990* (Vic) and stone as defined in the *Extractive Industries Development Act 1995* (Vic), excluding stone on private land for the private use of the owner and mineral or stone obtained for non-commercial purposes;

“Mining” means any operation or work carried out to obtain Minerals;

“Mining Operations” means

- (a) any operations or work of a commercial nature carried out on a mining licence or extractive industry work authority with a view to obtaining or treating Minerals; or
- (b) where a valid exploration licence or extractive industry search permit is held, any operations or work in the area covered by that licence or search permit for the purpose of exploring for Minerals;

“Mining Product” means any Mineral obtained by Mining;

“Montreal Process Criteria” means the Montreal Process criteria for the conservation and sustainable management of temperate and boreal forests;

“Montreal Process Implementation Group” or **“MIG”** means the Montreal Process Implementation Group established by the Commonwealth and all State and Territory Governments;

“National Estate” means those places as defined under section 4 of the *Australian Heritage Commission Act 1975* (Cwth);

“National Estate Values” means values attributed by the Australian Heritage Commission to the National Estate;

“National Forest Policy Statement” or **“NFPS”** means the National Forest Policy Statement 1992 endorsed by the Commonwealth and all State and Territory Governments;

“Old Growth forest” means old growth forest as defined in the JANIS Report;

“Parties” means the State of Victoria and the Commonwealth of Australia;

“Party” means a Party to this Agreement;

“Private Land” means lands other than Public Land and land owned or leased by the Commonwealth;

“Public Land” means public land as defined in section 3 of the *Environment Conservation Council Act 1997* (Vic);

“Recovery Plan” means a recovery plan made under Part 3 of the *Endangered Species Protection Act 1992* (Cwth);

“Regional Forest Agreement” or **“RFA”** means a Regional Forest Agreement within the meaning of the Export Control (Hardwood Wood Chips) (1996) Regulations (Cwth);

“Register of the National Estate” means the register of the same name kept pursuant to the *Australian Heritage Commission Act 1975* (Cwth);

“Special Protection Zone” or **“SPZ”** means the zone of the same name described in the Forest Management Plan for the Central Highlands;

“State Forest” means land described in section 3 of the *Forests Act 1958* (Vic);

“Statement of Significance” means a statement of significance made by the Australian Heritage Commission for a place which forms part of the National Estate;

“Statewide Forest Resource Inventory” or **“SFRI”** means Victoria’s Statewide Forest Resource Inventory of Victoria’s public native forest resources;

“Sustainability Indicators” means qualitative or quantitative measures, at the regional (sub-national) level developed to assess the criteria for sustainable forest management;

“Sustainable Yield” means sustainable yield rate as defined in the *Forests Act 1958* (Vic);

“Threat Abatement Plan” means a threat abatement plan made under Part 3 of the *Endangered Species Protection Act 1992* (Cwth);

“Wilderness Values” means the values of the same name as defined in the JANIS Report;

“Wild Rivers” means a river of natural origin, in which the biological, hydrological and geomorphological processes of river flow, and intimately linked parts of its catchment, have not been significantly altered by modern or colonial society. Wild rivers may include permanent, seasonal or underground water courses;

“Woodchips and Unprocessed Wood” means those goods within the meaning of the Export Control (Hardwood Wood Chips) (1996) Regulations; the Export Control (Regional Forest Agreements) Regulations; and the Export Control (Unprocessed Wood) Regulations;

“World Heritage Nomination” means the submission by the Commonwealth of a nominated area to the UNESCO World Heritage Committee for assessment as a World Heritage area;

“World Heritage Values” means features, formations, areas, and sites of outstanding universal value within the meaning of Article 2 of the *Convention Concerning the Protection of the World Cultural and Natural Heritage*, also known as the World Heritage Convention.

3. In this Agreement unless the contrary intention appears:
- (a) a reference to a clause or Attachment is a reference to a clause or Attachment to this Agreement and a reference to this Agreement includes a reference to an Attachment;
 - (b) a reference to this Agreement or another instrument is a reference to this Agreement or that other instrument as amended or varied from time to time;
 - (c) a reference to a statute or ordinance includes any consolidations, amendments, re-enactments or replacements thereof and also includes regulations and other instruments made under them;
 - (d) a reference to a code or other instrument includes any consolidations or amendments thereof;
 - (e) a word importing the singular includes the plural and vice versa, a word importing a gender includes each other gender and a reference to a person includes an individual, firm, body corporate, association (whether incorporated or not), government, governmental or semi-governmental body, local authority or agency;
 - (f) a reference to an act, matter or thing includes the whole or any part of that act, matter or thing and a reference to a group of acts, matters, things or persons includes each act, matter, thing or person in that group;

- (g) where any terms and conditions are added to an Attachment of this Agreement it is agreed that those terms and conditions will form part of this Agreement;
- (h) headings are inserted for convenience and do not affect the interpretation of this Agreement.

Definition of Region

4. The area covered by this Agreement is the Central Highlands Region as shown in Map 1 accompanying this Agreement.

Duration of Agreement

5. This Agreement takes effect either:

- (a) upon signing by both parties; or
- (b) upon the commencement of regulations amending Item 2 of the Schedule to the Export Control (Hardwood Wood Chips) (1996) Regulation with the effect of changing the description of the Central Highlands Region of Victoria to accord with the boundaries of that Region as shown in Map 1 accompanying this Agreement;

whichever the later, and will remain in force for twenty years.

6. The process for extending the Agreement for a further period will be determined jointly by the Parties as part of the third five yearly review.

Basis of Agreement — National Forest Policy Statement

7. Parties confirm their commitment to the goals, objectives and implementation of the *National Forest Policy Statement (NFPS)* by:

- developing and implementing Ecologically Sustainable Forest Management (ESFM);
- establishing a Comprehensive, Adequate and Representative (CAR) reserve system; and
- facilitating the development of an internationally competitive wood production and wood products industry.

Changes to the Agreement

8. This Agreement may only be amended with the consent, in writing, of both Parties. Parties agree to work cooperatively to address any differences between them as to the interpretation or implementation of the Agreement.

Dispute Resolution

9. The Parties agree that if a dispute arises between the Parties regarding this Agreement it must be resolved expeditiously in accordance with the provisions of clauses 10 to 14.

10. When a dispute arises, a Party may serve a notice on the other specifying:

- (a) the nature and substance of the matter or issue in dispute;
- (b) that it is a dispute to be resolved in accordance with clauses 10 to 14.

11. Within 14 days of the notice under clause 10 being served the Parties must attempt to settle the dispute and, in default of settlement, appoint a mediator to conduct a mediation concerning the matter or issue in dispute.

12. If the dispute is not settled under clause 11 and the Parties fail to appoint a mediator, either of them may request the President of the Law Council of Australia, or the equivalent officer of such body as in future may have the functions of the Law Council of Australia, to nominate a mediator to conduct the mediation.

13. The costs of a mediator appointed under clauses 11 or 12 are to be shared equally between the Parties.

14. Each of the Parties agrees to use its best endeavours to resolve the dispute through mediation.

Notices

15. Any notice or other communication to be given or made pursuant to this Agreement shall be in writing and addressed as the case may be as follows:

THE STATE

The Secretary
Department of Premier and Cabinet
Treasury Place
EAST MELBOURNE VIC 3002

THE COMMONWEALTH

The Secretary
Department of the Prime Minister and Cabinet
3-5 National Circuit
BARTON ACT 2600

PART 2

16. This Part is not intended to create legally binding relations and provisions in Part 1 in so far as they relate to Part 2 are also not binding. Where there are references in this Part to obligations which are referred to in Part 3 and are intended to be legally binding, they are only included in Part 2 insofar as they provide context and for the sake of completeness so that the whole scheme which the Parties wish to implement is set out in this Part. The inclusion of references to these legally binding obligations in Part 2 does not derogate from the Parties intent that they be legally binding in Part 3.

FUNCTIONING OF THE AGREEMENT

Relationship to the Interim Forest Agreement

17. This Agreement replaces the Interim Forest Agreement, signed by the Commonwealth and Victorian governments on 27 January 1996, in relation to the Central Highlands Region.

Relationship to Statutory Obligations

18. This Agreement cannot impose on either Party or a third party any obligation that is inconsistent with Australia's international obligations, or a law of the Commonwealth or of Victoria.

19. Neither Party will seek to use existing or future legislation to undermine or impede this Agreement.

20. The Commonwealth, in signing the Agreement, confirms that its obligations under the *Australian Heritage Commission Act 1975* have been met.

21. Parties will manage their respective responsibilities with regard to the National Estate in accordance with the provisions of this Agreement as detailed in Attachment 3.

22. The Commonwealth confirms it has on or before the date of this Agreement entered into an agreement with the Australian Heritage Commission in which the Commission has agreed to perform and comply with all the agreements and confirmations which are specified in Attachment 3 as being agreements and confirmations on the part of the Commission.

23. The Commonwealth, in signing the Agreement, confirms that its obligations under the *Environment Protection (Impact of Proposals) Act 1974* have been met. The Commonwealth also confirms that, under the administrative procedures of the Act, any activities covered by the Agreement, including the 5 yearly review and minor amendments to the Agreement, will not trigger further environmental impact assessment.

24. The Commonwealth, in signing the Agreement, confirms that its obligations under the *Endangered Species Protection Act 1992* have been met.

25. The Commonwealth notes that its obligations to promote endangered species protection will involve ongoing cooperative work with Victorian agencies concerning the Central Highlands.

26. Parties agree to actively investigate, and participate in, World Heritage assessment of the Australia-wide Eucalypt theme, including any potential contribution from the Central Highlands region.

27. Parties note that in order to progress work and then proceed to World Heritage nomination, the agreement of all relevant governments will be required.

28. Parties agree that any potential World Heritage nomination involving areas in the Central Highlands will be from within the CAR Reserve System.

29. The Commonwealth agrees that it will give full consideration to the potential socio-economic consequences of any World Heritage nomination of places in the Central Highlands and that any such nomination will only occur after the fullest consultation and with agreement of the State.

30. The Parties agree that before any World Heritage nomination is made:

- all necessary management arrangements, including joint policy coordination arrangements will be agreed; and
- all related funding issues will be resolved to the satisfaction of both Parties.

31. Parties note that current Commonwealth export arrangements provide that, after 31 December 1999, exports of hardwood woodchips from native forests will only be permitted from areas covered by an RFA.

32. Parties note that no controls under the *Export Control Act 1982* will apply to hardwood woodchips or unprocessed wood sourced from the Central Highlands region while this Agreement is in place.

33. The Commonwealth notes Victoria's intention to separate more clearly its commercial forestry activities within native State forests from the broader policy, strategic planning and regulatory functions associated with the management of those forests. Victoria also confirms its commitment to the ongoing implementation of its plans, codes and prescriptions relevant to the achievement of ESFM.

34. The Commonwealth notes Victoria's change to the administration arrangements applying to the management of its parks, and that the primary emphasis of management will continue to be the conservation and protection of environmental and heritage values.

Milestones

35. This Agreement establishes milestones (Attachment 4) and Parties will report annually on their achievement for the first five years, and then as they fall due and as part of the 5 yearly review, using an appropriate public reporting mechanism.

Five yearly review

36. Within each five year period, a review of the performance of the Agreement will be undertaken. The purpose of the five yearly review is to provide an assessment of progress of the Agreement against the established milestones, and will include:

- the extent to which milestones and obligations have been met including management of the National Estate;
- the results of monitoring of sustainability indicators; and
- invited public comment on the performance of the Agreement.

Each review will be scheduled concurrent with the five yearly reviews required for the East Gippsland RFA.

37. While the review process will not open up the Agreement to re-negotiation, both Parties may agree to some minor modifications to incorporate the results of the review.

38. The outcomes of the review will be made public. The mechanism for the review will be determined by both Parties before the end of the five year period and the review will be completed within three months.

ECOLOGICALLY SUSTAINABLE FOREST MANAGEMENT

39. The Parties agree that ESFM is an objective which requires a long term commitment to continuous improvement and that the key elements for achieving it are:

- the establishment of a CAR Reserve System (Attachment 1);
- the development of internationally competitive forest products industries; and
- a fully integrated and strategic forest management system capable of responding to new information.

40. The Parties agree that Victorian processes and systems provide for ecologically sustainable management of forests in the Central Highlands and that these processes and systems are accredited in clause 47 of this Agreement.

Monitoring, Reporting and Consultative Mechanisms

41. Victoria will report on the results of monitoring of sustainability indicators.

42. Comprehensive Regional Assessments and the development of this Agreement have provided extensive opportunities for public participation and reporting. Parties recognise that the public reporting activities and on-going opportunities for public participation and consultation associated with existing Victorian and Commonwealth processes and instruments will continue. These processes are listed in Attachment 5.

43. In addition to these activities, Victoria agrees to publish future reports of audits of compliance with the Code of Forest Practices for Timber Production. Supporting documents will also be publicly available.

44. Victoria will further develop the transparency and accountability of its forest management processes through the implementation of an on-going quality assurance program. The program will be implemented, within three years, utilising expertise external to the forest agency in the Department of Natural Resources and Environment or its equivalent.

45. Victoria undertakes to:
- (a) complete and publish regional prescriptions for timber production by the end of 1998;
 - (b) use its best endeavours to complete and publish management plans for all National and State Parks by the end of 1998;
 - (c) continue to manage the dedicated reserves within the CAR Reserve System in accordance with the relevant government approved recommendations of the Land Conservation Council;
 - (d) manage cultural values, both Aboriginal and non-Aboriginal, in the Central Highlands, based on Statewide Guidelines for the Management of Cultural Heritage Values in Forests, Parks and Reserves which will be jointly agreed; and
 - (e) implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory (SFRI) in the Central Highlands in time for the next review of sustainable yield due in 2001.

Accreditation

46. Parties agree that Victoria's forest management system (including its legislation, policies, Codes, plans and management practices) as described in the Statewide Assessment of Ecologically Sustainable Forest Management and including responses reported in Chapter 5 of the Central Highlands RFA Directions Report provides for continuing improvement in relation to ESFM.

47. The Commonwealth accredits Victoria's forest management system for the Central Highlands as amended by this Agreement. The system includes:

- the Forest Management Plan and the process for its review;
- the *Flora and Fauna Guarantee Act 1988*;
- the process for forecasting sawlog sustainable yield in the Central Highlands; and
- the systems and processes established by the Code of Forest Practices for Timber Production and the Code of Practice for Fire Management on Public Land.

Sustainability indicators

48. Parties agree that the current forest management system could be enhanced by further developing appropriate mechanisms to monitor and review the sustainability of forest management practices. To ensure that this occurs, Parties agree to establish an appropriate set of sustainability indicators to monitor forest changes. Any indicators established will be consistent with the Montreal Process Criteria (as amended from time to time), the current form of which is specified in Attachment 7, and will take into account the framework of regional indicators developed by the Montreal Process Implementation Group (MIG). Indicators will be practical, measurable, cost-effective and capable of being implemented at the regional level.

49. In developing effective indicators, Parties agree to take into account the results of the Forest and Wood Products Research and Development Corporation's pilot studies for the development of effective regional indicators.

50. Development of indicators, and collection of results for those indicators which can be readily implemented, will be completed in time to enable assessment during the first review of this Agreement.

Private land

51. The Parties reaffirm their commitments made in the NFPS to the conservation and management of the private forest estate. The Parties note that Victoria has, under the *Planning and Environment Act 1987*, native vegetation retention controls to regulate the clearance of native forest on private land.

52. Victoria will continue to encourage private forest owners to ensure that their management operations are consistent with the Code of Forest Practices for Timber Production, and to have in place adequate mechanisms to protect nature conservation and catchment values.

53. Ecological vegetation classes which are priorities for the CAR Reserve System and which occur on private land are listed in Attachment 1. Parties agree that the EVCs listed in Attachment 1 can be managed to protect values consistent with the JANIS Reserve Criteria or could contribute to the CAR Reserve System through a range of mechanisms, with the consent of the land owner.

Threatened Flora and Fauna

54. The Parties agree that the CAR Reserve System, actions under the *Flora and Fauna Guarantee Act 1988* and the *Endangered Species Protection Act 1992*, and the application of a range of management strategies in the Central Highlands Forest Management Plan provide for the protection of rare or threatened flora and fauna species and ecological communities.

55. Where threatened species, ecological communities and threatening processes restricted to Victoria are listed under both the *Flora and Fauna Guarantee Act 1988* and the *Endangered Species Protection Act 1992*, any new or revised Action Statements will be jointly prepared to meet the requirements of both Acts. Where the Action Statements meet the requirement of the *Endangered Species Protection Act 1992*, the Commonwealth intends to adopt Action Statements as Recovery Plans under Section 46 of the *Endangered Species Protection Act 1992*.

56. Recovery Plans for items listed under both Acts and extending beyond Victoria will be prepared jointly with Victoria and other relevant governments, and incorporate the agreed Action Statement as the Victorian component of the Recovery Plan.

57. Parties will continue to consult on the priorities for listing threatened species, ecological communities and threatening processes, and the preparation of Action Statements and Recovery Plans, recognising that priorities can change in the light of new information. Currently agreed priorities and commitments for the next five years are outlined in Attachment 2.

58. Parties reaffirm their commitment that species in the Central Highlands for which Recovery Plans or Action Statements have already been prepared will have all recommended actions completed or significantly advanced in accordance with the timelines specified in the Recovery Plans or Action Statements.

59. Parties agree that within five years pest plant and pest animal control programs will be developed in accordance with the Central Highlands Forest Management Plan.

THE CAR RESERVE SYSTEM

60. Parties agree that the primary function of the CAR Reserve System is to ensure the conservation and protection of environment and heritage values.

61. Parties agree that the CAR Reserve System as identified on Map 1 and described in Attachment 1, in conjunction with the arrangements proposed for private land in Attachment 1, satisfies the JANIS Reserve Criteria. Each element of the reserve system will be administered in accordance with Victorian legislation.

62. Victoria agrees to implement the CAR Reserve System described in Attachment 1 and identified on Map 1.

63. Parties agree that changes to that component of the CAR Reserve System in State forest will only occur in accordance with this Agreement, will not lead to a net deterioration in the protection of identified CAR values¹, and will be publicly available.

64. Parties agree that best endeavours will be used to maintain the levels of protection of national estate values in a regional context, however, minor changes to the levels of protection of individual values may occur as a result of changes to the CAR Reserve System in State forest.

65. Victoria agrees to produce and publish by 30 June 1998 the Central Highlands Forest Management Plan that reflects the outcomes of this Agreement.

66. Parties recognise that all Victorian rainforest is protected from harvesting through the range of mechanisms described in Attachment 1.

INDUSTRY DEVELOPMENT

67. The Parties agree that State forest outside the CAR Reserve System is available for timber harvesting in accordance with the Central Highlands Forest Management Plan and the Code of Forest Practices for Timber Production. Victoria also confirms that the sustainable yield for forests for the Central Highlands will continue to be based on areas available for timber harvesting outside the CAR Reserve System.

68. Parties agree that any changes to the area of State forest will not lead to a net deterioration in the timber production capacity of those areas available for harvesting in terms of volume, species and quality.

69. The Parties acknowledge that the forest-based industries in the Central Highlands make a significant contribution to both the regional and State economies and are an essential component of many communities in the region. The Parties intend that this Agreement will enhance opportunities for further growth and development of forest-based industries in the Central Highlands and provide long-term stability for these industries. The Parties therefore acknowledge that this Agreement must provide enhanced security of access to resources on forested land for the life of the Agreement. This, in turn will facilitate industry development through:

- new investment, plantation development, reforestation, downstream processing, value-adding and jobs growth in forests-based industries;

¹ Identified CAR values are those conservation values addressed in the JANIS Report.

- further introduction of new technology, enhanced utilisation of regrowth timber for sawn products, thinning of regrowth forests and more efficient utilisation of residual wood;
- investment in mineral exploration and mining; and
- tourism and recreation investment.

70. As part of providing greater security of access to forest resources, the Commonwealth will not prevent enterprises obtaining, using or exporting timber, woodchips or unprocessed wood products sourced from the Central Highlands region in accordance with this Agreement.

71. The Parties acknowledge that this Agreement is expected to provide as a minimum the current legislated sustainable yield of D+ sawlogs (415,000 m³ per annum) from the Dandenong, Central and Central Gippsland Forest Management Areas (FMAs) for the next twenty years, but recognise that sustainable yield levels in Victoria are subject to periodic review. Economic and social issues have been taken into account in providing a land base that is expected to deliver these yields. Sustainable yield levels in these FMAs will be reviewed when new resource information becomes available from the Statewide Forest Resource Inventory (SFRI) which should be completed by the end of 1999. When the sustainable yield for these FMAs is confirmed following this review, Victoria agrees to supply the revised sustainable yield level from these FMAs to the industry, in accordance with the requirements of the Forests Act. However, the Parties note that Victoria is committed to supply, as a minimum, the current licensed volume of D+ sawlogs (345,000m³ per annum) for the next twenty years from these FMAs. The Parties also agree that Victoria will manage the forest estate in the Central Highlands to at least maintain its timber production capacity in terms of volume, species and quality.

72. Wherever possible Victoria will enhance Statewide silvicultural programs and reforestation works to improve the productive capacity of State forests.

73. Both Parties are committed to the implementation of a Hardwood Timber Industry Development and Restructuring Program for Victoria. Parties agree to develop a Memorandum of Understanding for a joint Commonwealth-Victorian Hardwood Timber Industry Development and Restructuring Program which will establish the respective roles and responsibilities of the two governments in administering the program. The Parties further agree that a total of \$27.6 million is available to implement the program across the five Victorian RFA regions (refer clause 91).

INDIGENOUS HERITAGE

74. The Parties agree to develop a package of measures that will be implemented by Victoria to ensure the appropriate management of Aboriginal heritage including the maintenance of traditional historic uses and values, in the Central Highlands. These measures are the development of: Statewide guidelines for the management of cultural heritage values; provision for participation and negotiation through the establishment of formal consultation mechanisms with local Aboriginal communities; modelling to establish priority areas for future surveys of Aboriginal sites; and training of staff.

75. This Agreement is not intended to influence either current or future Native Title claims in any way. Where any government action to implement this Agreement could affect Native Title, that action will be taken in accordance with the *Native Title Act 1993*.

PLANTATIONS

76. The Parties recognise that export controls have been removed from unprocessed wood and woodchips sourced from Victorian plantations in accordance with the Export Control (Unprocessed Wood) Regulations.

OTHER FOREST USES

77. Parties agree that forest uses other than timber production will be determined in accordance with Victorian legislation with due regard for protection of environmental and heritage values. In some limited circumstances that do not relate to the substance of this Agreement (for example foreign investment approval, export controls for non-forest products and major infrastructure developments) Commonwealth legislative provisions may also apply.

78. Parties recognise that under legislative provisions in Victoria, issuing of new exploration licences and subsequent mining is not permitted in National Parks, Wilderness Parks, State Parks and Reference Areas.

79. Parties recognise that exploration and mining may be permitted in parts of the CAR Reserve System, other than those identified in Clause 78, where the identified conservation values are not incompatible with exploration and mining. To this end, Victoria will ensure that in accordance with relevant Victorian legislation proposed Mining Operations in the CAR Reserve System will be subject to an Environmental Effects Statement or planning permission (eg planning permit) as required. In the case of exploration, the provisions of the *Mineral Resources Development Act 1990* require the application of conditions to protect environmental values, and may in the case of proposed road construction or bulk sampling require an exploration impact statement. Victoria will ensure these provisions apply to proposed exploration activities in the CAR Reserve System. The Parties note that, in accordance with the Central Highlands Forest Management Plan, no new activities under the *Extractive Industries Development Act 1995* will be permitted in the State forest component of the CAR Reserve System unless it will make a significant contribution to the regional economy and unless the values within the CAR Reserve System can be maintained or provided for elsewhere.

80. Rehabilitation of any mining site will be in accordance with the provisions of the *Mineral Resources Development Act 1990* or the *Extractive Industries Development Act 1995*, and it will aim to achieve world's best practice.

81. The Parties recognise that the Central Highlands region is an important source of water, particularly for Melbourne. Victoria will develop a long term timber harvesting and water production strategy for the Thomson Reservoir catchment in accordance with the Central Highlands Forest Management Plan when timber resource data (SFRI) becomes available in 1999.

COMPETITION PRINCIPLES

82. Parties recognise that under the Competition Principles Agreement, Governments aim to achieve more transparency and greater efficiency in Government owned business enterprises. The Commonwealth agrees that the day to day pricing and allocation arrangements for wood from public forests are matters for Victoria. Victoria confirms its commitment to the pricing and allocation principles set out in the National Forest Policy Statement. Victoria confirms that legislation and policies relevant to the allocation and pricing of hardwood logs from State forests will be reviewed as part of the Competition Principles Agreement before the end of 1999. Competitive neutrality principles will be taken into account in any changes following the review.

RESEARCH

83. The results of the Comprehensive Regional Assessments of the forest values of the Central Highlands indicated a number of areas requiring further research. The Compendium of Victorian Forest Research (in prep) will provide a bibliography of research in progress as well as published and unpublished works. Parties have outlined Statewide research priorities in Attachment 6.

84. Parties agree to consult each other in the development of future research projects that may affect the Agreement and note that the subject areas and priorities may change throughout the duration of the Agreement.

85. Parties agree to make publicly available, wherever possible, research reports relevant to this Agreement.

DATA AGREEMENT

86. Parties note the development of a State-wide data agreement. Both Parties agree to develop a schedule to the State-wide agreement concerning the management of the data used to develop this Agreement within six months of signing. The data agreement covers:

- ownership and custodianship;
- archival lodging and location and associated documentation standards; and
- access, use and maintenance of the data.

Parties also agree to lodge archival copies of data within six months of signing this Agreement.

PART 3

Nature of Obligations under this Part

87. It is the intention of the Parties that this Part is to create legally enforceable rights and obligations. It is also their intention that, in the event that any provision of this Part exceeds the power of either Party or is unenforceable for any other reason, that provision is to be read as not intending to create legally enforceable rights and obligations.

Forest Management

88. Victoria will:

88.1. Complete and publish regional prescriptions for timber production by the end of 1998;

88.2. Implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory (SFRI) in the Central Highlands in time for the next review of sustainable yield due in 2001;

88.3. Publish future reports of audits of compliance with the Code of Forest Practices for Timber Production;

88.4. Review legislation and policies relevant to the allocation and pricing of hardwood logs from State forest as part of the Competition Principles Agreement before the end of 1999;

88.5. Use its best endeavours to complete and publish management plans for all National and State Parks by the end of 1998.

89. The Commonwealth will:

89.1. Maintain accreditation of Victoria's forest management system for the Central Highlands as amended by this Agreement providing changes to the system are consistent with the provisions of this Agreement;

89.2. Not prevent enterprises obtaining, using or exporting timber, woodchips or unprocessed wood products sourced from the Central Highlands region in accordance with this Agreement.

Compensation

90. The Parties agree that:

90.1. If to protect the environment and heritage values in native forests and in connection therewith the protection of:

- (a) CAR Values; or
- (b) National Estate Values; or
- (c) World Heritage Values; or
- (d) Wild Rivers

the Commonwealth takes any Action during the period of this Agreement which is inconsistent with any provision of this Agreement and a foreseeable and probable consequence of which is to prevent or substantially limit:

- (e) the use of land which is not included within the CAR Reserve System for Forestry Operations which, immediately before the announcement of the proposed Commonwealth Action, are being undertaken or were intended to be undertaken at any time or the use of land which is not included within the CAR Reserve System or of land within that system but not within a Dedicated Reserve in which mineral exploration and mining is prohibited pursuant to a statutory licence, permit or authority permitting those Mining Operations which was in force immediately prior to the announcement of the proposed Commonwealth Action; or,
- (f) the sale or commercial use of Forest Products sourced from land which is not included within the CAR Reserve System or the first sale or first commercial use of Mining Products sourced from land which is not included within the CAR Reserve System or land within that system but not within a Dedicated Reserve in which mineral exploration and mining is prohibited for a purpose for which, immediately prior to the announcement of the proposed Commonwealth Action, they had been intended to be sold or used commercially at any time; or,
- (g) the construction on land which is not included within the CAR Reserve System of roads being built or intended to be built, immediately before the announcement of the proposed Commonwealth Action, where those roads' primary purpose is for the transportation of Forest Products sourced from land which is not included within the CAR Reserve System,

the Commonwealth will pay compensation to the State in accordance with the remaining provisions of clauses 90.2 to 90.20.

90.2. Subject to:

- (a) clauses 90.3, 90.4, 90.5, 90.6, 90.8, 90.9, 90.10, 90.11 and 90.12 the compensation to be paid by the Commonwealth to the State in accordance with clause 90.1 in relation to the prevention by Commonwealth Action of the use of land for Forestry Operations or prevention by Commonwealth Action of the sale or commercial use of Forest Products is the amount of the reasonable loss or damage sustained by reason of that prevention, calculated as at the time at which the prevention referred to in clause 90.1 occurred, by any person in any of the following classes of person:
 - (i) the Owner of the land or of the Forest Products on the land;
 - (ii) any person who, prior to the announcement of the proposed Commonwealth Action but not in anticipation of that Action, entered into a contract with the Owner of the land or of the Forest Products on the land or with any person mentioned in sub-paragraph (iii) below for the carrying out of Forestry Operations on the land; and
 - (iii) any person who, prior to the announcement of the proposed Commonwealth Action but not in anticipation of that Action, entered into a contract with the Owner of the land or of the Forest Products on the land to purchase the Forest Products on the land.
- (b) clauses 90.3, 90.4, 90.5, 90.6, 90.7, 90.8, 90.10, 90.11 and 90.12 the compensation to be paid by the Commonwealth to the State in accordance with clause 90.1 in relation to the prevention by Commonwealth Action of the use of land for Mining Operations or the first sale or first commercial use of Mining Products is the amount of the reasonable loss or damage sustained by reason of that prevention, calculated as at the

time at which the prevention referred to in clause 90.1 occurred, by any person carrying on Mining Operations on the land pursuant to a statutory licence, permit or authority permitting those operations which was in force immediately prior to the announcement of the proposed Commonwealth Action.

- (c) clauses 90.3, 90.6, 90.8, 90.11 and 90.12 the compensation to be paid by the Commonwealth to the State in accordance with clause 90.1 in relation to the prevention by Commonwealth Action of construction of a road is the amount of reasonable loss or damage sustained by reason of that prevention, calculated as at the time at which the prevention referred to in clause 90.1 occurred, by any person who, immediately before the announcement of the proposed Commonwealth Action, was contracted to construct that road.

90.3. No amount of compensation is payable in the event of any loss or damage being sustained which would have been so sustained regardless of the Commonwealth Action. No compensation is payable hereunder in respect of any additional areas included pursuant to this Agreement in the CAR Reserve System.

90.4. The State warrants that no claim will be made in respect of areas where Forestry Operations or Mining Operations would not have been permitted by this Agreement and that any claims will be certified by it as being or not being in respect of such areas and as having been assessed by the State in this regard.

90.5. The State warrants that no claim will be made in respect of Forest Products or Mining Products which would not have been available for sale or commercial use under this Agreement and that any claims will be certified by it as being or not being in respect of such Products and as having been assessed by the State in this regard.

90.6. The State undertakes to supply to the Commonwealth on request information, including as to areas protected by prescription, required by the Commonwealth for the purposes of considering claims under this clause.

90.7. To the extent that clause 90.2 (b) relates to loss or damage in respect of an exploration licence or search permit, that clause is to be read as providing for compensation to be payable only:

- (a) in respect of the part of the area to which that licence or permit relates that is affected by the Commonwealth Action; and
- (b) up to the loss in market value of that licence or permit resulting from the prevention of the Mining Operations.

90.8. Any claim made by the State hereunder is to be notified in writing within 6 months after the loss or damage is sustained.

90.9. For the purposes of clause 90.1(e), the intention to conduct Forestry Operations is to be established on the basis of contracts, documentation of management history or other records establishing clear intent and in existence immediately prior to the announcement of the proposed Commonwealth Action.

90.10. For the purposes of clause 90.1(f), the purpose for which there was an intention to sell or use commercially is to be established on the basis of contracts, documentation of management history or other records establishing clear intent and in existence immediately prior to the announcement of the proposed Commonwealth Action.

90.11. No compensation is payable under clause 90.2 in relation to any loss or damage which the person who sustained the loss or damage might have avoided by taking reasonable steps in mitigation including by the making of alternative contractual arrangements which would have avoided or reduced that loss or damage.

90.12. Clause 90.2 does not apply so as to entitle the State to recover compensation more than once in respect of the same loss or damage.

90.13. The initial procedure in relation to a claim for compensation under this clause is as follows:

- (a) The State is to make the claim for compensation by a notice in writing to the Commonwealth which indicates the amount claimed, for whom the claim is made, the area to which it relates and gives detailed particulars of the basis for the claim, and of the manner in which it has been calculated.
- (b) Where there is a dispute concerning a claim for compensation, or on or before the expiry of thirty days after the receipt of a claim, the Commonwealth notifies the State that it does not accept the amount claimed then either Party may serve a notice of dispute under clause 10.
- (c) In the event that the amount of compensation payable in response to a claim has not been agreed in the dispute resolution process for which clauses 10 to 14 provide, or the Commonwealth fails to pay the agreed amount of compensation to the State within 60 days of agreement (for reasons other than lack of the necessary appropriation), the Parties hereby refer the claim to arbitration in accordance with the *Commercial Arbitration Act 1984* (Vic).

90.14. The procedure in relation to any arbitration required by reason of the provisions of clause 90.13 is as follows:

- (a) The Parties must meet to appoint an arbitrator within 7 days of an unsuccessful mediation.
- (b) If the Parties are unable to agree on the appointment of an arbitrator, either of them may refer the matter to the President of the Law Council of Australia, or equivalent officer of such body as in future may have the functions of the Law Council of Australia, with a request that that person appoint an arbitrator.
- (c) At an arbitration under this clause:
 - (i) the Parties are entitled to representation by a legal practitioner qualified to practice in any State or Territory of Australia;
 - (ii) the arbitrator may order the Parties to discover any relevant documents prior to the hearing;
 - (iii) the arbitrator may order the Parties to exchange proofs of evidence of witnesses (whether expert or not) prior to the hearing;
 - (iv) the arbitrator may, in accordance with the *Commercial Arbitration Act 1984* (Vic), inform himself or herself in relation to any matter in such manner as the arbitrator thinks fit; provided that if the arbitrator takes advice from any person

who is not a Party to this Agreement as to the matters in issue, the arbitrator must provide the Parties with an opportunity to:

- (1) make submissions on the matter in which the advice is to be taken;
- (2) make submissions on the identity of the person from whom the advice is to be taken;
- (3) make submission on the substance of any advice given before making any decision on the issue on which the advice is taken.

90.15. Unless the Commonwealth appeals the decision of the arbitrator under the *Commercial Arbitration Act 1984* (Vic), and subject to clause 90.18, the Commonwealth undertakes to pay the State the amount of any award made by an arbitrator under clause 90.14 as a debt due to the State, within 60 days of the award.

90.16. Except where the State is the person who sustained the relevant loss or damage, any payment of compensation made by the Commonwealth to the State in accordance with this clause will be paid to and received by the State as trustee for the person who sustained the relevant loss or damage.

90.17. Subject to clause 90.18(b), where the State receives monies as a trustee pursuant to clause 90.16, it will pay those monies to the person who sustained the relevant loss or damage within 30 days.

90.18.

- (a) Where the Commonwealth has agreed to pay compensation to the State under this clause, or an award of compensation has been made under clause 90.14 as a result of arbitration, and the Commonwealth claims that events have since taken place which have the result that the compensation so agreed or awarded no longer reflects the actual loss or damage that has been or will be sustained, the Commonwealth may by notice in writing to the State, decline to pay that compensation.
- (b) If a notice under paragraph (a) is delivered after the State has received the compensation so agreed or awarded, but before the State has paid it to the person who sustained the relevant loss or damage, the State will not pay the compensation to that person.
- (c) If a notice under paragraph (a) is delivered, the Parties will attempt to agree the amount of the compensation which the Commonwealth should pay, and -
 - (i) in default of agreement, will first seek to resolve the dispute by dispute resolution under clauses 10 to 14; and
 - (ii) in the event that the dispute is not so resolved, or the Commonwealth fails to pay the agreed amount of compensation to the State within 60 days of agreement (for reasons other than lack of the necessary appropriation), hereby refer the claim for compensation to arbitration in accordance with the *Commercial Arbitration Act 1984* (Vic)
- (d) Subject to paragraph (e) of this clause, where an arbitration takes place in accordance with sub-paragraph (c)(ii), clauses 90.14 and 90.15 of this Agreement apply to that arbitration and to any amount awarded in that arbitration.

- (e) If, following the observance of paragraph (c) of this clause, it is determined by agreement or award that the Commonwealth should pay a reduced amount of compensation to the State, the State will within 30 days of that determination -
 - (i) repay to the Commonwealth the amount by which the compensation paid to it by the Commonwealth is reduced; and
 - (ii) pay the balance of the compensation to the person who sustained the relevant loss or damage.

- (f) If, following the observance of paragraph (c) of this clause, it is determined by agreement or award that the amount of compensation previously paid to the State is correct the State will within 30 days of that determination pay to the person who sustained the relevant loss or damage the amount of the compensation previously paid to it by the Commonwealth.

90.19. Where the State:

- (a) has received monies as a trustee pursuant to clause 90.16; and
- (b) has made all reasonable endeavours to pay the monies to the person who sustained the relevant loss or damage; and
- (c) but has been unable to do so within six months of receiving payment

the State shall repay to the Commonwealth at the expiry of that period the monies so received.

90.20. In this clause

- (a) “Action” means
 - (i) the commencement of legislation or subordinate legislation; and
 - (ii) administrative action which is taken pursuant to legislation or subordinate legislation, or otherwise than in accordance with such legislation.
- (b) “Owner” means
 - (i) in relation to land
 - (1) the owner of any estate or interest in that land, including the Crown in right of the State; and
 - (2) any statutory corporation which has the power to carry on Forestry Operations or Mining Operations, as the case may be, on the land for profit.
 - (ii) in relation to Forest Products or Mining Products, as the case may be, the owner of any interest in those products.

Industry Development Funding

91. The Commonwealth will, subject to the terms and conditions under any Commonwealth Act which appropriates money, provide an amount of \$13.8 million and Victoria will provide \$13.8 million to implement a Hardwood Timber Industry Development and Restructuring Program subject to the development of a Memorandum of Understanding between the two Parties which establishes the respective roles and responsibilities of the two governments in administering the Program.

Termination

92. This Agreement may only be terminated by the Commonwealth:

- (a) with the consent of the State; or
- (b) where the dispute resolution procedures in clauses 10 to 14 have been observed and the State has been given a 90 day period of notice on:
 - (i) a failure by the State to comply with clause 62, being a failure to implement the CAR Reserve System described in Attachment 1 and to manage and conserve the identified CAR values; or
 - (ii) a failure to comply with clause 65, being a failure to produce and publish by 30 June 1998 the Central Highlands Forest Management Plan that reflects the outcomes of this Agreement; or
 - (iii) a failure to comply with publishing and/or reporting requirements in accordance with clauses 41 and 43 and 45(a); or
 - (iv) a failure to comply with clause 45(e), being a failure to implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory (SFRI) in the Central Highlands in time for the next review of sustainable yield due in 2001; or
 - (v) a failure by the State to observe the terms and conditions referred to in clause 91 or a failure to use the money referred to in clause 91 for the purpose for which it is appropriated;

other than a failure of a minor nature which is not one or part of a series of deliberate or reckless failures of a minor nature; and save that the above provisions do not apply if rectification is possible and has occurred before the end of the 90 day period; or

- (c) on a fundamental failure by the State to comply with the spirit of the Agreement after the observance of the dispute resolution procedures in clauses 10 to 14.

93. The Agreement may only be terminated by the State:

- (a) with the consent of the Commonwealth; or
- (b) where the dispute resolution procedures in clauses 10 to 14 have been observed and the Commonwealth has been given a 90 day period of notice on:
 - (i) a breach by the Commonwealth of clause 91, being a failure to pay the financial assistance in accordance with that clause; or
 - (ii) a failure by the Commonwealth to comply with clause 90, being a failure to pay compensation due under that clause;

save that the above provisions do not apply if rectification is possible and has occurred before the end of the 90 day period; or

- (c) on a fundamental failure by the Commonwealth to comply with the spirit of the Agreement after the observance of the dispute resolution procedures in clauses 10 to 14.

IN WITNESS WHEREOF this Agreement has been signed for and on behalf of the Parties as at the day and year first above written.

SIGNED by

the HONOURABLE JOHN WINSTON HOWARD MP, Prime Minister)
)
)

for and on behalf of the Commonwealth of Australia

in the presence of:)
)
)

SIGNED by

the HONOURABLE JEFF KENNETT MLA, Premier)
)
)

for and on behalf of the State of Victoria

in the presence of:)
)
)

COMPREHENSIVE, ADEQUATE AND REPRESENTATIVE (CAR) RESERVE SYSTEM

The National Forest Policy Statement (NFPS) established that the CAR Reserve System will in the first instance be selected from public land. Provision is also made in the JANIS Reserve Criteria for inclusion of private land in the CAR Reserve System, with the agreement of landholders, where the Criteria cannot be met from public land.

PUBLIC LAND

In the Central Highlands, the CAR Reserve System on public land primarily comprises areas established for conservation purposes (eg National and State Parks) and areas reserved for conservation within the Special Protection Zone (SPZ) in State forest.

The CAR Reserve System has the following three components, as described by the JANIS Reserve Criteria:

- i. **Dedicated Reserves.** This comprises reserves established through legislation for conservation purposes such as National Parks, State Parks and Flora and Fauna Reserves.
- ii. **Informal Reserves.** This comprises elements of the Special Protection Zone (SPZ) in State forest and other areas of public land.
- iii. **Values protected by Prescription.** This comprises those elements of SPZ protected by regional prescriptions, including stream buffers and rainforest with a surrounding buffer.

The CAR Reserve System covers an area of approximately 297,000 hectares (about half of the public land in the region or 27 percent of the entire region). Approximately 116,000 hectares have been added to the existing reserve system of 181,000 hectares.

Map 1 illustrates the extent of the CAR Reserve System in the Central Highlands in Dedicated and Informal Reserves as a consequence of this Agreement. Other areas protected by prescription are also included in the CAR Reserve System. Levels of protection of Ecological Vegetation Classes (EVCs) and old growth forest achieved in the CAR Reserve System by this Agreement are shown in Tables 1 and 2.

Victoria will produce a Central Highlands Forest Management Plan by 30 June 1998 which includes the Special Protection Zone within State forest as illustrated on Map 1. The zoning will be effective on the signing of this Agreement.

The boundaries of the CAR Reserve System at the time of signing this Agreement will be included in the Data Archive for the Central Highlands, as required in the RFA Data Agreement. Copies of the Data Archive are to be held by both Parties.

Table 1 Representative conservation (percentage reservation status) of EVCs in the CAR Reserve System in the Central Highlands Region based on vegetation mapping to establish the pre-1750 extent of EVCs in the region^a.

Ecological Vegetation Class	Area		Percent Remaining	Status ^b	Percent of EVC (pre-1750) extent in the CAR Reserve System			
	Pre 1750 (ha)	Current (ha)			Dedicated Reserve	Informal Reserve ^c	Prescription ^d	Total
Clay Heathland	27	27	99.2	R		19.8		19.8
Lowland Forest	78,992	42,805	54.2		13.7	2.3	1.0	17.0
Riparian Scrub Complex	9,992	2,695	27.0	V	1.0		0.1	1.1
Riparian Forest	43,059	31,801	73.9		15.5	19.7	5.1	40.2
Heathy Dry Forest	15,025	14,435	96.1		26.6	37.1	1.2	64.8
Grassy Dry Forest	73,892	41,579	56.3		19.2	4.7	0.3	24.2
Herb-rich Foothill Forest	168,346	123,049	73.1		11.6	10.6	2.4	24.6
Rocky Outcrop Scrub	311	227	73.1	R	62.9			62.9
Rocky Outcrop Shrubland	19	5	28.0	V R	0.2			0.2
Damp Forest	198,726	162,307	81.7		16.6	8.5	4.4	29.5
Wet Forest	123,752	120,068	97.0		28.7	10.9	6.3	45.9
Cool Temperate Rainforest	12,984	12,970	99.9	R	43.8	31.6	5.5	80.8
Montane Dry Woodland	7,087	7,050	99.5		3.2	47.7	2.4	53.2
Montane Damp Forest	20,506	20,150	98.3		7.7	15.5	6.0	29.1
Montane Wet Forest	50,319	49,678	98.7		33.6	9.1	3.7	46.3
Montane Riparian Thicket	3,056	3,056	100.0		33.3	17.6	13.0	63.9
Sub-alpine Woodland	7,262	7,259	100.0		78.9	5.4	0.5	84.8
Treeless Sub-alpine Complex	1,855	1,825	98.4		84.9	7.1	1.4	93.4
Shrubby Foothill Forest	50,296	35,482	70.5		22.4	3.1	0.8	26.2
Valley Grassy Forest	64,452	7,201	11.2	E V	1.6	0.1		1.7
Heathy Woodland	17,876	6,684	37.4		21.4	1.7	0.3	23.4
Wet/Swamp Heathland	6,250	3,779	60.5		47.1		0.2	47.3
Swamp Scrub	5,655	429	7.6	E				
Box Woodland	25,339	328	1.3	E	0.2			0.2
Plains Grassy Woodland	44,721	1,475	3.3	E	0.2	0.6		0.8
Floodplain Riparian Woodland	18,016	2,431	13.5	E V R	6.2			6.2
Riparian Thicket	1,726	1,006	58.3		4.1	28.9		33.1
Box Ironbark Forest	1,449	711	49.1		1.8	5.7		7.5
Granitic Hills Woodland	1,258	215	17.1	E V				
Riverine Escarpment Scrub	765	241	31.5	V R		20.9		20.9
Swampy Riparian Woodland	2,530	964	38.1		15.6			15.6
Grassland	7,982	15	0.2	E				
Gray Clay Drainage Line Complex	560	0	0.0	E				
Plains Grassy Wetland	354	4	1.2	E R		1.2		1.2
Swampy Riparian Complex	50,889	5,945	11.7	E V	0.8	0.1		0.9
Valley Heathy Forest	4,155	347	8.4	E				
Grassy Forest	10,059	2,682	26.7	E V	1.3			1.3
Swamp Formation	12	1	10.7	V				
Damp Sands Herb-rich Woodland	162	46	28.4	E V		19.5		19.5
Riverine Forest	210	4	1.9	E				
Rock	-	23						
Cleared Land	23	405,145						
Water Bodies	4	13,809						
Total Area	1,129,953	1,129,953						

NOTES ACCOMPANYING TABLE 1

- a. The figures shown in this table are based on modelled information mapped at a scale of 1:100,000 derived during the pre-1750 analysis of vegetation types in the Central Highlands, and are therefore only approximate.
- b. E=endangered, V=vulnerable, R=rare in accordance with the JANIS Reserve Criteria.
- c. Informal Reserve includes broad areas and linear elements of SPZ greater than 100 metres and other informal reserves.
- d. This comprises those elements of SPZ protected by regional prescriptions, including stream buffers and rainforest with a surrounding buffer.

Table 2 Representative conservation of Old Growth in the CAR Reserve System in the Central Highlands Region^a.

Ecological Vegetation Class	Area EVC (ha)	Percent of EVC as Old Growth	Area Old Growth (ha)	Percent of Old Growth in the CAR Reserve System			
				Dedicated Reserve	Informal Reserve ^b	Prescription ^c	Total
Lowland Heathy Foothill Forest	42,805	<1	22	61.5	38.5	0.0	100
Riparian Forest	31,801	<1	130	17.7	82.3	0.0	100
Heathy Dry Forest	14,435	64	9,210	32.8	47.4	0.7	80.2
Grassy Dry Forest	41,579	<1	7	0.0	99.9	0.0	99.9
Herb-rich Foothill Forest	123,049	<1	77	1.0	83.8	0.0	84.8
Damp Forest	162,307	<1	547	47.0	51.9	0.1	99
Wet Forest	120,068	4	5,048	95.7	4.0	0.0	99.7
Cool Temperate Rainforest	12,970	13	1,689	96.8	3.2	0.0	100
Montane Dry Woodland	7,050	57	4,040	1.7	59.2	1.7	60.9
Montane Damp Forest	20,150	<1	75	40.5	59.5	0.0	100
Montane Wet Forest	49,678	2	940	96.4	3.6	0.0	100
Montane Riparian Thicket	3,056	<1	10	82.3	11.9	0.0	94.2
Sub-alpine Woodland	7,259	<1	3	100.0	0.0	0.0	100
Shrubby Foothill Forest	35,482	<1	32	89.6	10.4	0.0	100
Valley Grassy Forest	7,201	10	695	70.9	0.0	0.0	70.9
Heathy Woodland	6,684	51	3,426	80.5	5.9	0.6	87

- a. The figures shown in this table are based on modelled information mapped at a scale of 1:100,000 derived during the old growth analysis of vegetation types in the Central Highlands, and are therefore only approximate.
- b. Informal Reserve includes broad areas and linear elements of SPZ greater than 100 metres and other informal reserves.
- c. This comprises those elements of SPZ protected by regional prescriptions, including stream buffers and rainforest with a surrounding buffer.

Endangered, Vulnerable or Rare EVCs

The entire occurrence of the endangered, vulnerable or rare EVCs Rocky Outcrop Scrub, Rocky Outcrop Shrubland, Clay Heathland and Damp Sands Herb Rich Woodland on public land is within the CAR Reserve System. Inclusion of the Plenty Gorge Parklands (excluding Yarrambat Park and private land not owned by Parks Victoria) within the CAR Reserve System has increased representation of Riparian Scrub, Valley Grassy Forest, Plains Grassy Woodland, Riverine Escarpment Scrub, Plains Grassy Wetland, Swampy Riparian Complex and Box Ironbark EVCs in the CAR Reserve System. The distribution of these EVCs outside of the CAR Reserve System is predominantly on private land.

Montane Dry Woodland and Montane Damp Forest

Stands of Montane Dry Woodland are distributed across the north-eastern part of the Central Highlands Region and extend into the adjoining RFA regions. In the Central Highlands region, the representation of Montane Dry Woodland in the CAR Reserve System is 53.3 percent of the EVC's pre-1750 extent. Of this 53.3 percent, 3.2 percent is within Dedicated Reserves. Montane Damp Forest also occurs in the north-eastern area of the Central

Highlands, often in association with Montane Dry Woodland. The Representation of Montane Damp Forest in the CAR Reserve System is 29.2 percent of the EVC's pre-1750 extent. Of this, 7.7 percent is within Dedicated Reserves.

Given that the JANIS Reserve Criteria refer to maximising representation of vegetation communities in the Dedicated Reserve component of the CAR Reserve System, the Parties to this Agreement will review the representation of Montane Dry Woodland in the Dedicated Reserves in a broader sub-regional context by taking into account the representation of this EVC in Dedicated Reserves in the adjoining RFA regions. It is further agreed that any addition of Montane Dry Woodland to Dedicated Reserves in the Central Highlands region would, if required, be achieved from within the CAR Reserve System established in this Agreement and will take into consideration the distribution of Montane Damp Forest.

Rainforest Protection

All rainforest in Victoria, including a surrounding buffer, is excluded from timber harvesting. This is achieved through an hierarchical rainforest protection reserve system. A Technical Report to be completed in 1998, will fully explain the system including a description of Sites of Significance for Rainforest across the State and their level of significance (National, State and Regional) and how they are managed.

Rainforest stands are protected through all CAR Reserve components. Protection through the prescription component is effected through implementation of the Code of Forest Practices for Timber Production. The key elements of the Code with respect to rainforest conservation include:

- defined areas of rainforest , and a strategy for their management, included as part of planning for conservation of flora and fauna in Forest Management Plans and/or relevant prescriptions. The most important rainforest areas should be accorded highest protection;
- in the absence of detailed strategies within an approved Management Plan, prescriptions are provided for stands of lesser significance, for stands where *Nothofagus* makes up >20% of the canopy, and for stands containing nationally significant rainforest;
- the requirement that rainforest be identified on each coupe plan and that buffers be identified in the field;
- the protection of buffers from damage caused by trees felled in adjacent areas.

In accordance with the Code, the Central Highlands Forest Management Plan outlines a strategy for the management of rainforest in State forest.

PRIVATE LAND

The NFPS established that the CAR Reserve System will in the first instance be selected from public land. However, the NFPS and National Reserve Criteria (JANIS 1997) recognise that a range of strategies will be appropriate for protecting biodiversity on private land. These range from purchase of priority areas for inclusion in the reserve system, to mechanisms which ensure protection, such as covenants on freehold land. Inclusion of private land in the CAR Reserve System will be voluntary.

Mechanisms which provide for the protection of biodiversity on private land in Victoria include:

- Conservation covenants under the *Victorian Conservation Trust Act 1972*;

- Land Management Cooperative Agreements under the *Conservation Forests and Lands Act 1987*;
- Wildlife Management Cooperative Areas under the *Wildlife Act 1975*;
- Critical habitat provisions of the *Flora and Fauna Guarantee Act 1988*;
- Provisions of the *Planning and Environment Act 1987*.

Private land protected by these mechanisms could be included in the CAR Reserve System with the consent of the landholder.

Endangered, vulnerable and rare EVCs within the Central Highlands have been assessed within a Statewide context to identify the importance of the region for their conservation. The priorities for protection of EVCs occurring in the Central Highlands is shown in Table 3.

The distribution of these EVCs, outside of the CAR Reserve System, is predominantly on private land.

Table 3 Priorities for the CAR Reserve System

Priority for protection of Ecological Vegetation Classes		
High Priority	Moderate Priority	Low Priority
Valley Grassy Forest	Cool Temperate Rainforest	Riverine Forest
Plains Grassy Woodland	Box Ironbark Forest	Granitic Hills Woodland
Grassland	Valley Heathy Forest	Damp Sands Herb-rich Woodland
Grey Clay Drainage Line Complex	Grassy Forest	Clay Heathland
Plains Grassy Wetland	Box Woodland	Riparian Scrub Complex
Swamp Forest (part of Swampy Riparian Complex in the Central Highlands CRA Report)	Floodplain Riparian Woodland	Rocky Outcrop Scrub
	Swamp Scrub	Rocky Outcrop Shrubland
	Gully Woodland (part of Swampy Riparian Complex in the Central Highlands CRA Report)	Riverine Escarpment Scrub
	Swampy Woodland (part of Swampy Riparian Complex in the Central Highlands CRA Report)	Swamp Formation

Both Parties agree that within the Statewide framework established in the Victorian Biodiversity Strategy and Regional Catchment Strategies, Victoria will review private land in the Central Highlands and identify native vegetation, including endangered, vulnerable and rare EVCs (listed in Table 3), which are priorities for protection and possible inclusion in the CAR Reserve System. This review will be undertaken in consultation with, and the agreement of, landholders and will be incorporated into Regional Vegetation Plans which will be produced by 2001.

Victoria further agrees to review conservation covenants, established under the *Victorian Conservation Trust Act 1972*, in the Central Highlands region, to identify the conservation covenants which cover land with the EVCs listed in Table 3 and which may be suitable for

inclusion in the CAR Reserve System. Victoria will consult the landholders of these identified conservation covenants as to whether they consent to the covenanted area being included within the CAR Reserve System. If a landholder agrees to inclusion of the area, Victoria will assess the covenanted area, taking into account the viability, integrity and significance of each area, to determine whether the covenanted area should be included within the CAR Reserve System.

Victoria will maintain a schedule listing areas of private land, including Melbourne Water Corporation land as discussed below, which are included in the CAR Reserve System, and this schedule will be part of the Agreement. The Schedule of the Agreement will be amended from time to time as appropriate. Any amendments will be approved by the Secretary of the Department of Natural Resources and Environment.

OTHER LAND IDENTIFIED FOR POSSIBLE FUTURE INCLUSION IN THE CAR RESERVE SYSTEM

Lands managed by Melbourne Water Corporation listed in Table 4 include areas of endangered, vulnerable or rare EVCs which are priorities for inclusion in the CAR Reserve System. Victoria undertakes to protect significant biodiversity and old growth values on these lands for the next twenty years subject to the management requirement to maintain and protect water supply values and assets.

Melbourne Water lands containing the EVCs identified in Table 4 will be assessed by Victoria taking into account the viability, integrity and significance of each occurrence to identify whether the individual areas warrant inclusion within the CAR Reserve System.

The Parties note that if the land containing these conservation values becomes surplus to Melbourne Water requirements and the land is Crown land vested in Melbourne Water, the Department of Natural Resources and Environment will resume the land. If it is freehold land, Melbourne Water will either transfer ownership to the Department, or if sold, the range of mechanisms for protection of priority EVCs, as outlined in the preceding section on private land, would apply.

Table 4 Occurrence of endangered, vulnerable or rare EVCs and Old Growth on Melbourne Water Lands

Reservoir	Ecological Vegetation Class	Area (ha)	Old Growth	Area (ha)
Yan Yean	Valley Grassy Forest	193		
	Swamp Scrub	5		
	Plains Grassy Woodland	134		
Toorourong	Valley Grassy Forest	13		
Thomson			Damp Forest	5
			Wet Forest	13
Cardinia	Riparian Scrub Complex	50		
Sugarloaf	Valley Grassy Forest	32		
	Swampy Riparian Complex	10		

Note: The areas shown in the table are estimates based on pre-1750 mapping

Freehold land managed by Melbourne Water surrounding Beaconsfield Reservoir is no longer required for water supply purposes. An assessment of this land is currently underway to determine whether it contains values which warrant its transfer to the Crown as public land. If that assessment determines that the land is not to be transferred to the Crown, occurrences of rare and endangered EVCs will be protected through a range of mechanisms including planning instruments or conservation covenants.

GUIDELINE FOR REVIEWING MANAGEMENT GUIDELINES, MANAGEMENT PRESCRIPTIONS AND THE ZONING SCHEME

Where proposed changes to the CAR Reserve System are made in accordance with the following Guideline in the Central Highlands Forest Management Plan, the Commonwealth agrees to accept those changes. This Guideline will be included in the Central Highlands Forest Management Plan.

MANAGEMENT GUIDELINE

Reviewing Management Guidelines, Management Prescriptions and the Zoning Scheme

Management guidelines and prescriptions in this Plan may be reviewed under the following circumstances:

- when new information on the impact of forest management or utilisation activities on biological or cultural values becomes available;
- if the status of a threatened species changes;
- if new species are identified that are considered to be threatened;
- when monitoring of the practical implementation of the Plan indicates that improvements can be made;
- as required by new legislation, policies or action statements.

Management zone boundaries may require review if:

- changes to management strategies for certain species or values mean that the zoning system is more or less than adequate for those values;
- field inspections or better mapping indicate that minor amendments are required to create practical management boundaries or to more accurately define the location of a particular species or value. At the scale of mapping used in this Plan, the boundaries of some values, particularly rainforest, Leadbeater's Possum Zone 1A habitat, rare EVCs and old growth forest, cannot be accurately defined;
- the zone does not contain the values for which it was identified - amendments may be required to ensure that conservation targets are met;
- new records are listed for species whose conservation targets have not been met;
- new records of some species warrant changes to zones to include areas of good-quality habitat in exchange for areas of poorer-quality habitat;
- existing boundaries are found to place unreasonable restrictions on the practical access to areas for timber production or for infrastructure development (easements etc).

Proposed changes to the zoning scheme will be assessed according to whether they:

- ensure the CAR Reserve System continues to comply with the JANIS Reserve Criteria;
- adequately conserve the CAR values² identified in the Comprehensive Regional Assessment data sets;
- ensure there is no net deterioration in the level of protection of identified CAR values in the SPZ;
- will maintain the protection of national estate values at the agreed regional scale, noting that as a result of any change to the CAR Reserve System in State forest, some minor changes to individual values may occur;
- consider the maintenance of National Estate protection;

- conserve the values highlighted in the zoning scheme register of this Plan;
- maintain a well-distributed, inter-connected network of protected areas;
- at least maintain the timber production capacity of State forest in terms of volume, species and quality;
- minimise practical problems for timber harvesting or access in the General Management Zone;
- make the best use of areas that are unavailable for timber harvesting due to other considerations such as slope, access and site quality;
- avoid conflict with strategic burning zones.

² CAR values means the conservation values as described by the JANIS Reserve Criteria embodied in the CAR Reserve System.

THREATENED FLORA, FAUNA AND COMMUNITIES

Both Parties recognise the range of mechanisms in place to conserve the habitat of rare and threatened flora and fauna in the Central Highlands. These include protection within the CAR Reserve System, protection of key habitats such as rainforest and rare or threatened Ecological Vegetation Classes (EVCs), and the development of Action Statements for species listed under the *Flora and Fauna Guarantee Act 1988* and Recovery Plans for species listed under the *Endangered Species Protection Act 1992*. Parties note that the Recovery Plan for Leadbeater's Possum has been approved under the *Endangered Species Protection Act 1992*. The Parties further agree to the interim strategy for Baw Baw Frog outlined below.

Current priorities for developing Action Statements and Recovery Plans for fauna, flora and EVCs in the Central Highlands are as follows. Species which have been identified as priorities in the East Gippsland RFA and which also occur within the Central Highlands have not been identified in the following list.

1. Priority species and Ecological Vegetation Classes for nomination under the *Flora and Fauna Guarantee Act 1988*.

Scientific name	Common Name
<i>Mastacomys fuscus</i>	Broad-toothed Rat
<i>Myotis macropus</i>	Large footed Myotis
<i>Pseudomys fumeus</i>	Smoky Mouse
<i>Accipiter novaehollandiae</i>	Grey Goshawk
<i>Eucalyptus strzeleckii</i>	Strzelecki Gum
<i>Huperzia varia</i>	Long Clubmoss
<i>Hypsela tridens</i>	Hypsella
<i>Persoonia arborea</i>	Tree Geebung
<i>Senecio laticostatus</i>	Ridged Groundsel
<i>Thelymitra circumsepta</i>	Bog Sun-orchid
<i>Tmesipteris elongata ssp. elongata</i>	Slender Fork-fern
<i>Treubia tasmanica</i>	Liverwort
	Valley Grassy Forest (or floristic communities thereof)
	Plains Grassy Woodland (or floristic communities thereof)
	Grey Clay Drainage Line complex (or floristic communities thereof)
	Plains Grassy Wetland (or floristic communities thereof)
	Swamp Forest (part of Swampy Riparian Complex in the Central Highlands CRA Report)

2. Priority potentially threatening processes under the *Flora and Fauna Guarantee Act 1988* for preparation of Action Statements.

- Loss of hollow-bearing trees from Victorian native forests.
- Increase in sediment input into Victorian rivers and streams due to human activities.
- Invasion of native vegetation by environmental weeds (including "Spread of *Pittosporum undulatum* in areas outside its natural range").
- Collection of native orchids.
- Use of *Phytophthora*-infected gravel in construction of roads, bridges and reservoirs.

3. Priority for preparation of a Threat Abatement Plan under the *Endangered Species Protection Act 1992*.

- *Phytophthora* spp (in preparation by WA CALM)

4. Priority species for preparation of an Action Statement / Recovery Plan.

Scientific name	Common Name	Action
<i>Eucalyptus crenulata</i>	Buxton Gum	Recovery Plan ¹
<i>Astelia australiana</i>	Tall Astelia	Recovery Plan ¹
<i>Phebalium wilsonii</i>	Shiny Phebalium	Action Statement
<i>Thismia rodwayi</i>	Fairy Lanterns	Action Statement
<i>Caladenia concolor</i>	Crimson Spider orchid	Action Statement Recovery Plan ¹
<i>Caladenia rosella</i>	Rosella Spider-orchid	Action Statement
<i>Lepidium hyssoipifolium</i>	Small Pepper-cress	Action Statement Recovery Plan ¹
<i>Amphibromus pithogastrus</i>	Swollen Swamp Wallaby-grass	Action Statement
<i>Bracteantha</i> sp. aff. <i>subundulata</i>	Swamp Everlasting	Action Statement
<i>Carex tasmanica</i>	Curly Sedge	Action Statement Recovery Plan ¹
<i>Cyathea cunninghamii</i>	Slender Tree-fern	Action Statement
<i>Grevillea barklyana</i> ssp. <i>barklyana</i>	Gully Grevillea	Action Statement
<i>Eucalyptus strzeleckii</i>	Strzelecki Gum	Recovery Plan ¹
<i>Senecio macrocarpus</i>	Large-fruit Groundsel	Recovery Plan ¹
<i>Senecio laticostatus</i>	Ridged Groundsel	Recovery Plan ¹
<i>Reiekoperla darlingtoni</i>	Mt Donna Buang Wingless Stonefly	Action Statement
<i>Austrogammarus haasei</i>	Amphipod	Action Statement
<i>Engaeus phyllocerus</i>	Narracan Burrowing Crayfish	Action Statement
<i>Engaeus sternalis</i>	Warragul Burrowing Crayfish	Action Statement
<i>Litoria spenceri</i>	Spotted Tree Frog	Recovery Plan ¹
<i>Philoria frosti</i>	Baw Baw Frog	Revise Action Statement Recovery Plan ¹
<i>Prototroctes maraena</i>	Australian Grayling	Recovery Plan ¹
<i>Galaxiella pusilla</i>	Dwarf Galaxias	Recovery Plan ¹

Note: ¹ The Commonwealth intends to adopt Action Statements as Recovery Plans where an Action Statement meets the requirements of the *Endangered Species Protection Act 1992*.

BAW BAW FROG (*Phyllorhina frosti*)

The Parties have agreed to Victoria's interim strategy to protect populations of the Baw Baw Frog. The strategy is described below.

To ensure that viable populations of the Baw Baw Frog persist in the long term, a sufficient area of its habitat must be protected. Areas of habitat in State forest will be protected once the frog's use of breeding habitat is better understood. To achieve this, the following research and survey will be undertaken:

- identification of breeding and non-breeding habitat;
- survey for the presence of the frog on the northern face of the Baw Baw plateau;
- further survey and monitoring of populations on the southern face of the Baw Baw plateau State forest and reserved areas;
- the seasonal use of breeding and non-breeding habitat; and
- response to disturbance in the Montane Wet Forest.

Until research and survey results are available, so as not to foreclose any long-term protection strategies, the Victorian Department of Natural Resources and Environment will adopt a precautionary approach above the 1000 m contour surrounding the Baw Baw plateau by:

- scheduling new coupes only in areas determined not to contain Baw Baw Frog habitat; and
- minimising fragmentation of Baw Baw Frog habitat by utilising existing roads wherever possible.

Where timber harvesting above the 1000 m level on the Baw Baw plateau is proposed prior to the results of the survey and research, the interim strategy provides for:

- training of field staff in the identification of potential breeding habitat;
- field survey, prior to harvesting, to confirm presence/absence of the species;
- protection of identified breeding habitat and associated interim protection zone of up to 200 m; and
- access for timber harvesting under standard prescriptions only in areas not containing potential habitat.

Both Parties recognise that Victoria may adjust the interim strategy to respond to new information obtained from the results of the survey and research conducted during the next one to two years. Long term protection measures for the Baw Baw Frog will be guided by the results of the survey and research. Victoria will revise the Baw Baw Frog Action Statement by the end of 1999.

This strategy is designed to ensure that viable populations of the Baw Baw Frog persist in the long term.

Protection of an area containing the highest concentration of environmental values on the south face of the Baw Baw plateau will be considered in conjunction with developing the long term protection strategy for the Baw Baw Frog.

**LISTING, PROTECTION AND MANAGEMENT OF NATIONAL ESTATE VALUES
IN THE CENTRAL HIGHLANDS**

Protection and management of National Estate values

1. Both Parties endorse the findings of the Australian Heritage Commission/Department of Natural Resources and Environment (AHC/NRE) study of National Estate in the Central Highlands (the Joint Study) and agree that national estate values exist as documented in publicly available plots of GIS coverages and the following published documents: *Methods Papers: Central Highlands Joint Forests Project, Volume One - Natural Values (1994)*; *Methods Papers: East Gippsland and Central Highlands Joint Forest Projects, Volume Two - Cultural Values (1994)*; *National Estate Values in the Central Highlands of Victoria - Draft Project Report (1994)*; and, *Comprehensive Regional Assessment - Central Highlands (1997)*.
2. Both Parties recognise that the extensive and systematic information and regional framework provided by the Joint Study and this Agreement provide a unique regional context for national estate values in the Central Highlands.
3. Both Parties agree that many of the national estate values are well reserved in the CAR Reserve System and that the Central Highlands Forest Management Plan and other mechanisms as described in Table 1 provide for the conservation of many other national estate values within the region.
4. Both Parties agree that all national estate values in the Central Highlands will be conserved through the application of the principles for managing national estate values as detailed in the Central Highlands Forest Management Plan.
5. Both Parties endorse the joint preparation of a set of Statewide Guidelines for the Management of Cultural Heritage Values in the Forests, Parks and Reserves of Victoria, based on those prepared for East Gippsland, and agree to finalise these guidelines by the end of 1999. When completed Victoria agrees to manage in accordance with these guidelines.
6. Both Parties agree to maintain the databases of the values identified in the Joint Study and cooperate in relation to access to the data.

Listings in the Register of the National Estate

Existing Listings

7. Parties note that the Australian Heritage Commission (the Commission) has agreed to update the Statements of Significance and condition and description statements for all existing listings to incorporate the results of the Joint Study.
Parties note that existing national estate places will remain in the Register of the National Estate where the results of the Joint Study confirm the presence of national estate values.

Listings Arising from the Joint Study

8. The Parties note that new listings recommended to the Commission will include national estate values protected by reservation, by reserve management prescription, by site exclusion, by consultation processes or other measures appropriate to the value, or which are robust and not affected by harvesting or other off-reserve management regimes or activity.
9. Parties note that the Commission will work in cooperation with Victoria in delineating places for National Estate listing. The identification of these areas will be based on the following principles:
 - New listings in Dedicated and Informal Reserves, the boundaries of which are unlikely to change, should be distinct places and may be based on any national estate values.
 - Listing of other National Estate places outside the CAR Reserve System will be based on robust values and those values that are protected by forest management prescription. Areas of contiguous values will be listed as a single National Estate place.
 - Boundaries for listing National Estate places outside the CAR Reserve System will be based on identified values and will follow natural topographic features and/or roads as appropriate. In areas where a national estate value overlaps an Informal Reserve, but also continues outside that reserve, the full coverage of the value will be listed and it will be recognised that a portion of this value is protected.
 - For places arising from the Joint Study, only places identified by the above principles will be listed in the Register of the National Estate.
10. Both Parties note that the identification and assessment of national estate values for the CRA has been completed with the only exception being Indigenous heritage. Parties note that the Commission will continue to consult with Victoria and Indigenous communities in an effort to finalise this work.

Future Listings

11. Parties note that future nominations will be referred to them by the Commission. The Parties agree to work cooperatively and in a timely fashion in considering whether such nominations will be recommended to the Commission for listing. The Parties are to compare the nominations with the existing agreed Central Highlands national estate database, and to consider any new research or information provided. Parties will also jointly agree on any future recommendations to the Commission for listing. The Parties note that the Commission will work cooperatively with Victoria on the detail of any consequent listings that may arise.
12. The Parties note that the Commission has agreed not to undertake any further regional studies of forests in the Central Highlands.
13. Parties note that the Commission confirms that, based on the Joint Study, there is no evidence to identify additional large areas with national estate values in the forested areas of the Central Highlands and that it therefore does not anticipate listing additional large places in the region.

Statutory Advice

14. The Parties agree that the advice of the Australian Heritage Commission has already been provided in relation to the protection of national estate values and the impact of forestry activities within the Central Highlands in developing this Agreement. The Commission is also satisfied regarding the range of mechanisms and levels of protection afforded to national estate values.
15. The Parties note that the advice of the Commission will be sought in relation to proposed actions by the Commonwealth which are outside the scope of this Agreement, such as actions specified in Clause 77 of this Agreement, and which might adversely affect national estate values in the Central Highlands including proposed actions that may affect national estate values in areas outside the CAR Reserve System and which have not been listed in the Register of the National Estate. The Parties note that the Commission has agreed to take into account the undertakings in this Agreement in providing its advice and will provide such advice in a regional context.
16. The Parties note that the Commission may delegate the section 30 function for the Central Highlands RFA area to an appropriate official in a Victorian Agency. This delegation would be limited to the Central Highlands RFA area, and those operations which affect those aspects of the forest estate documented in the CRA.

Table 1: Protection of National Estate values on Public Land

National Estate Values	Percentage ¹ of the area on Public Land containing the value which lies within the CAR reserve system			Existing and/or additional protection mechanisms operating within and outside the CAR reserve system
	Dedicated Reserve ²	Informal Reserve ³	Total Reserve	
Old-growth forest (B.1)	54%	30%	84%	Code of Forest Practice ⁴ and Central Highlands Forest Management Plan
Representative vegetation (D.1)	68%	12%	80%	Code of Forest Practice and Central Highlands Forest Management Plan
Relictual EVCs and associated flora (A.1)	58%	17%	75%	Code of Forest Practice and Central Highlands Forest Management Plan
Vegetation Succession (A.2)	89%	7%	96%	
Remote/natural areas (B.1)	100%	0%	100%	not applicable - all values reserved
Flora refugia (A.1)	61%	11%	72%	Code of Forest Practice and Central Highlands Forest Management Plan
Fauna refugia (A.2)	44%	25%	69%	Code of Forest Practice and Central Highlands Forest Management Plan
Flora centres of endemism (A.1)	65%	8%	73%	Code of Forest Practice and Central Highlands Forest Management Plan For rare/threatened endemic species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Key fauna habitat (A.2)	48%	16%	64%	Code of Forest Practice and Central Highlands Forest Management Plan <i>Wildlife Act 1975</i> For rare/threatened species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Endemic fauna (A.1)	60%	9%	69%	Code of Forest Practice and Central Highlands Forest Management Plan <i>Wildlife Act 1975</i> For rare/threatened species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Rare/uncommon fauna habitat (B.1)	50%	16%	66%	<i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i> Code of Forest Practice and Central Highlands Forest Management Plan
Habitats of rare or threatened fauna spp (B.1)	49%	13%	62%	<i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i> Code of Forest Practice and Central Highlands Forest Management Plan

1. The percentages shown in this table are based on modelled information mapped at a scale of 1:100,000 derived during the Comprehensive Regional Assessment of the Central Highlands Region, and are therefore only approximate.

2. Dedicated reserves are reserves established through legislation for conservation purposes, including national parks and flora and fauna reserves.

3. The figures in this column are based upon broad areas of the Special Protection Zone (SPZ) within State forest as well as linear elements of the SPZ greater than 100 metres wide. The degree of protection effectively conferred by the linear component is dependent on the value under consideration. Additional areas protected by prescription may also contribute towards the protection of National Estate values.

4. References to the Code of Forest Practice in this table is a reference to the Code of Forest Practices for Timber Production.

National Estate Values	Percentage of the area on Public Land containing the value which lies within the CAR reserve system			Existing and/or additional protection mechanisms operating within and outside the CAR reserve system
	Dedicated Reserve	Informal Reserve	Total Reserve	
Disjunct flora (A.1)	72%	6%	78%	Code of Forest Practice and Central Highlands Forest Management Plan For rare/threatened endemic species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Flora species at the limits of their range (A.1)	46%	12%	58%	Code of Forest Practice and Central Highlands Forest Management Plan For rare/threatened endemic species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Remnant vegetation (A.2)	52%	7%	59%	Code of Forest Practice and Central Highlands Forest Management Plan For rare/threatened species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i> For Melbourne Water Corporation land refer to Attachment 1
Fauna species richness (A.3)	24%	21%	45%	Code of Forest Practice and Central Highlands Forest Management Plan For rare/threatened species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Flora species richness (A.3)	22%	24%	46%	Code of Forest Practice and Central Highlands Forest Management Plan For rare/threatened endemic species: <i>Flora and Fauna Guarantee Act 1988</i> <i>Endangered Species Protection Act 1992</i>
Natural landscapes (B.1)	72	12	84	

National Estate Values	Percentage of the area on Public Land containing the value which lies within the CAR reserve system			Existing and/or additional protection mechanisms operating within and outside the CAR reserve system
	Dedicated Reserve	Informal Reserve	Total Reserve	
Type localities & research sites (C1)	71%	5%	77%	Type localities are to be identified and managed appropriately.
Geoconservation values (A.1, A.2, A.3, B.1, C.1, C.2, D.1, H.1) ⁵	N/A	N/A	N/A	Major geological and geomorphological features are considered robust to harvesting and roading. Identified localised sites of significance may be protected under the <i>Crown Land (Reserves) Act 1978</i> .
Historic values (A.3, A.4, B.2, C.2, D.2, E.1, F.1, H.1) ⁵	N/A	N/A	N/A	<i>Aboriginal and Torres Strait Islanders Heritage Protection Act 1984</i> ; <i>Archaeological and Aboriginal Relics Protection Act 1972</i> <i>Heritage Act 1995</i> Code of Forest Practice and Central Highlands Forest Management Plan Indigenous heritage to be protected through implementation of clause 74 of the Agreement.
Social values (G.1) ⁵	N/A	N/A	N/A	<i>Aboriginal and Torres Strait Islanders Heritage Protection Act 1984</i> ; <i>Archaeological and Aboriginal Relics Protection Act 1972</i> <i>Heritage Act 1995</i> Code of Forest Practice and Central Highlands Forest Management Plan Indigenous heritage to be protected through implementation of clause 74 of the Agreement.
Aesthetic values (E.1)	82%	8%	90%	Code of Forest Practice and Central Highlands Forest Management Plan NRE Visual Management System
Cultural Landscapes (A3, A4, D2) ⁵	N/A	N/A	N/A	<i>Aboriginal and Torres Strait Islanders Heritage Protection Act 1984</i> ; <i>Archaeological and Aboriginal Relics Protection Act 1972</i> <i>Heritage Act 1995</i> Code of Forest Practice and Central Highlands Forest Management Plan Indigenous heritage to be protected through implementation of clause 74 of the Agreement.

5. Because of their particular characteristics, geoconservation, cultural, social and historical values were not subject to GIS-generated areal calculations in the Central Highlands.

ATTACHMENT 4

MILESTONES

Clause	Action	Timeline
44	Victoria to implement an on-going quality assurance program	2000
45	Victoria to complete and publish regional prescriptions for timber production	December 1998
45	Victoria to complete and publish management plans for all National and State Parks	December 1998
45	Victoria to implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory	2001
50	Victoria and the Commonwealth to develop sustainability indicators	2002
57	Victoria and the Commonwealth to undertake and where relevant complete threatened species work as detailed in Attachment 2	2002
59	Victoria to develop programs for pest plant and pest animal control	2003
65	Victoria to publish a Central Highlands Forest Management Plan	30 June 1998
82	Victoria to complete a review in accordance with the Competition Principles Agreement	1999
81	Victoria will report on progress of the development of a long term timber harvesting and water production strategy for the Thomson Reservoir catchment.	2002
86	Victoria and the Commonwealth will develop a schedule to the Statewide data agreement and lodge archival copies of data	September 1998
Att 1	Victoria to assess endangered, vulnerable or rare EVCs on Melbourne Water Corporation Lands	2002
Att 1	Victoria to prepare Regional Vegetation Plans covering the Central Highlands which provide for the protection of endangered, vulnerable or rare EVCs on private land	2001
Att 1	Victoria to publish a Technical Report on Rainforest	1998
Att 3, cl 5	Victoria and the Commonwealth to prepare Statewide Cultural Heritage Guidelines	December 1999

The milestones in this Attachment should be read in conjunction with the relevant clauses in the Agreement.

ATTACHMENT 5

PUBLIC REPORTING AND CONSULTATIVE MECHANISMS

Public reporting and consultative mechanisms relevant to the management of the Central Highlands forests include:

- Land Conservation Council and Environment Conservation Council studies;
- preparation and amendment of the Forest Management Plan, National and State Park management plans, and regional fire protection plans;
- activities associated with the implementation of the *Flora and Fauna Guarantee Act 1988*;
- preparation and review of Codes of Practice;
- preparation of Wood Utilisation Plans and Fuel Reduction Burning Plans;
- technical, research and other reports on such topics as
 - Sustainable Yield Reviews
 - Regeneration Performance
 - Old-growth Surveys
 - Annual Reports of the Forest Management Areas
 - Updates of the Schedules of the *Flora and Fauna Guarantee Act 1988*;
- nomination, preparation and possible contraventions of recovery plans and threat abatement plans prepared under the *Endangered Species Protection Act 1992*;
- listing of places in the Register of the National Estate under the *Australian Heritage Commission Act 1975*.

RESEARCH

The major priority of future research in Victoria will be the development of appropriate mechanisms to monitor and continually improve the sustainability of forest management practices. Accordingly, Statewide research will continue on the following major themes.

- silviculture
- flora and fauna conservation
- soil and water conservation
- fire ecology
- wood quality in regrowth forests.

Parties also recognise the importance of continuing research to address:

- control of feral pests
- environmental weed control in priority areas
- population monitoring of high priority threatened flora and fauna species
- the effectiveness of Ecological Vegetation Classes as surrogates of biodiversity
- the effects of differing buffer and filter strip widths on water quality and stream biota
- the development of ecologically based fire management regimes
- the effect of regrowth forests on water yields and their impacts on stream biota
- the effect of introduced fish species on aquatic fauna
- growth responses and ecological impacts of intensive silviculture in regrowth forests
- stem defect and wood quality in regrowth forest
- technologies and processes associated with the development of high value wood products.

Research on the above themes will vary from region to region. Details of current research projects are included in the Department of Natural Resources and Environment web site. The Compendium of Victorian Forest Research (in prep) also will provide a bibliography of research in progress as well as published and unpublished works.

ATTACHMENT 7

MONTREAL PROCESS CRITERIA FOR THE CONSERVATION AND SUSTAINABLE MANAGEMENT OF TEMPERATE AND BOREAL FORESTS

- Criterion 1: Conservation of biological diversity
- Ecosystem diversity
 - Species diversity
 - Genetic diversity
- Criterion 2: Maintenance of productive capacity of forest ecosystems
- Criterion 3: Maintenance of ecosystem health and vitality
- Criterion 4: Conservation of soil and water resources
- Criterion 5: Maintenance of forest contribution to global carbon cycles
- Criterion 6: Maintenance and enhancement of long term multiple socio-economic benefits to meet the needs of societies
- Production and consumption
 - Recreation and tourism
 - Investment in the forest sector
 - Cultural, social and spiritual needs and values
 - Employment and community needs
- Criterion 7: Legal, institutional and economic framework for forest conservation and sustainable management