NORTH EAST

REGIONAL FOREST AGREEMENT

between

THE COMMONWEALTH OF AUSTRALIA

&

THE STATE OF VICTORIA

August 1999

THE NORTH EAST REGIONAL FOREST AGREEMENT

THIS AGREEMENT is made on the

day of

1999

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 North East region of Victoria. 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* (Cwth), Export Control (Hardwood Wood Chips) Regulations 1996 (Cwth) and the Export Control (Regional Forest Agreements) Regulations (Cwth). 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;

"Comprehensive, Adequate and Representative Reserve System" or "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 North East Victoria CRA "Biodiversity Assessment Report" published by the Commonwealth and Victorian RFA Steering Committee in 1998;

"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 North East Forest Management Plan;

"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 88 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) Regulations 1996 (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 North East Forest Management Plan;

"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) Regulations 1996; 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, reenactments 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 North East region as shown in Map 1 accompanying this Agreement.

Duration of Agreement

5. This Agreement takes effect upon signing by both parties and, unless earlier terminated in accordance with clause 90, 91 or 92, 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 ³⁄₄ 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 in so far 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 and subsequently amended on 30 June 1998, in relation to the North East 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* (Cwth) 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* (Cwth) 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* (Cwth) 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 North East region.

26. Parties agree to actively investigate, and participate in, World Heritage assessment of the Australia-wide Eucalypt theme, including any potential contribution from the North East 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 North East region will be from within the CAR Reserve System.

29. The Commonwealth agrees that it will give full consideration to the potential socioeconomic consequences of any World Heritage nomination of places in the North East region 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* (Cwth) will apply to hardwood woodchips or unprocessed wood sourced from the North East 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.

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 and timing 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 in accordance with clause 7 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 North East region 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) continue to manage the dedicated reserves within the CAR Reserve System in accordance with the relevant government approved recommendations of the Land Conservation Council or Environment Conservation Council;
- (b) manage cultural values, both Aboriginal and non-Aboriginal, in the North East region, based on Statewide Guidelines for the Management of Cultural Heritage Values in Forests, Parks and Reserves which will be jointly agreed; and
- (c) implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory (SFRI) in the North East region 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 Appendix 4 of the North East Victoria Comprehensive Regional Assessment Report provides for continuing improvement in relation to ESFM.

47. The Commonwealth accredits Victoria's forest management system for the North East region 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 (Vic);
- the process for forecasting sawlog sustainable yield in the North East region; 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* (Vic), 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* (Vic) and the *Endangered Species Protection Act 1992* (Cwth), and the application of a range of management strategies in the North East 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* (Vic) and the *Endangered Species Protection Act 1992* (Cwth), 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* (Cwth), the Commonwealth intends to adopt Action Statements as Recovery Plans under Section 46 of the *Endangered Species Protection Act 1992* (Cwth).

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 North East region 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 North East 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, including the required public land tenure change, 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 values, 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 2000 the North East Forest Management Plan that reflects the outcomes of this Agreement.

INDUSTRY DEVELOPMENT

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

67. 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.

68. The Parties acknowledge that the forest-based industries in the North East region make an important 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 North East region 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 including through:

- new investment, plantation development, reforestation, downstream processing, value-adding and jobs growth in forests-based industries;
- further introduction of new technology, enhanced utilisation of regrowth timber for sawn products, and more efficient utilisation of residual wood;
- investment in mineral exploration and mining; and
- tourism and recreation investment.

69. 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 North East region in accordance with this Agreement.

70. The Parties acknowledge that this Agreement is expected to provide as a minimum the current level of supply of D+ sawlogs (68,000 m³ per annum) from the North East region (comprising the Benalla/Mansfield and Wangaratta FMAs and part of the Wodonga FMA) for the next twenty years, but recognise that timber supply levels in Victoria are subject to change based on periodic review of sustainable yield. 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 this region will be reviewed based on new resource information now available from the Statewide Forest Resource Inventory (SFRI). Victoria will make available to industry any additional timber volumes identified through periodic reviews, in accordance with relevant legislation. The Parties also agree that Victoria will manage the forest estate in the North East region to at least maintain its timber production capacity in terms of volume, species and quality.

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

72. Both Parties are committed to the implementation of a Hardwood Timber Industry Development and Restructuring Program for Victoria. A Memorandum of Understanding for a joint Commonwealth-Victorian Hardwood Timber Industry Development and Restructuring Program has been developed which establishes the respective roles and responsibilities of the two governments in administering the program. As provided for in the Central Highlands RFA, the Parties agreed that a total of \$27.6 million is available to implement the program across the five Victorian RFA regions (refer clause 89).

INDIGENOUS HERITAGE

73. 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 North East region. 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.

74. 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* (Cwth).

PLANTATIONS

75. 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

76. 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.

77. 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.

78. Parties recognise that exploration and mining may be permitted in parts of the CAR Reserve System, other than those identified in clause 77, 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* (Vic) 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 no new activities under the *Extractive Industries Development Act 1995* (Vic) will be permitted in the State forest component of the CAR Reserve System in the North East region 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.

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

COMPETITION PRINCIPLES

80. 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 have been reviewed as part of the Competition Principles Agreement. Competitive neutrality principles will be taken into account in any changes following the review.

RESEARCH

81. The results of the Comprehensive Regional Assessments of the forest values of the North East region indicated a number of areas requiring further research. The Compendium of Victorian Forest Research (1998) provides a bibliography of research in progress as well

as published and unpublished works. Parties have outlined Statewide research priorities in Attachment 6.

82. 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.

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

DATA AGREEMENT

84. Parties note the development of a State-wide data agreement. Both Parties agree to use their best endeavours to develop a schedule to the State-wide agreement concerning the management of the data used to develop this Agreement by 31 March 2000. 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 use their best endeavours to lodge archival copies of data by 31 March 2000.

PART 3

Nature of Obligations under this Part

85. 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

86. Victoria will:

86.1. Implement the CAR Reserve System, including any required public land tenure changes, described in Attachment 1 and identified on Map 1.

86.2. Produce and publish by 30 June 2000 the North East Forest Management Plan that reflects the outcomes of this Agreement.

86.3. Implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory (SFRI) in the North East region in time for the next review of sustainable yield due in 2001;

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

86.5. Take into account competitive neutrality principles in any changes arising from the *Forest Act 1958, National Competition Policy Review and Government Response* (May 1999).

87. The Commonwealth will:

87.1. Maintain accreditation of Victoria's forest management system for the North East region as amended by this Agreement providing changes to the system are consistent with the provisions of this Agreement;

87.2. Not prevent enterprises obtaining, using or exporting timber, woodchips or unprocessed wood products sourced from the North East region in accordance with this Agreement.

Compensation

88. The Parties agree that:

88.1. 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 88.2 to 88.20.

- 88.2. Subject to:
- (a) clauses 88.3, 88.4, 88.5, 88.6, 88.8, 88.9, 88.10, 88.11 and 88.12 the compensation to be paid by the Commonwealth to the State in accordance with clause 88.1 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 88.1 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 88.3, 88.4, 88.5, 88.6, 88.7, 88.8, 88.10, 88.11 and 88.12 the compensation to be paid by the Commonwealth to the State in accordance with clause 88.1 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 88.1 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 88.3, 88.6, 88.8, 88.11 and 88.12 the compensation to be paid by the Commonwealth to the State in accordance with clause 88.1 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 88.1 occurred, by any person who, immediately before the announcement of the proposed Commonwealth Action, was contracted to construct that road.

88.3. 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.

88.4. 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.

88.5. 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.

88.6. 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.

88.7. To the extent that clause 88.2 (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.

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

88.9. For the purposes of clause 88.1(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.

88.10. For the purposes of clause 88.1(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.

88.11. No compensation is payable under clause 88.2 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.

88.12. Clause 88.2 does not apply so as to entitle the State to recover compensation more than once in respect of the same loss or damage.

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

- (a) A person who claims to have sustained loss or damage for which compensation is payable may lodge an initiating claim with the State.
- (b) On receiving a claim, the State must make a corresponding claim for compensation to the Commonwealth.
- (c) 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.
- (d) Where there is a dispute concerning a claim for compensation, or on or before the expiry of thirty days after the receipt of the 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.
- (e) 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.

(f) An arbitration under this Agreement is to be conducted in accordance with the provisions of the *Commercial Arbitration Act 1984* (Vic) which are, to the extent permitted by the *Judiciary Act 1903* (Cwth) and the Commonwealth Constitution, incorporated by reference into this Agreement.

88.14. The procedure in relation to any arbitration required by reason of the provisions of clause 88.13 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 clause 88.13 (f), 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.

88.15. Unless the Commonwealth appeals the decision of the arbitrator, and subject to clause 88.18, the Commonwealth undertakes to pay the State the amount of any award made by an arbitrator under clause 88.14 as a debt due to the State, within 60 days of the award.

88.16. 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.

88.17. Subject to clause 88.18(b), where the State receives monies as a trustee pursuant to clause 88.16, it will pay those monies to the person who sustained the relevant loss or damage within 30 days.

88.18.

- (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 88.14 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 clause 88.13 (f).
- (d) Subject to paragraph (e) of this clause, where an arbitration takes place in accordance with sub-paragraph (c)(ii), clauses 88.14 and 88.15 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.
- 88.19. Where the State:
- (a) has received monies as a trustee pursuant to clause 88.16; 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.

88.20. 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

89. As provided for in the Memorandum of Understanding for a Hardwood Timber Industry Development and Restructuring Program for Victoria (refer clause 72) 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 provisions of the Memorandum of Understanding between the two Parties which established the respective roles and responsibilities of the two governments in administering the Program.

Termination

- 90 This Agreement may only be terminated by the Commonwealth:
- (a) 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 86.1, 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 86.2, being a failure to produce and publish by 30 June 2000 the North East 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; or
- (iv) a failure to comply with clause 45(c), being a failure to implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory (SFRI) in the North East 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 89 or a failure to use the money referred to in clause 89 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

- (b) 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.
- 91. This Agreement may only be terminated by the State:
- (a) 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 89, being a failure to pay the financial assistance in accordance with that clause; or
 - (ii) a failure by the Commonwealth to comply with clause 88, 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

(b) 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.

92. This Agreement may be terminated with the consent of the Commonwealth and the State.

Notice of intention to review before termination by consent

- 93.1 A consent under clause 92 is of no effect, unless:
- (a) it is given at least 12 months after a notice of intention to review the operation of this Agreement is published in the Commonwealth *Gazette* and a national newspaper and a newspaper circulating in Victoria stating that a joint review is being undertaken by the Parties because they intend to terminate the Agreement by consent; and
- (b) the Parties have conducted the joint review.

93.2 The joint review must consider whether the operation of the Agreement has met the goals set out in Recitals A and B.

93.3 Within 8 months after the notice of intention to review is published under this clause, and after considering any submissions to the joint review, the Parties must make a report of the review publicly available.

93.4 If, under clause 36, a 5 yearly review is to be conducted during the 12 month period after a notice of intention to review is published under this clause, and the joint review is conducted under this clause, the Parties may agree that the review under clause 36 need not be undertaken.

Miscellaneous

94. This Agreement may be executed in any number of counterparts, all of which taken together constitute one and the same instrument.

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:)
)

ATTACHMENT 1

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 North East, 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.
- iii. Values protected by Prescription. This comprises those CAR values protected by prescriptions.

The CAR Reserve System covers an area of approximately 592,000 hectares (about half of the public land in the region or 26 percent of the entire region). Approximately 174,000 hectares have been added to the existing reserve system of 418,000 hectares.

Map 1 illustrates the extent of the CAR Reserve System in the North East 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.

To implement the CAR Reserve system Victoria will include the area of State forest in the upper Wongungarra catchment (shown on Map 1) in the Alpine National Park. Victoria will use its best endeavours to introduce legislation giving effect to this commitment by 2001.

Victoria will produce a North East Forest Management Plan by 30 June 2000 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 North East region, as required in the RFA Data Agreement. Copies of the Data Archive are to be held by both Parties.

0 0		•			% of EVC (pre-1750 extent) in each land category									
	Area (ha)				CAR Reser	ve System	Special	General		Other	Other			
			Percent		Dedicated			Management		Parks &	Public	Private		
Ecological Vegetation Class	Pre-1750	Current	U	Status	Reserves	Reserves	Zone	Zone	Prescription	Reserves	Land	Land		
Clay Heathland	65	35	54.2	R	25.4	4.3						24.4		
Riparian Forest	16,080	11,270	70.1	R, V	20.4	40.6				0.8	1.3			
Riparian Shrubland	1,440	910	63.0	R	56.5							6.5		
Heathy Dry Forest	99,280	83,090	83.7	V	29.9	11.8	1.3	23.5	4.9		1.3			
Shrubby Dry Forest	291,100	276,930	95.1		29.4	14.5	1.5	35.5	9.9	0.5	0.4	3.5		
Grassy Dry Forest	296,420	146,500	49.4		7.7	7.0	0.1	11.7	1.4	0.1	1.9	19.6		
Herb-rich Foothill Forest	555,490	402,600	72.5		17.6	9.8	1.5	24.5	7.6	0.3	0.7	10.5		
Damp Forest	48,310	46,690	96.6		26.5	16.4	3.6	29.0	19.1	0.4	0.8	0.8		
Wet Forest	6,690	6,250	93.5		42.3	16.9	3.2	15.0	15.1		1.1			
Montane Dry Woodland	138,150	136,330	98.7		43.2	7.0	2.4	32.8	10.4	1.2	1.6			
Montane Damp Forest	40,360	38,330	95.0		36.0	7.9	2.0	33.1	14.0	0.6	1.3			
Montane Riparian Thicket	1,200	1,090	90.8		22.3	64.4				0.6	3.6			
Sub-alpine Woodland	35,480	35,340	99.6		79.0	1.5	0.6	7.1	1.6	1.3	8.4			
Treeless Sub-alpine Mosaic	21,020	20,490	97.5		89.6						7.8			
Valley Grassy Forest	250,250	18,810	7.5	V	0.8	0.9					0.5	5.3		
Heathy Woodland	35	35	100.0	R		100.0								
Plains Grassy Woodland	210,800	1,930	0.9	V, E								0.9		
Floodplain Riparian Woodland	46,750	4,310	9.2	V, E	1.9						0.9	6.4		
Swampy Riparian Woodland/Perched														
Boggy Shrubland Mosaic	500	120	23.5	R, V, E								23.5		
Box Ironbark Forest	20,310	3,800	18.7	V	15.0						0.3	3.4		
Alluvial Terraces														
Herb-rich Woodland	210	10	5.6	R, V, E	3.8							1.8		
Creekline Grassy Woodland	9,980	440	4.4	R, V, E	0.3							4.1		
Granitic Hills Woodland	31,080	21,150	68.0		50.0	0.6		0.4			0.9	15.9		
Rocky Outcrop Shrubland/Herbland														
Mosaic	3,480	3,230	92.9	R	67.4	15.1					4.7	5.8		
Wetland Formation	3,670	250	6.8	ν, ε								6.8		
Gilgai Plain Woodland/Wetland/														
Heathy Dry Forest Mosaic	760	530	69.8	R	66.9							2.9		
Spring Soak Herbland	55	15	24.4	R, V, E	0.3						1.1	23.0		

Table 1 Ecological Vegetation Class Representation in the North East Region based on pre-1750 vegetation mapping

					% of EVC (pre-1750 extent) in each land category								
	Area (ha)				CAR Reserve System		Special	General		Other	Other		
			Percent		Dedicated	Informal	8	Management		Parks &	Public	Private	
Ecological Vegetation Class	Pre-1750	Current	remaining	Status	Reserves	Reserves	Zone	Zone	Prescription	Reserves	Land	Land	
Alluvial Terraces													
Herb-rich Woodland/Creekline Grassy													
Woodland Mosaic	340	35	10.3	, ,								10.3	
Riverine Escarpment Scrub	680	520	76.2	R	22.4	39.0					4.1	10.7	
Swampy Riparian Woodland	5,210	2,010	38.5	V	8.4	18.0					2.6	9.5	
Riparian Mosaic - North East	6,730	2,600	38.6	R, V	6.0	24.2				0.1	3.8	4.4	
Valley Heathy Forest	1,750	95	5.4	R, V, E	0.7							4.7	
Alluvial Terraces													
Herb-rich Woodland/Plains Grassy													
Woodland Complex	1,090	20	1.7	R, V, E	1.6							0.1	
Alluvial Terraces													
Herb-rich Woodland/Valley Grassy													
Forest Complex	920	20	2.3	R, V, E	0.2							2.1	
Grassy Dry Forest/Rocky Outcrop													
Shrubland/Herbland Mosaic	950	190	19.8	R, V							4.1	15.7	
Grassy Woodland	86,740	4,470	5.2	V, E	0.2	0.5					0.2	4.2	
Perched Boggy Shrubland	1,730	300	17.2	V, E		0.9						16.2	
Plains Grassy Woodland/Floodplain													
Riparian Woodland Complex	7,880	270	3.5	V, E								3.4	
Plains Grassy Woodland/Rainshadow													
Grassy Woodland Complex	2,730	20	0.8	R, V, E								0.8	
Plains Grassy Woodland/Valley Grassy													
Forest Complex	1,940	20	1.1	V, E								1.1	
Plains Grassy Woodland/Valley Grassy													
Forest/Rainshadow Grassy Woodland													
Complex	2,400	110	4.5	R, V, E								4.5	
Valley Grassy Forest/Box Ironbark													
Forest Complex	1,640	130	8.0	R, V, E								8.0	
Gilgai Plain Woodland/Wetland													
Mosaic	9,900	480	4.9	R, V, E	2.8							2.0	
Riparian Forest/Swampy Riparian													
Woodland Mosaic	4,640	390	8.4	V, E	0.2	0.7					0.1	7.4	

					% of EVC (pre-1750 extent) in each land category								
	Area (ha)				CAR Reserve System			General		Other	Other		
		~	Percent		Dedicated	Informal		Management		Parks &	Public	Private	
Ecological Vegetation Class	Pre-1750	Current	remaining	Status	Reserves	Reserves	Zone	Zone	Prescription	Reserves	Land	Land	
Plains Grassy Woodland/Creekline													
Grassy Woodland/Floodplain Riparian													
Woodland Mosaic	3,880	55	1.4	R, V, E	-							1.4	
Plains Grassy Woodland/Creekline													
Grassy Woodland/Wetland Mosaic	8,310	350	4.2	V, E								4.2	
Valley Grassy Forest/Plains Grassy													
Woodland Mosaic	580	2	0.4	R, V, E								0.4	
Grassy Dry Forest/Shrubby Granitic-													
outwash Grassy Woodland Mosaic	190	2	1.2	R, V, E								1.2	
Granitic Hills Woodland/Rocky													
Outcrop Shrubland/Herbland Mosaic	3,980	3,020	75.7		58.7	3.0					1.4	12.7	
Box Ironbark Forest/Spring Soak													
Herbland Mosaic	210	5	3.4	R, V, E								3.4	
Grassy Dry Forest/Spring Soak													
Herbland Mosaic	390	65	16.4	R, V, E								16.4	
Floodplain Riparian Woodland/Plains													
Grassy Woodland Mosaic	3,100	75	2.4	R, V, E	0.1							2.2	
Rainshadow Grassy Woodland/Valley													
Grassy Forest Mosaic	3,620	50	1.4	R, V, E								1.4	
Shrubby Granitic-outwash Grassy													
Woodland/Valley Grassy Forest													
Mosaic	170	20	10.2	R, V, E							6.3	3.9	
Riverine Grassy Woodland/Riverine													
Sedgy Forest Mosaic	26,790	3,950	14.7	V , E	0.7	1.0					0.1	12.9	
Sand Ridge Woodland	25	2	8.6	R, V, E				1.4				7.2	
Valley Grassy Forest/Grassy Dry													
Forest Mosaic	250	100	39.2	R, V								39.2	
Conifer Plantation		59,310											
Cleared/Severely Disturbed		71,520											
Rock/Bare Ground		25											
Non-Treed Area		881,930											
Water Body		25,490		1	1								

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 North East, and are therefore only approximate. A vegetation mosaic consists of discrete floristic entities (EVCs) which were unable to be distinguished in the mapping due to the scale used (that is 100,000). A vegetation complex occurs

where floristic entities are unable to be distinguished in the area but are known to exist discretely elsewhere. In the North East RFA area complexes were mapped as part of the pre-1750 mapping exercise on private land where sufficient information was available to accurately map the boundaries between them. The percentages of each EVC shown in the various land tenures comprise proportions of their pre-1750 extent. The areas on private land formerly occupied by each EVC is included in the category 'Non-treed Area' under 'Current Extent'. Code Prescription refers to areas protected under the Code of Forest Practices for Timber Production prescriptions for exclusion of timber harvesting from streamside buffers and slopes of 30 degrees or more. E - Endangered, R - Rare, V - Vulnerable in accordance with the national reserve criteria (JANIS 1997). Special Management Zone is abbreviated to SMZ and General Management Zone to GMZ

Endangered, Vulnerable or Rare EVCs

The entire occurrence of the endangered, vulnerable or rare EVCs Clay Heathland, Riparian Shrubland, Heathy Woodland, Alluvial Terraces Herb-rich Woodland, Creekline Grassy Woodland, Gilgai Plain Woodland/Wetland/Heathy Dry Forest Mosaic, Valley Heathy Forest, Alluvial Terraces Herb-rich Woodland/Plains Grassy Woodland Complex, Alluvial Terraces Herb-rich Woodland/Valley Grassy Forest Complex, Perched Boggy Shrubland, Gilgai Plain Woodland/Wetland Mosaic, Floodplain Riparian Woodland/Plains Grassy Woodland Mosaic on public land is within the CAR Reserve System. The distribution of these EVCs outside of the CAR Reserve System is on private land. For the remaining endangered and rare EVCs the occurrence outside of the CAR Reserve System is primarily on private land or small areas in other public land.

Over 60 per cent of the current extent of the vulnerable EVCs Swampy Riparian Woodland and Box Ironbark Forest are within the CAR Reserve System. The majority of the occurrence of the vulnerable EVC Valley Grassy Forest occurs on private land. The major occurrence of Valley Grassy Forest on public land outside of the CAR Reserve System is within the Mt Pilot Multi-Purpose Park referred to later in this attachment.

Heathy Dry Forest

Heathy Dry Forest was assessed as vulnerable due to inappropriate fire regimes. NRE undertakes to analyse the extent and frequency of fuel reduction burning in Heathy Dry Forest across all public land. Wherever possible, burning strategies that maintain or promote the ecological characteristics of the EVC will be developed and implemented through fire operations plans by 2004.

OLD GROWTH

The dispersed nature of the old growth forest of several EVCs in the Region (for example Shrubby Dry Forest) is such that it would be necessary to include a considerable area of non-old growth of already well-represented EVCs in order to achieve comparatively small gains in old growth forest protection. This would have resource availability implications. Reserving small isolates of old growth also presents operational and management problems particularly in relation to the identification of old growth forest in the field and the delineation of identifiable boundaries.

The national reserve criteria provide for protection by prescription when certain values are dispersed in the landscape and it is not practicable to place reserve boundaries so as to capture them effectively or efficiently. The Agreement recognises that further protection is afforded to old growth forest values outside of the formal and informal CAR reserve elements through areas identified by the Code of Forest Practices for Timber Production prescriptions for exclusion of timber harvesting from streamside buffers and slopes of 30 degrees or more.

				Percent of Old Growth in each land tenure category						
Ecological Vegetation Classes	Area EVC (ha)	% EVC as Old Growth	Area of Old Growth (ha)	CAR reserv Dedicated Reserve	· · ·	Special Management Zone	General Management Zone	Code Prescription	Other Parks & Reserves	Other Public Land
Riparian Forest	11,270	4.6	520	29.9	64.2	0	0.3	0	0.1	5.4
Heathy Dry Forest	83,090	26.6	22,110	46.0	20.1	3.5	22.2	7.4	0	0.3
Shrubby Dry Forest	276,930	33.9	93,800	33.2	19.1	1.1	34.9	11.4	0.2	0.1
Grassy Dry Forest	146,500	11.4	16,750	26.3	36.2	0	29.2	6.5	0.1	1.6
Herb-rich Foothill Forest	402,600	15.0	60,250	27.9	22.2	1.6	34.4	13.6	0.0	0.3
Damp Forest	46,690	13.5	6,320	27.5	21.0	3.5	27.4	19.2	0.2	1.3
Wet Forest	6,250	23.3	1,460	48.6	18.4	1.5	13.5	15.6	0	2.3
Montane Dry Woodland	136,330	23.3	31,790	46.1	10.6	2.1	26.1	13.1	1.0	1.1
Montane Damp Forest	38,330	17.7	6,790	37.9	11.6	1.8	28.4	17.9	0.3	2.1
Montane Riparian Thicket	1,090	10.7	120	30.4	64.9	0	0	0	0	4.8
Sub-alpine Woodland	35,340	42.1	14,870	82.7	1.5	0.3	3.6	1.6	1.0	9.4
Valley Grassy Forest	18,810	0.1	15	63.6	23.9	0	10.8	0.1	0	1.6
Granitic Hills Woodland	21,150	20.1	4,260	99.1	0.8	0	0.1	0.1	0	0
Swampy Riparian Woodland	2,010	12.6	250	39.0	49.7	0	0	0	0	11.3
Riparian Mosaic - North East	2,600	6.1	160	34.5	65.5	0	0	0	0	0

Table 2 Representative conservation of Old Growth in the CAR Reserve System in the North East Region.

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 North East, and are therefore only approximate. For the old growth analysis in the North East it was considered that old growth only occurs on public land, due to the generally high levels of disturbances on private land. Areas rounded to near 10 ha if over 100 ha, or nearest 5 ha if under 100 ha. Only those EVCs that contain old growth are shown in the table. The total area of each EVC is derived from the pre-1750 analysis and includes extant forest on both public and private land. The proportion of old growth in each EVC has been derived using the total area of extant forest on both public and private land. Code Prescription refers to areas protected under the Code of Forest Practices for Timber Production prescriptions for exclusion of timber harvesting from streamside buffers and slopes of 30 degrees or more. Special Management Zone is abbreviated to SMZ and General Management Zone to GMZ.

PRIVATE LAND

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

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

Ecological Vegetation Classes with Priority for Protection						
Priority 1	Priority 2	Priority 3				
Riparian Forest	Riparian Shrubland	Rocky Outcrop Shrubland/Herbland Mosaic				
Valley Grassy Forest	Box Ironbark Forest	Riverine Escarpment Scrub				
Plains Grassy Woodland	Alluvial Terraces Herb-rich Woodland	Heathy Woodland				
Swampy Riparian Woodland	Heathy Dry Forest					
Creekline Grassy Woodland	Clay Heathland					
Wetland Formation						
Spring Soak Herbland						
Valley Heathy Forest						
Grassy Woodland						
Perched Boggy Shrubland						
Gilgai Plain Woodland/Wetland						
Mosaic						
Riverine Grassy						
Woodland/Riverine Sedgy						
Forest Mosaic						
Sand Ridge Woodland						
Floodplain Riparian Woodland						

 Table 3 EVC Priorities for the CAR Reserve System on 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 (Vic);
- Land Management Cooperative Agreements under the *Conservation Forests and Lands Act 1987* (Vic);
- Wildlife Management Cooperative Areas under the *Wildlife Act 1975* (Vic);
- Critical habitat provisions of the *Flora and Fauna Guarantee Act 1988* (Vic);
- Provisions of the *Planning and Environment Act 1987* (Vic).

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

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 North East 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 North East 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 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.

BOX IRONBARK INVESTIGATION

A number of endangered, vulnerable or rare EVCs and Old Growth occur in areas currently used for firewood collection in the Mt Pilot Multi-Purpose Park. These areas have not been recognised as part of the CAR reserve system. Parties note that the Victorian Environment Conservation Council (ECC) is reviewing public land use in the Box Ironbark Study Area which includes public land in the vicinity of the Mt Pilot Multi-Purpose Park, and that it expects to publish its proposed recommendations by December 1999.

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 North East Forest Management Plan, the Commonwealth agrees to accept those changes. This Guideline will be included in the North East 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 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 values¹ 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.

¹ 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 North East. These include protection within the CAR Reserve System, protection of rare or threatened Ecological Vegetation Classes (EVCs), and the development of Action Statements for species listed under the *Flora and Fauna Guarantee Act 1988* (Vic) and Recovery Plans for species listed under the *Endangered Species Protection Act 1992* (*Cwth*).

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

Scientific name	Common Name
Hibbertia humifusa ssp. erigens	Euroa Guinea-flower
Acacia dallachiana	Catkin Wattle
Carex echinata	Star Sedge
Colobanthus affinis	Alpine Colobanth
Craspedia alba	White Billy-buttons
Euchiton nitidulus	Shining Cudweed
Euphrasia crassiuscula ssp. eglandulosa	Thick Eyebright
Poa hothamensis var. parviflora	Soft Ledge-grass
Struthidea cinerea	Apostlebird
Lophoictinia isura	Square-tailed Kite
Vermicella annulata	Bandy Bandy
Ramphotyphylops proximus	Woodland Blind Snake
Gadopsis marmoratus	River Blackfish
Galaxias olidus	Mountain Galaxias
Philypnodon grandiceps	Flat-headed Gudgeon
Macquaria ambigua	Golden Perch

Table 1. Priority species for nomination under the Flora and Fauna GuaranteeAct 1988 (Vic)

Table 2. Priority potentially threatening processes under the *Flora and FaunaGuarantee Act 1988* (Vic) for preparation of Action Statements.

Degradation of native riparian vegetation along Victorian rivers and streams.

Table 3.	Priority species for	preparation of an Action	Statement / Recovery Plan.
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Species Name	Common Name	Action
Acacia deanei ssp. deanei	Deane's Wattle	Action Statement
Acacia phasmoides	Phantom Wattle	Recovery Plan ¹
Babingtonia crenulata	Fern-leaf Baeckea	Recovery Plan ¹
Carex cephalotes	Wire-head Sedge	Action Statement

Species Name	Common Name	Action	
Eucalyptus alligatrix ssp. limaensis	Lima Stringybark	Recovery Plan ¹	
Eucalyptus cadens	Warby Swamp Gum	Recovery Plan ¹ ♦	
Euchiton nitidulus	Shining Cudweed	Recovery Plan ¹	
Euphrasia collina ssp. muelleri	Purple Eyebright	Action Statement [•] Recovery Plan ¹ •	
Euphrasia eichleri	Bogong Eyebright	Recovery Plan ¹	
Glycine latrobeana	Clover Glycine	Recovery Plan ¹	
Goodenia macbarronii	Narrow Goodenia	Recovery Plan ¹	
Kelleria laxa	Kelleria	Recovery Plan ¹	
Pomaderris subplicata	Concave Pomaderris	Recovery Plan ¹ ♦	
Prasophyllum frenchii	Maroon Leek-orchid	Recovery Plan ¹	
Pterostylis cucullata	Leafy Greenhood	Recovery Plan ¹	
Thelypteris confluens	Swamp Fern	Action Statement [♦]	
Petaurus norfolcensis	Squirrel Glider	Action Statement	
Rhinolophus megaphyllus	Eastern Horseshoe-bat	Action Statement	
Ninox connivens	Barking Owl	Action Statement	
Galaxias fuscus	Barred Galaxias	Recovery Plan ¹	
Macquaria australasica	Macquarie Perch	Action Statement	
Archeophylax canarus	Caddisfly	Action Statement	
Thaumatoperla alpina	Stonefly	Action Statement	

Notes: $\stackrel{\bullet}{}$ Highest priority.

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

LONG-FOOTED POTOROO (Potorous longipes)

Habitat protection for the North East population of the Long-footed Potoroo will comprise a consolidated area of State forest and National Park centred upon the Humffray and Riley River catchments. The consolidated area comprises the area identified as optimal habitat and supporting the greatest density of Long-footed Potoroo records.

In addition there are a number of existing Special Management Areas (SMA) within the Alpine National Park and State forest that are not contiguous with the Humffray/Riley consolidated area which contribute to the protection of Long-footed Potoroo habitat.

Consistent with the Long-footed Potoroo Action Statement and the National Recovery Plan, the total area of forest protected in accordance with this strategy will comprise at least 17,500 ha.

Within State forest, the Long-footed Potoroo SMAs will be identified as SMZ unless coincident with other CAR values requiring the establishment of SPZ. All timber harvesting

will be deferred in the SMZ until the results from the disturbance research being conducted in East Gippsland enable a review of the strategy.

Both Parties agree to give priority to implementing the National Recovery Plan for the species and that the measures described above, in combination with other measures described in the Action Statement and the North East Forest Management Plan, meet the requirements for maintenance of a viable population of Long-footed Potoroo in the North East region.

LISTING, PROTECTION AND MANAGEMENT OF NATIONAL ESTATE VALUES IN THE NORTH EAST

Protection and management of National Estate values

- 1. Both Parties endorse the findings of the joint Commonwealth and Victorian Regional Forest Agreement Steering Committee *National Estate Identification and Assessment in the North East Region of Victoria* (1999) (the National Estate Assessment) and agree that national estate values exist as documented in the report.
- 2. Both Parties recognise that the extensive and systematic information and regional framework provided by the National Estate Assessment and this Agreement provide a unique regional context for national estate values in the North East.
- 3. Both Parties agree that many of the national estate values are well reserved in the CAR Reserve System and that the North East 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 North East will be conserved through the application of the principles for managing national estate values as detailed in the North East 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 30 June 2000. 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 National Estate Assessment 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 National Estate Assessment.

Parties note that existing national estate places will remain in the Register of the National Estate where the results of the National Estate Assessment confirm the presence of national estate values.

Listings Arising from the National Estate Assessment

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 National Estate Assessment, 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 North East 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 North East.
- 13. Parties note that the Commission confirms that, based on the National Estate Assessment, there is no evidence to identify additional large areas with national estate values in the forested areas of the North East 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 North East 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 76 of this Agreement, and which might adversely affect national estate values in the North East 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 North East RFA area to an appropriate official in a Victorian agency. This delegation would be limited to the North East RFA area, and those operations which affect those aspects of the forest estate documented in the CRA.

	Percentage ¹ of the area on Public Land containing the value which lies within the CAR reserve system			
National Estate Values	Dedicated Reserve ²	Informa l Reserve	Total Reserve	Existing and/or additional protection mechanisms operating within and outside the CAR reserve system
Natural landscapes (B.1)	59%	10%	69%	Code of Forest Practice ⁴ (Code) and North East Forest Management Plan (FMP)
Undisturbed catchments (A.2)	68%	14%	82%	Code and FMP
Old-growth forest (A.2)	41%	20%	61%	Code and FMP
Endemic flora (A.1)	87%	1%	88%	Code and FMP For rare/threatened species: <i>Flora and</i> <i>Fauna Guarantee Act 1988</i> (Vic) (FFG Act) and <i>Endangered Species Protection</i> <i>Act 1992</i> (Cwth) (ESP Act)
Flora species at the limits of their range (A.1)	87%	1%	88%	Code and FMP For rare/threatened species, FFG and ESP Acts
Disjunct flora (A.1)	93%	0%	93%	Code and FMP For rare/threatened species, FFG and ESP Acts
Relictual EVCs and associated flora (A.1)	79%	7%	86%	Code and FMP
Flora refugia (A.1)	43%	10%	53%	Code and FMP
Vegetation succession (A.2)	52%	11%	63%	
Remnant vegetation (A.2)	57%	25%	82%	Code and FMP For rare/threatened species, FFG and ESP Acts
Species richness (A.3)	66%	9%	75%	Code and FMP For rare/threatened species, FFG and ESP Acts
Rare/threatened flora (B.1)	86%	1%	87%	FFG and ESP Acts Code and FMP
Rare Ecological Vegetation Classes (B.1)	85%	7%	92%	Code and FMP For rare/threatened species, FFG and ESP Acts
Rare old-growth forest (B.1)	38%	54%	92%	Code and FMP
Representative vegetation (D.1)	56%	16%	72%	Code and FMP

Table 1: Protection of National Estate values on Public Land

	Percentage ¹ of the area on Public Land containing the value which lies within the CAR reserve system				
National Estate Values	Dedicated Reserve ²	Informa l Reserve	Total Reserve	Existing and/or additional protection mechanisms operating within and outside the CAR reserve system	
Endemic fauna (A.1) ⁵	N/A	N/A	N/A	Code and FMP Wildlife Act 1975 (Vic) For rare/threatened species, FFG and ESP Acts (Vic)	
Fauna species at the limits of their range $(A.1)^{5}$	N/A	N/A	N/A	Code and FMP <i>Wildlife Act 1975</i> (Vic) For rare species: FFG and ESP Acts (Vic)	
Disjunct fauna (A.1) ⁵	N/A	N/A	N/A	Code and FMP Wildlife Act 1975 (Vic) For rare species: FFG and ESP Acts (Vic)	
Key fauna habitat (A.2) ⁵	N/A	N/A	N/A	Code and FMP Wildlife Act 1975 (Vic) For rare/threatened species: FFG and ESP Acts (Vic)	
Fauna refugia (A.2)	37%	48%	85%	Code and FMP	
Rare/threatened fauna (B.1) ⁵	N/A	N/A	N/A	FFG and ESP Acts (Vic) Wildlife Act 1975 (Vic) Code and FMP	
Geoheritage values (A.1, A.2, A.3, B.1, C.1, C.2, D.1, H.1)	79%	3%	82%	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</i> (<i>Reserves</i>) Act 1978 (Vic).	
Natural History sites (C1) Type localities - research/reference sites (C.1) ⁵	N/A	N/A	N/A	Type localities are to be identified and managed appropriately.	
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	Aboriginal and Torres Strait Islanders Heritage Protection Act 1984 (Vic); Archaeological and Aboriginal Relics Protection Act 1972 (Vic) Heritage Act 1995 (Vic) Code and FMP Indigenous heritage to be protected through implementation of clause 73 of the Agreement.	
Social values (G.1) ⁵	N/A	N/A	N/A	Aboriginal and Torres Strait Islanders Heritage Protection Act 1984 (Vic); Archaeological and Aboriginal Relics Protection Act 1972 (Vic) Heritage Act 1995 (Vic) Code and FMP Indigenous heritage to be protected through implementation of clause 73 of the Agreement.	
Aesthetic values (E.1)	76%	8%	84%	Code and FMP NRE Visual Management System	
Cultural Landscapes (A.3, A.4, D.2) ⁵	N/A	N/A	N/A	Aboriginal and Torres Strait Islanders Heritage Protection Act 1984 (Vic); Archaeological and Aboriginal Relics Protection Act 1972 (Vic) Heritage Act 1995 (Vic) Code and FMP Indigenous heritage to be protected through implementation of clause 73 of the Agreement.	

- 1. The percentages shown in this table are rounded and are based on modelled information mapped at a scale of 1:100,000 derived during the Comprehensive Regional Assessment of the North East 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. The degree of protection effectively conferred by the linear component is dependent on the value under consideration. Additional areas protected by prescription and the implementation of slope restrictions and streamside buffers required by the Code of Forest Practice 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.
- 5. Because of their particular characteristics, values such as key fauna habitat, and cultural, social and historical values were not subject to GIS-generated area calculations in the North East.

ATTACHMENT 4

MILESTONES

Clause	Action	Timeline
35	Parties to report annually on achievement for first five years, and then as part of the 5 yearly review	commencing 2000
44	Victoria to implement an on-going quality assurance program.	2002
45	Victoria to implement the Integrated Forest Planning System and the Statewide Forest Resource Inventory in the North East region in time for the next review of sustainable yield.	2001
48 and 50	Victoria and the Commonwealth to develop sustainability indicators.	In time for first review of this Agreement (2004)
55-57	Victoria and the Commonwealth to undertake and, where relevant, complete threatened species work as detailed in Attachment 2.	2004
59	Victoria to develop programs for pest plant and animal control.	2004
62 Attachment 1	Victoria agrees to implement the agreed land tenure change.	2001
65	Victoria to produce and publish the North East Forest Management Plan.	30 June 2000
84	Victoria and the Commonwealth to use best endeavours to develop a schedule to the Statewide Data Agreement and lodge archival copies of data.	By 31 March 2000
Attachment 1	Victoria to develop and implement burning strategies that maintain or promote the ecological characteristics of Heathy Dry Forest through fire operations plans	2004
Attachment 1	Victoria to prepare Regional Vegetation Plans covering the North East which provide for the protection of endangered, vulnerable or rare EVCs on private land.	2001
Attachment 3	Parties to prepare Statewide Guidelines for the Management of Cultural Heritage Values in the Forests, Parks and Reserves of Victoria, based on those prepared for East Gippsland	by 30 June 2000

PUBLIC REPORTING AND CONSULTATIVE MECHANISMS

Public reporting and consultative mechanisms relevant to the management of the North East region 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 (Vic);
- 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* (Vic);
- nomination, preparation and possible contraventions of recovery plans and threat abatement plans prepared under the *Endangered Species Protection Act 1992* (Cwth);
- listing of places in the Register of the National Estate under the *Australian Heritage Commission Act 1975* (Cwth).

ATTACHMENT 6

RESEARCH

Forest research in Victoria is aimed at ensuring the management policies and practices for Victoria's native forests are scientifically based, efficient and sustainable for all forest values.

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. The directions of forest research and development in Victoria are contained in the Forests Service Research and Development Strategy 1998/99 to 2002/03. Details of current research projects are included in the Department of Natural Resources and Environment web site (www.nre.vic.gov.au/forestry). The Compendium of Victorian Forest Research (1998) also provides a bibliography of research in progress as well as published and unpublished works.

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 and maintenance 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
 - Extent to which the legal framework (laws, regulations, guidelines) supports the conservation and sustainable management of forests
 - Extent to which the institutional framework supports the conservation and sustainable management of forests
 - Extent to which the economic framework (economic policies and measures) supports the conservation and sustainable management of forests
 - Capacity to measure and monitor changes in the conservation and sustainable management of forests
 - Capacity to conduct and apply research and development aimed at improving forest management and delivery of forest goods and services.