2005 Softwood Project

Australian Forestry Management Pty Limited (AFM)



Forests NSW Annual Report

Financial Year 2010-2011

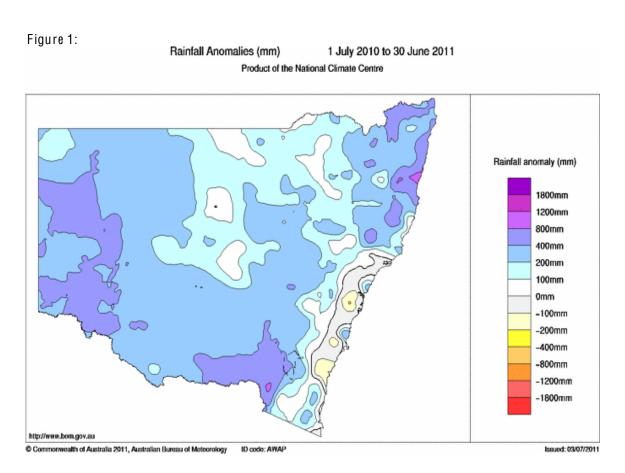
Legal Context

This annual report has been prepared in accordance with Schedule 1 Part 3(h) of the Forestry Management Contract between Australian Forestry Management Pty Limited and the Forestry Commission of New South Wales (Forests NSW) for the 2005 Softwood Project.

Overview

The 2005 Softwood Project comprises seven 2006 age class plantations blocks. All of the plantation blocks are located within the Hume Region near Tumut or Tumbarumba with the exception of Mingary Vale, which is located within Macquarie Region near Oberon.

Rainfall in both the Hume and Macquarie Regions was well above average (refer figure 1) with significant rainfall events occurring during spring and summer. Total rainfall at Tumbarumba from July 10 to June 11 was 1580mm compared to the long term average of 981mm. At Yass annual rainfall was 67% above the long term average. Finally, at Oberon annual rainfall was 1,041mm compared to the long term average of 842mm.



This period of above average rainfall has resulted in generally good tree growth for all plantation areas.

The overall condition of the plantations remains good with some exceptions at Parkers and Ruby Creek where there are areas of low stocking. The low stocking areas are predominantly a legacy of the drought and pest issues.

Ongoing pest control remains a priority with some localised damage incurred in the majority of plantations. Restocking of small patches was completed during the winter 2010.

Stand Condition

The plantations are generally in good condition. Exceptions to this exist in sections of Parkers and Ruby Creek.

Mingary Vale (Transgrid)

The plantation is generally in very good condition. There has been an excellent growing season over the past twelve months. Form is good and weeds such as bracken are no longer a serious source of competition.

Isolated areas of plantation remain affected by heavy grazing by kangaroos and wallabies. Discussions with Agriwealth will continue on the appropriate management of these areas.



 $\label{eq:mingary Vale-good weed control and excellent access for future\ protection.$



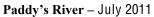
Maragle Park Satisfactory stocking, very good condition and growth.

Maragle Park 2006 AC - July 2011



Paddys River

Satisfactory stocking and growth. Trees have established site dominance and growth has improved with better seasonal conditions. There is evidence of very localised tree mortality due to water logging in some drainage depressions, however this will not significantly affect the stocked area.





Parkers

Condition and growth at Parkers is variable. Stocking remains low following the drought in approximately 20% of the plantation as detailed in previous reports, including some areas that are unstocked.

Growth of stocked areas is acceptable, with reasonable tree form of trees planted in 2006 and subsequent replants. An area of about 6 hectares has suffered from tree mortality associated waterlogged ground conditions in drainage depressions and groundwater discharge areas, as reported in the damage Incident Report June 2011.



Ruby Creek

Stocking is mostly adequate but variable, estimated to range from 600 to 800 stems per hectare. There has been a significant improvement in the growth of trees replanted in 2007 that been growing very slowly, affected by the past drought conditions and the cold temperatures experienced at this site.

There are some areas, estimated to be about 25 hectares in extent, where stocking levels are low or very low. These areas are rocky and/or have been subject to very heavy bracken competition, which was not practical to control post establishment. A proportion of these areas have been severely affected by trampling and grazing damage from wild horses. Forests NSW has constructed a fence to exclude wild horses from the worst affected area of plantation, to allow more effective replanting to be undertaken in 2011.

Ruby Creek 06 AC - July 2011





The Valley

The Valley plantation is predominantly well stocked and has acceptable tree growth. Where significant replanting has occurred in 2007 and 2008, the trees are smaller but are currently growing well.

There are localised areas surrounding drainage lines which are unstocked due to frost killing the trees. Minor, localised wind toppling has been observed, however the trees have stabilising as they continue to grow. As previously reported, there is an area of about 5 hectares in Compartment 2007 where ongoing browse damage has reduced stocking to low levels.

The basin area of The Valley, previously reported as being affected by frost damage, has improved in condition with reasonable tree growth now evident. This area has three to five hectares of low stocking, due to frost mortality. Due to the small scale no remedial action is recommended.

Vans

Generally, the Vans plantation has very good growth and condition with acceptable stocking.

During the last spring and summer, high rainfall has resulted in several localised areas becoming waterlogged, which has resulted in trees in these areas suffering from yellowing of needles and tip dieback, with a few cases of mortality. If wet conditions continue, the water logging is likely to cause more of the affected trees to die, which would result in loss of stocked area in the order of one to two hectares.

Vans 2006 AC – general stand condition and growth July 2011and grazed fire break.



Vans 2006 AC - localised area affected by water logging.



Pest and Disease Information

Feral pig trapping and poisoning continued during the report period on properties where pig populations were present. The only significant pest damage noted during the report period has been that caused by brumbies at Ruby Vale, and edge browsing of branches and smaller trees at Vans by deer and goats that are prevalent on adjacent plantations and native forest. Browsing at Vans is now at low levels.

Deer hunting by selected members of the Australian Deer Association has been authorised on properties where deer populations are likely to cause excessive tree damage.

Wild horses at Ruby Creek have damaged about 10 hectares of plantation. The horses continue to periodically return to the plantation and have required control by the erection of a fence to prevent further trampling damage. Some replanting of heavily damaged areas in planned for 2011 to increase stocking levels. Forests NSW is mindful that the local and general community remain sensitive to the issue of the management of wild horses.



Activities undertaken 2010/2011

Activities completed during 20010/11 included;

- Woody weed control, Paddy's River and Ruby Vale.
- Pest animal control
- Maintenance of tracks and access roads
- Fire risk reduction works and surveillance
- Localised replanting and herbicide treatment of unstocked areas at Parkers
- Grazing at Van's to reduce the fire hazard.

Fire Incidents

There were no fire incidents within or in close proximity to the plantations.

Activities Planned for 2011/2012

- Pest animal control, including management of wild horses at Ruby Creek.
- Maintenance of tracks and access roads
- Fire risk reduction works and surveillance
- Grazing where it is assessed that there will be minimal tree damage, particularly Maragle Park and Mingary Vale.
- Restocking and spot herbicide treatment at Ruby Vale in localised understocked areas in Winter 2011 with a preceding animal control program.
- Identification and signage of plantation fire roads to comply with Plantations and Afforestation Code amendments.
- Review unstocked area in Cpt 2007 for potential to re establish.

Other Management Issues Nil

Forests NSW Report Prepared by

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