



Outcomes from the Review of the NSW Forest Agreements and the Integrated Forestry Operations Approvals

Upper North East, Lower North East, Eden and Southern Regions

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1. Introduction

Between 1996 and 2001, the New South Wales (NSW) Government undertook one of the most comprehensive and inclusive environmental and land use assessments ever carried out across Australia. Comprehensive Regional Assessments (the CRA process) of the NSW coastal forests delivered a world class reserve system, adding over 1.5 million hectares of land to the States national parks and reserve systems. The CRA process also provided \$140 million in structural adjustment funding to industry and provided twenty year wood supply certainty for timber dependent industries and communities.

These arrangements for NSW coastal forests were formalised through the *Forestry and National Park Estate Act 1998* (FNPE Act) and the four NSW Forest Agreements (FAs), and associated integrated forestry operations approvals (IFOAs) for the Upper North East (UNE), Lower North East (LNE), Eden and Southern regions.

The NSW FAs and IFOAs provide the framework to ensure that the range of environmental, social and economic values considered during the CRA process are taken into account during forestry operations. FAs also contain the principles for Ecologically Sustainable Forest Management (ESFM) and outline performance criteria and indicators (sustainability indicators) to measure the key values of ESFM.

The FNPE Act requires that the FAs and IFOAs be reviewed by the Ministers who are party to these agreements and approvals. The review assessed the implementation of the provisions of the FAs and whether IFOAs have been effective in achieving their purpose.

A review of ESFM criteria and indicators is also required under the FAs to ensure they are practical, measurable, cost-effective and capable of being implemented at the regional level.

To streamline and simplify the review process and promote consistency across forestry policy and practices, the NSW Government undertook a consolidated review of the first ten years of the FA's and IFOA's operation.

Public consultation in accordance with the requirements of the FNPE Act was conducted from 15 October to 17 November 2010. Twenty one submissions were received in response to the *Review of the New South Wales Forest Agreements and Integrated Forestry Operations Approvals: Upper North East, Lower North East, Eden and Southern Regions*. Submissions were received from conservation groups, the forest industry and its associations and individuals. The Government acknowledges the valuable contributions and comments received as part of this review process.

This report provides the outcomes from this review. Section 4 of this report identifies 63 amendments to the NSW Forest Agreements and IFOAs that will be made. Section 5 identifies additional matters raised during consultation that require further consideration. These may lead to additional amendments under the FNPE Act.

2. Background

The *Forestry and National Park Estate Act 1998* (FNPE Act) provides for the making of Forest Agreements (FAs). There are four Forest Agreements in NSW for the Upper North East (UNE), Lower North East (LNE), Eden and Southern regions. A map which shows these FA regions is provided in Appendix 1.

The NSW FA process delivered:

- Region-by-region assessments of forest resources and forest values.
- Over 1.2 million hectares of new national parks and reserves, and more than 460,000 hectares of informal reserves created in NSW since 1995.
- Twenty year security of timber supply to industry, and creation of new jobs.
- \$140 million in funding for industry development assistance and restructure.
- Ecologically sustainable forest management enshrined in legislation.

Associated with these NSW FAs are the four integrated forestry operations approvals (IFOAs) which regulate the carrying out of forestry operations in State forests and other Crown-timber lands. The IFOAs represent an integration of the regulatory regimes for environmental planning and assessment, for the protection of the environment and for threatened species.

The NSW FAs also include ESFM criteria and indicators applicable to each FA region. The ESFM criteria and indicators form the basis for measuring progress towards ESFM.

Together, the NSW FAs, IFOAs and ESFM criteria and indicators represent a significant step forward in promoting ecologically sustainable forest management, sustainable timber supply, community consultation and Aboriginal involvement in forest management in NSW.

2.1 Terms of reference

The terms of reference for the review were released in June 2009, and included the objectives to:

- a) Assess the implementation of the provisions in each forest agreement, including the degree to which milestones have been achieved, and make recommendations where these are incomplete or where amendment is warranted.
- b) Assess whether the IFOAs are effective in achieving their purpose. The effectiveness of the purpose of IFOAs will be assessed through determining the extent to which the terms of the three licences have been successfully integrated; the extent of compliance with terms and conditions; and identification of areas where improvements in administration, enforcement and compliance can be achieved.

The terms of reference also stated that:

Any proposed changes to forest agreements and IFOAs arising from the review will be publicly notified and representations invited and considered. A final report must be made to Parliament. This review is not intended to extend to the consideration of issues such as changes to land tenure, timber volumes or reserve design.

2.2 Public exhibition of the terms of reference

The FNPE Act requires that proposed terms of reference are made available for public consideration for at least six months.

In June 2008, the Department of Environment, Climate Change and Water (DECCW) placed public notices in metropolitan and regional newspapers announcing the review of the NSW FAs and IFOAs and inviting feedback on the proposed terms of reference. Consultation on the proposed terms of reference closed on 19 December 2008 with 25 submissions received. The finalised terms of reference were released on 17 June 2009.

2.3 Public consultation

The FNPE Act requires the Ministers who are party to the FAs and IFOAs to give notice of whether any changes are proposed to the FAs or IFOAs following a review in accordance with the finalised terms of reference.

In October 2010, DECCW's Director General wrote to stakeholders announcing the release of a report entitled *Review of the New South Wales Forest Agreements and Integrated Forestry Operations Approvals: Upper North East, Lower North East, Eden, and Southern regions* (the review report). Advertisements advertising the release of the review report were also placed in notices in newspapers circulating throughout the state.

The review report was placed on DECCW's website on 15 October 2010. Consultation closed on 17 November 2010, with twenty-one submissions received from a range of stakeholders including 8 from conservation groups, 9 from individuals and 4 from industry.

2.4 Relationship with Regional Forest Agreement review

Regional Forest Agreements (RFAs) are bilateral agreements between the Commonwealth and State governments outlining Commonwealth and state obligations. The RFAs include north east RFA, Eden RFA and southern RFA regions. They reflect the principles and framework set out in the NSW FAs but also deal with Australian Government legislation and obligations.

There is a strong connection between the NSW Forest Agreements and RFAs as the same assessment process delivered both outcomes.

Further information on the RFA review can be found at:

www.environment.nsw.gov.au/forestagreements/RFAreviews.htm.

Submissions from the RFA review were also considered as part of the review of the NSW FAs and IFOAs.

3. Issues raised during consultation

This section provides an overview of comments received from all stakeholders during the review process, including the 21 submissions received in response to the review report, issues raised in 25 submissions received on the proposed Terms of Reference, and relevant issues raised during the joint State–Commonwealth review of the NSW RFAs.

3.1 Issues relating to the Forest Agreements

The review identified the key achievements made under the NSW FAs including significant additions to the reserve system, ESFM being implemented in state forests, implementation of forest management zoning, private native forestry and conservation initiatives being implemented on private land, new wilderness areas being declared, joint management and co-management arrangements being made with local Aboriginal communities, and opportunities for industry development and employment in forest-based industries being enhanced.

While submissions supported the review and commented on specific matters related to the FAs, numerous submissions also recommended reconsidering the social, economic and environmental aspects of the FAs more broadly. While these comments have been noted below, such matters were outside the reviews' Terms of Reference.

3.1.1 Progress of milestones

The review report presented information on progress against the milestones specified in the NSW FAs. Consultation highlighted widespread acknowledgment of important milestones being achieved. Some submissions praised the work done, for example on purchasing leases for reservation and progress made in transferring Crown land to the national park estate.

Many submissions noted that further work is required to progress ongoing milestones, and requested that outstanding milestones be completed in a timely manner. Several submissions also noted the importance of continuing to work towards milestones relating to the monitoring and refining of timber modelling frameworks and improving the understanding of sustainable yield. Some submissions also disagreed with the review report's conclusions that specific milestones were complete.

3.1.2 Ecologically sustainable forest management

Several submissions requested work be undertaken to benchmark a range of ESFM values across forest tenures to understand conservation values in state forests and national parks, and on other lands.

Conservation stakeholders expressed concern that there was a lack of information available on native forest growth rates, regeneration and other criteria to determine whether ESFM was being achieved.

It was noted that ESFM criteria and indicators were established to track changes in key social, economic and environmental values over time. Some stakeholders encouraged timely completion of the separate report *ESFM Criteria and Indicators for the Upper North East, Lower North East, Southern and Eden regions of NSW*. This report will present evaluation of ESFM criteria and indicators based on practicability, measurability, cost effectiveness and ease of implementation at a regional level.

3.1.3 Forest industry commitments

Industry submissions welcomed the Government's efforts to balance forest conservation and the economic and social needs of forest dependent communities.

The NSW Government was acknowledged for promoting investment in value adding facilities, timber industry restructuring, and training, with one submission, for example, suggesting that industry invest over \$250 million within the first three years of the FAs in addition to the government's funding initiatives. Better use of timber resources, improved occupational health and safety, and sustainability accreditation achieved by Forests NSW were also noted achievements.

There was concern that, after the signing of the FAs, new reserves had been created without considering how these would affect timber resources or social needs. Strategies suggested to ensure the continued economic and environmental viability of forest industries included preparing a Timber Industry Strategy to define the desired level of industry activity by sector and product through to 2050, and undertaking a cost-benefit analysis of the range of social, economic and environmental values of the native forest logging industry.

3.1.4 Plantations

Stakeholders raised a number of issues in relation to plantations and expressed a desire for greater investment in this area. Submissions from both industry and conservation groups suggested that plantations could provide significant timber for meeting wood supply commitments, noting the extended timeframes between the establishment of plantations and harvest returns.

3.1.5 Private native forestry

Four submissions raised specific issues in relation to private native forestry (PNF). There was support for the PNF Code of Practice, and recommendations to increase auditing of operations under the code and to review it in the future. One stakeholder was also concerned that forest certification should not be used as a surrogate for compliance with the Code of Practice. There was a desire for advice on silvicultural systems to manage private forests for optimum sustainable production.

It was requested that public policy be developed to provide incentives for private native forests to be managed for environmental values, including biodiversity, wildlife habitat, and land and water protection and management.

3.1.6 Forest management zones

Submissions from conservation groups called for active management and protection of Crown leased land covered by Forest Management Zones (FMZ) in state forests. Comments were made on whether endangered ecological communities were adequately protected under the FMZ system. There was a recommendation seeking that the FAs and IFOAs better address FMZ protection requirements and that these be enforced through legislation. A number of submissions identified the importance of managing protected areas to provide suitable habitat and connectivity and maintain biodiversity.

3.1.7 Climate change and water management

Many submissions requested that the review be expanded to include the broader considerations of reserve design and connectivity and issues such as climate change and water management.

Conservation groups raised concerns about reserve isolation and fragmentation, and potential impacts on the resilience and persistence of threatened species. Connectivity was considered by such groups as being important to help mitigate anticipated changes in climate.

The Government acknowledges the importance of these issues and is continuing to address such matters through other mechanisms. The NSW State Plan also commits to ongoing work in the areas of sustainability, biodiversity, climate change and water management.

3.2 Issues relating to the integrated forestry operations approvals

The review report proposed 63 amendments to the licence and non-licence components of the IFOAs to clarify and simplify conditions, to improve operational efficiency, and to improve regulatory, environmental and threatened species protection outcomes. These proposals consist of 13 changes to the environmental protection licences, 39 changes to the threatened species licences, 4 changes to the fisheries licences and 7 changes to the IFOA's non-licence terms.

Some submissions supported the proposed changes and some did not comment directly on the proposals. In some cases, stakeholders highlighted areas where they thought issues may arise relating to the application of specific licence conditions, offering alternative approaches. Some recommended additional amendments. These comments were welcomed and have been noted for further consideration.

A common theme across industry submissions was that, while delivering some savings, the proposed environmental protection and threatened species licence amendments would not substantially improve the efficiency of administering the licences. It was noted that much of the detailed planning and reporting for environmental protection licences would remain after amendments were made.

Conservation groups and individual submissions highlighted concerns with compliance with the IFOA, and several submissions recommended changes to current auditing arrangements.

3.2.1 Environmental protection licence

A common issue raised in submissions was that environmental protection licence coverage should be compulsory for all operations. Currently, Forests NSW has the option of seeking licence coverage for some operations only.

3.2.2 Threatened species licence

Most submissions from conservation groups identified the need for a greater focus on species-specific conditions for the swift parrot, koala, yellow bellied glider, quoll, owls and other species that are heavily dependent on coastal forests in NSW.

Conservation groups commented on the need to amend the licence as soon as new information becomes available about threatened species to ensure adequate protection of threatened species on state forest land. This was seen of particular importance given potential risks to migratory species due to climate change and drought. Some individuals commented that native wildflowers and orchids were not adequately protected by forest managers during logging operations.

Some stakeholders requested a public review or a comprehensive monitoring program to determine whether the measures prescribed in the licence are protecting threatened species and their habitat, including the current status of each threatened species and the adequacy of prescriptions.

About a third of submissions made comments on exclusion zones and tree retention conditions, most identifying a greater need for consistency and enforceability of these conditions. It was noted that there was a greater need for trained professional ecologists with specialist knowledge to be selecting feed and habitat trees before logging operations occurred.

Industry noted that proposed changes to the licence would provide little benefit to the planning processes and would not significantly change exclusions impacting on the net harvestable area. The licence enables a review of the prescriptions when 20% of the net logging area is made unavailable due to exclusion zones. It was recommended that this review should be carried out effectively.

3.2.3 Fisheries licence

Two submissions disagreed with the proposed amendment FL4 to the fisheries licence to 'remove the requirement to mark riparian protection boundaries in the field'. Stakeholders felt that while they appreciated providing cost savings to forest managers, it was a threat to shift the responsibility to operators who were not adequately qualified to perform this task. While recognising these concerns, it was noted that Forests NSW is required to comply with outcomes specified in the licence. NSW Fisheries will continue to assess the performance of Forests NSW against this milestone.

3.2.4 Non licence terms

Comments received were mostly about ensuring that the provision of information from forest managers was maintained and adhered to in a timely manner. Other comments focused on the need to strengthen the non-licence terms to ensure that ESFM is mandatory under these terms.

4. Amendments to be made

4.1 Forest Agreements

Public consultation raised a number of matters that will continue to be considered in future reporting against FA milestones, and, as a result of consultation, many key milestones will continue to be discussed in future reviews or annual reporting. Milestones that were reported as being completed in the review report will not be reported on in the future unless there are significant updates. These include milestones for which the original requirements have been met under the FAs. Similarly, where a process or document has been determined to be no longer required or is being delivered through an alternative mechanism, it may not be discussed in future reviews or annual reporting.

4.2 Integrated forestry operations approvals

This section identifies the changes to the environment protection licence, the threatened species licence, the fisheries licence and the non-licence terms of the IFOAs that will be made. Comments were received on 26 of the proposed 63 IFOA amendments, and generally raised matters to help improve the effectiveness, efficiency or enforceability of various licence conditions. Comments received will help improve the amended IFOA conditions.

4.2.1 Environment protection licence (EPL) changes

EPL issue number	Issue/clause
EPL 1	Revisions to Schedule 2 of the EPL to update the detail (such as biophysical information) required to be collected during the planning of scheduled and non-scheduled forestry activities. Applies to Schedule 2 of the upper north-east (UNE), lower north east (LNE), southern and Eden IFOAs (all regions). Specific amendments to Schedule 2 were proposed in Appendix 5 of the review report. The proposed amendments will be adopted.
EPL 2	Remove requirement for catchment calculations for causeways. Applies to: EPL conditions 50 and 51 of Schedule 4 of the UNE, LNE, Tumut subregion and Eden IFOAs EPL conditions 122 and 123 of Schedule 4A of the south coast subregion IFOA Schedule 2 Part C: Design Methods for Crossings and Drainage Structures (all regions).
EPL 3	Clarify plan approval and amendment delegations by state forests officer Applies to conditions 9.3, 17.1, 17.4, 19A, and 20 of the EPL for the UNE, LNE, southern and Eden IFOAs (all regions). Relates to approval or signing by an officer of Forests NSW not below the rank of a regional manager.
EPL 4	Insert words into the objects of the licence to make it known that the ANZECC guidelines were updated in 2000. Applies to condition 4.1 'Objects of this licence' of the EPL for the UNE, LNE, southern and Eden IFOAs (all regions).
EPL 5	Align water pollution protection measures for culvert crossings with requirements for bridges. Proposes a new condition in the EPL in Schedule 5 of the UNE, LNE, southern and Eden IFOAs (all regions),
EPL 6	Upgrading of crossings Insert the word 'upgrading' in condition 47 of Schedule 5 of the UNE, LNE, southern and Eden EPLs.
EPL 7	Preventing water pollution on road batters when upgrading roads Insert 'or upgrading' after the word 'construction' in condition 33 of Schedule 5 of the UNE,

EPL issue number	Issue/clause
	LNE, southern and Eden EPLs (all regions).
EPL 8	Water quality monitoring and water yield Applies to '21. Water quality monitoring' in each EPL (all regions). EPL references to 'Phase 1' will be amended to refer to 'a (published, available and up-to-date) Forests NSW water quality monitoring strategy for monitoring and evaluation of forest operations in both native and plantation forests where appropriate'.
EPL 9	Mapping of snig tracks that cross a drainage line No EPL amendment will be required. Forests NSW will provide versions of harvest plan maps to DECCW marked or annotated by the SFO showing newly established snig track crossings.
EPL 10	Soil dispersibility assessment Replace the word 'or' with the word 'and' against Score 2. Applies to EPL Module 3 of Schedule 3 of the UNE, LNE, southern and Eden IFOAs (all regions).
EPL 11	Causeway crossings Amend the definition of 'causeway' in the EPL to include that the upper surface of a causeway must vary by no more than 100 mm from the invert level of the drainage feature, both upstream and downstream of the causeway. Applies to definition of 'causeway' in the EPL of the UNE, LNE, southern and Eden IFOAs (all regions).
EPL 12	Updating the definitions of 'construction', 'upgrading', 'maintenance' and re-opening of roads Applies to the licences (EPL, threatened species licence and fisheries licence) for the UNE, LNE, Southern and Eden IFOAs (all regions).
EPL 13	Updated list of items to be required in Forests NSW monthly advice to replace the current requirement for the summary of operations. Harvest plan maps will still be provided to DECCW.

4.2.2 Threatened species licence (TSL) changes

TSL issue number	Issue/clause
TSL 1	Include hollow-bearing and recruitment tree definitions within tree retention conditions. Revise priorities for hollow-bearing tree selection including selecting trees with evidence of habitation by hollow dependent fauna and selecting trees containing multiple hollows. Use of the term 'dead-standing trees' rather than 'stags'. Document when dead-standing trees are removed for safety purposes during operations using mechanised harvesters. Refers to UNE, LNE and south coast 5.6, Tumut 5.3, Definitions and abbreviations.
TSL 2	Definitions and abbreviations – 'rock overhang.' Review subterranean roost protection. UNE, LNE, south coast and Eden 5.14.2. Tumut 5.11.2. UNE, LNE, south coast and Eden 5.14.3. Tumut 5.11.3. Significant subterranean roost protection.
TSL 3	Amend the current definition for 'sap feed tree' to include trees with incisions made by the sugar glider as well as those with incisions made by the yellow-bellied glider or squirrel glider. Applies to all IFOA regions. Definitions and abbreviations.

TSL issue number	Issue/clause
TSL 4	<p>Habitat suitability surveys will be required in any compartment that contains 'modelled habitat' or 'known habitat' of Hastings River Mouse.</p> <p>Considerations and outcomes of rapid assessments will need to be documented using a record sheet with an agreed format.</p> <p>Forests NSW is to apply an exclusion zone covering 12 ha (equivalent to a circle of approximately 200-m radius) where there is a record of Hastings River Mouse in suitable habitat.</p> <p>UNE and LNE 6.13.</p> <p>Species-specific condition – Hastings River Mouse <i>Pseudomys oralis</i>.</p> <p>UNE and LNE 8.8.9A and 8.8.9B Targeted fauna surveys – Hastings River Mouse surveys.</p>
TSL 5	<p>Clarify when relevant licences permit road and snig track construction within certain areas.</p> <p>UNE and LNE: high conservation old growth forest – condition 5.3(i)ii; rainforest – condition 5.4(e)ii; rare non-commercial forest types – condition 5.5(i)ii; riparian habitat protection – condition 5.6iii.</p> <p>South coast: high conservation value old growth 5.3(d)ii and(g1)ii; rainforest 5.4(h)ii and (k1)ii; rare non-commercial forest ecosystems 5.5(d)ii and (g1)ii; riparian habitat protection zones 5.7.3(a)ii</p> <p>Eden: rare old growth forest communities 5.3(d)ii; rainforest 5.4(f)ii; rare forest ecosystems 5.5(e)ii; stream exclusion zones 5.7(i)ii</p> <p>Tumut: stream exclusion zones 5.4(i)ii</p>
TSL 6	<p>Road and snig track construction and use within species-specific exclusion zones</p> <p>UNE, LNE, Eden and Tumut: general conditions – operational requirements condition 5.1(b); Schedule 6</p> <p>South Coast: 5.1D(b), (c)i and (e)j; Schedule 6, Schedule 6A</p>
TSL 7	<p>Consideration of hair and scat analysis results – change the definition of a 'record'</p> <p>Applies to all IFOA regions</p>
TSL 8	<p>Endangered populations – include licence coverage for landscape protection approaches developed for the broad-toothed rat at Barrington Tops developed; to apply in Barrington Tops and Stewarts Brook State forests.</p> <p>LNE only</p> <p>Preamble and other clauses as determined by legal drafting.</p>
TSL 9	<p>Include a process for identifying high conservation old growth forest on other Crown-timber lands. The process will be included in both TSL and IFOA non-licence terms.</p>
TSL 10	<p>Develop and apply a landscape provision for the protection of the broad-toothed rat in lieu of a pre-harvest survey.</p> <p>Eden, Tumut and south coast subregions.</p> <p>Targeted fauna surveys – broad-toothed rat in site-specific conditions.</p>
TSL 11	<p>Pine Creek koala management plan.</p> <p>Local koala management plans.</p> <p>Remove reference to local koala management plans and Pine Creek state forest local koala management plan from within the species-specific condition for koala <i>Phascolarctos cinereus</i>.</p> <p>UNE and LNE.</p> <p>Species-specific condition – 6.14 koala <i>Phascolarctos cinereus</i></p>
TSL 12	<p>Provide a species-specific condition for the giant burrowing frog in the LNE IFOA region requiring a monitoring program to assess the persistence of populations under standard operating conditions for harvesting, and bush fire hazard reduction work. Methods based on a tadpole survey may be used to satisfy this requirement. Sampling of populations not affected by forestry activities must also occur, for comparison with results from treatment areas.</p> <p>A monitoring strategy to the satisfaction of DECCW must be established prior to commencing operations within known habitat. The progress of the monitoring program must be reported annually and reviewed after five years to consider if further action is required.</p>

TSL issue number	Issue/clause
	<p>Remove reference to <i>Heleioporous (sic) australiacus</i> in condition 1.2 (a)(i).</p> <p>Remove reference to <i>Heleioporus australiacus</i> in 8.8.1 Table 13, 8.8.3 A Riparian frog survey and 8.8.6 Spotlight survey. Add reference to giant burrowing frog <i>Heleioporus australiacus</i> in Schedule 5 Table 2 – Threatened fauna species require the implementation of species-specific conditions. Add requirement for monitoring program as a site-specific condition.</p>
TSL 13	<p>Scat and track and hairtube surveys.</p> <p>South coast, Tumut and Eden TS.L</p> <p>Targeted fauna – hairtube survey and scat and track survey</p> <p>Remove the requirement for hairtube surveys for indicated species.</p> <p>Add the smoky mouse to the hairtube requirement for Tumut.</p> <p>Replace the hairtube survey technique for the long-nosed potoroo and southern brown bandicoot with remote cameras, at a rate of two cameras per 200 ha net harvest area for a minimum of seven consecutive nights.</p>
TSL 14	<p>Statutory reserves</p> <p>Definitions and abbreviations – ‘statutory reserves’</p>
TSL 15	<p>Woodland bird and gang-gang cockatoo conditions updated and species added.</p> <p>Applies to all IFOA regions.</p> <p>Bird roost/nest site protection.</p> <p>Ground habitat protection.</p> <p>Condition 6.11 (currently) swift parrot <i>Lathamus discolor</i>, regent honeyeater <i>Xanthomyza phrygia</i> (birds dependent on eucalypt feed trees).</p> <p>Targeted fauna survey – diurnal bird surveys</p>
TSL 16	<p>Brush-tailed phascogale</p> <p>Replace the existing 7(b) prescription for the brush-tailed Phascogale with updated conditions.</p> <p>UNE and LNE.</p> <p>General survey requirements – 7(b) default prescription for the brush-tailed phascogale.</p>
TSL 17	<p>Remove requirement for targeted survey requirements for the sooty owl and white-footed dunnart in the south coast TSL.</p> <p>Sooty owl and white-footed dunnart</p> <p>South coast</p> <p>Targeted fauna survey – General – Table 3 – white-footed dunnart</p> <p>Targeted fauna survey – General – Table 3 – sooty owl</p> <p>Targeted fauna survey – scat and track.</p> <p>Targeted fauna survey – nocturnal call playback.</p> <p>Spotlight.</p>
TSL 18	<p>Squirrel glider.</p> <p>Applies to all IFOA regions.</p> <p>Remove squirrel glider from the list of species requiring call playback survey.</p>
TSL 19	<p>Large-footed myotis <i>Myotis adversus</i></p> <p>Applies to all IFOA regions</p> <p>Species-specific conditions – large-footed myotis <i>Myotis adversus</i></p> <p>General survey requirements – <i>Myotis adversus</i></p> <p>Targeted fauna surveys – targeted surveys – golden-tipped Bat <i>Kerivoula papuensis</i> and large-footed myotis <i>Myotis adversus</i></p> <p>Schedule 5 – Table 1</p>
TSL 20	<p>Northern corroboree frog <i>Pseudophryne pengilleyi</i>.</p> <p>Tumut.</p>

TSL issue number	Issue/clause
	Species-specific conditions – Northern corroboree frog <i>Pseudophryne pengilleyi</i> . Condition 6.9 Northern corroboree frog
TSL 21	Riparian frog survey. Remove riparian frog surveys from the Tumut TSL. Condition 8.8.3.A. Riparian frog survey
TSL 22	Threatened flora. Revised conditions for flora species will be added to the licences to reflect the new threatened species listing. All regions. Revise flora list
TSL 23	Stephens' banded snake <i>Holocephalus stephensii</i> . Insert a species-specific condition for Stephens' banded snake which includes retaining all hollow bearing trees of a diameter greater than 60 cm within 100 metres of the record/s. UNE and LNE. Species-specific conditions.
TSL 24	Spatial GIS data provision. Applies to all IFOA regions. Review conditions relating to the provision of reporting and information.
TSL 25	Green-thighed frog. Add a new species-specific condition requiring a 30 m exclusion zone around records. Where the record location does not appear to be a suitable breeding site, the 30-m exclusion zone is to be applied around suitable breeding sites located within 100 m of the record. No survey requirements are proposed. UNE and LNE. Species-specific condition.
TSL 26	Littlejohn's tree frog. Add a new a species-specific condition requiring a 50 metre exclusion zone around all records. No survey requirements are proposed. Applies to all IFOA regions. Species-specific condition. Targeted fauna survey.
TSL 27	Glossy black cockatoo feed tree retention. Tree retention – significant food resources.
TSL 28	Greater glider tree retention and calculation of densities. Agreed to apply the survey and condition for greater glider densities to a single compartment and not a group of compartments. Applies to all IFOA regions. Targeted fauna survey – spotlight survey – powerful owl <i>Ninox strenua</i>
TSL 29	Amend conditions for protection of flying-fox camps. Applies to all IFOA regions. Bat roost protection – protection of flying-fox camps.
TSL30	Modify the terms of the TSL to include licence coverage for the endangered population of broad-toothed rat subject to application of landscape protection conditions. UNE and LNE. UNE and LNE.

TSL issue number	Issue/clause
	Targeted fauna surveys – broad-toothed rat.
TSL 31	Amend species listed in conditions for bat roost protection to ensure they are correct and consistent. Applies to all IFOA regions. Bat roost protection – subterranean roost protection. Bat roost protection – significant subterranean roost protection. Targeted fauna survey – microchiropteran bat surveys – subterranean roost surveys.
TSL 32	Include thinning as a 'specified forestry activity' in the definitions. Applies to all IFOA regions. Definitions and abbreviations – specified forestry activities.
TSL 33	Rectify errors in numbering. Add rocky outcrops and cliffs, heath and scrub and wetlands to part a) of the condition. ' <i>Allocasuarina</i> spp, with more than 30 crushed cones beneath' to be changed to ' <i>Allocasuarina</i> or <i>Casuarina</i> spp. With chewed cones beneath'. UNE and LNE.
TSL 34	IFOA condition 1.3 TSC Act – proposed new listings. Applies to all IFOA regions. 1.3 TSC Act – proposed new listings.
TSL 35	Adopt the revised 'regrowth' line for the UNE region. Regrowth zone and non-regrowth zone tree retention requirements of the TSL.
TSL 36	Remove survey requirements for the white-crowned snake, broad-headed snake and pale-headed snake. Remove species-specific conditions for white-crowned snake and pale-headed snake. Remove broad-headed snake from list of species requiring site-specific conditions. Maintain consideration of such species in relation to ground habitat protection.
TSL 37	Agree to remove survey requirement for black-breasted button-quail. Should the species be recorded, the requirement to develop a site-specific condition under condition 1.2 remains.
TSL 38	Update the tables of schedule 5 in the context of current threatened species listings to identify those species requiring implementation of species-specific conditions. Schedule 5 – Species consideration. Schedule 5 – Tables.
TSL 39	Updating the definitions of 'construction', 'upgrading' 'maintenance' and 're-opening of roads'. Applies to the licences (EPL, TSL and Fisheries) for the UNE, LNE, southern and Eden IFOAs (all regions).

4.2.3 Fisheries licence (FL) changes

FL issue number	Details of FL issue
FL1	Clarify FL definitions in relation to Class 1 and Class 2 habitat and critical habitat.
FL2	Updating the definitions of 'construction', 'upgrading' 'maintenance' and 're-opening of roads'. Applies to the licences (EPL, TSL and FL) for the UNE, LNE, southern and Eden IFOAs (all regions).
FL3	Clarify definitions of Class 1 and Class 2 aquatic habitat contained in condition 7 of the FL.

FL issue number	Details of FL issue
FL4	Remove the requirement to mark the boundaries of riparian protection boundaries in the field. Applies to the UNE, LNE and Eden FLs, under Condition 7, and southern FL under Condition 7A.

4.2.4 Non-licence (NL) terms¹ changes

NL number	Details of non-licence issue
NL1	Australian Group Selection (AGS) return time for Tumut subregion. Refer to Southern IFOA (Clause 11D).
NL2 (Pt 1)	Wilderness: add land to which this approval does not apply. In accordance with the findings, add new maps to UNE, LNE, Eden and southern IFOAs showing land not required for timber supply and to which the approvals will not apply. Refer to Clause 4 (2) of UNE, LNE, Eden and southern IFOAs. Refer to Appendix D of UNE and LNE IFOAs.
NL2 (Pt 2)	Wilderness: remove land to which this approval does not apply. Remove the maps in Appendix D referring to land to which this approval does not apply for the UNE and LNE IFOAs. Replace the reference to the maps in Clause 4 (2) (e) with a reference to new maps (see Part 1 above). Refer to Clause 4 (2) (e) of UNE and LNE IFOAs. Refer to Appendix D of UNE and LNE IFOAs.
NL3	Proposed changes to plans of logging and plans of thinning operations. Annual plan of logging operations relating to timing of logging operations, volume estimation and operation type. Eden IFOA (Clause 22, 1–3). UNE and LNE IFOAs (Clause 23, 1–3). Southern IFOA (Clause 27). Annual plan of thinning (and culling – for southern IFOA only). Eden IFOA (Clause 29A). UNE and LNE IFOAs (Clause 29A). Southern IFOA (Clause 40).
NL4	Annual plan of forest products operations. Clarify that forest products sold under Section 30I of the <i>Forestry Act 1916</i> will be reported within an annual report on forest products operations, not within an annual plan or report of logging operations. Eden, LNE and UNE IFOAs (Clause 27). Southern IFOA (Clause 34).
NL5	Information to be reported in annual report of logging operations. Eden, UNE and LNE IFOA (Clause 24). Southern IFOA (Clause 31).
NL6	Administrative changes to IFOAs. Administrative detail regarding the responsible NSW Ministers, departmental heads and government departments should be revised to be made consistent with current departmental/organisational responsibilities for the various licences. Refer to whole document (Non licence, EPLs, TSL and FL).
NL7	Monthly advice.

¹ Non-licence terms (conditions) are requirements in the IFOAs that do not fall under the licences. They include definitions and provisions applying to forestry operations generally.

4.3 Ecologically sustainable forest management – criteria and indicators

ESFM criteria and indicators were established to track changes in a range of social, economic and environmental values. ESFM criteria and indicators were reviewed in relation to practicability, measurability, cost effectiveness and ease of implementation at the regional level. The review of the ESFM criteria and indicators has also aligned criteria and indicators with national indicators wherever practical.

A report entitled *ESFM Criteria and Indicators for the Upper North East, Lower North East, Southern and Eden regions of NSW* will be published as a separate document to this report. The ESFM criteria and indicators report will specify the revised ESFM criteria and indicators, and will include information on the rationale, potential data sources and potential interpretation of data for each indicator. The reporting timeframe for all indicators will also be extended to five years.

5. Matters requiring further consideration

The FNPE Act provides that the NSW FAs and IFOAs may be amended at any time by the Ministers responsible for the agreements and approvals. In addition to the amendments identified in Section 4, the submissions received raised a number of matters outside those proposed as part of the review. As noted in Section 3, these matters included recommendations about specific amendments to licence conditions, broader comments about the application of the NSW FAs and requests to review current NSW native forest management arrangements.

Of the matters raised, a number require further consideration before additional amendments to the NSW FAs and IFOAs can be made.

The following matters will be further investigated by DECCW, Forests NSW and NSW Fisheries as a matter of priority, and where appropriate, Ministerial approval will be sought to amend the FAs and IFOAs.

Several submissions raised the advances in research and understanding in relation to the breeding, migratory and habitat requirements of the swift parrot *Lathamus discolor*. The IFOAs already include conditions designed to minimise the impact of forestry operations on the swift parrot and its habitat. Information in relation to the swift parrot will be reviewed against the measures required under the current threatened species licence conditions.

Several submissions recommended amendments to the koala prescriptions in the threatened species licences. DECCW and Forests NSW are currently reviewing these prescriptions with the intention of moving to best practice management arrangements. DECCW and Forests NSW will continue to progress development of alternative threatened species licence conditions.

A number of submissions recommended reviewing the application of threatened species licence conditions across land tenures, and that such a review should also include temporal considerations. While information is available through the NSW FA implementation reports, DECCW's State of the Environment and State of the Parks reports and Forests NSW's Seeing reports, a review of the ESFM criteria and indicators report has been undertaken to better align these criteria and indicators with national level indicators. DECCW will work with Forest NSW and NSW Fisheries to review reporting of ESFM monitoring and reporting information with the intention of improving the ability to report changes in forest values over time.

Some stakeholders recommended additional strategies to ensure the continued economic and environmental viability of the forest industry, including preparing a Timber Industry Strategy that defines the desired level of industry activity by sector and product through to 2050, and undertaking a cost–benefit analysis of the range of social, economic and environmental values of the native forest logging industry.

A number of submissions also recommended the IFOAs be reviewed to improve the economic efficiency of harvest planning and operations, including taking account of changes to forestry practices and technology. While the amendments outlined in the previous section include changes to the IFOAs that will improve the efficiency and effectiveness of forestry operations, DECCW and Forests NSW will continue to identify opportunities to review licence conditions to ensure conditions are practical and cost effective.

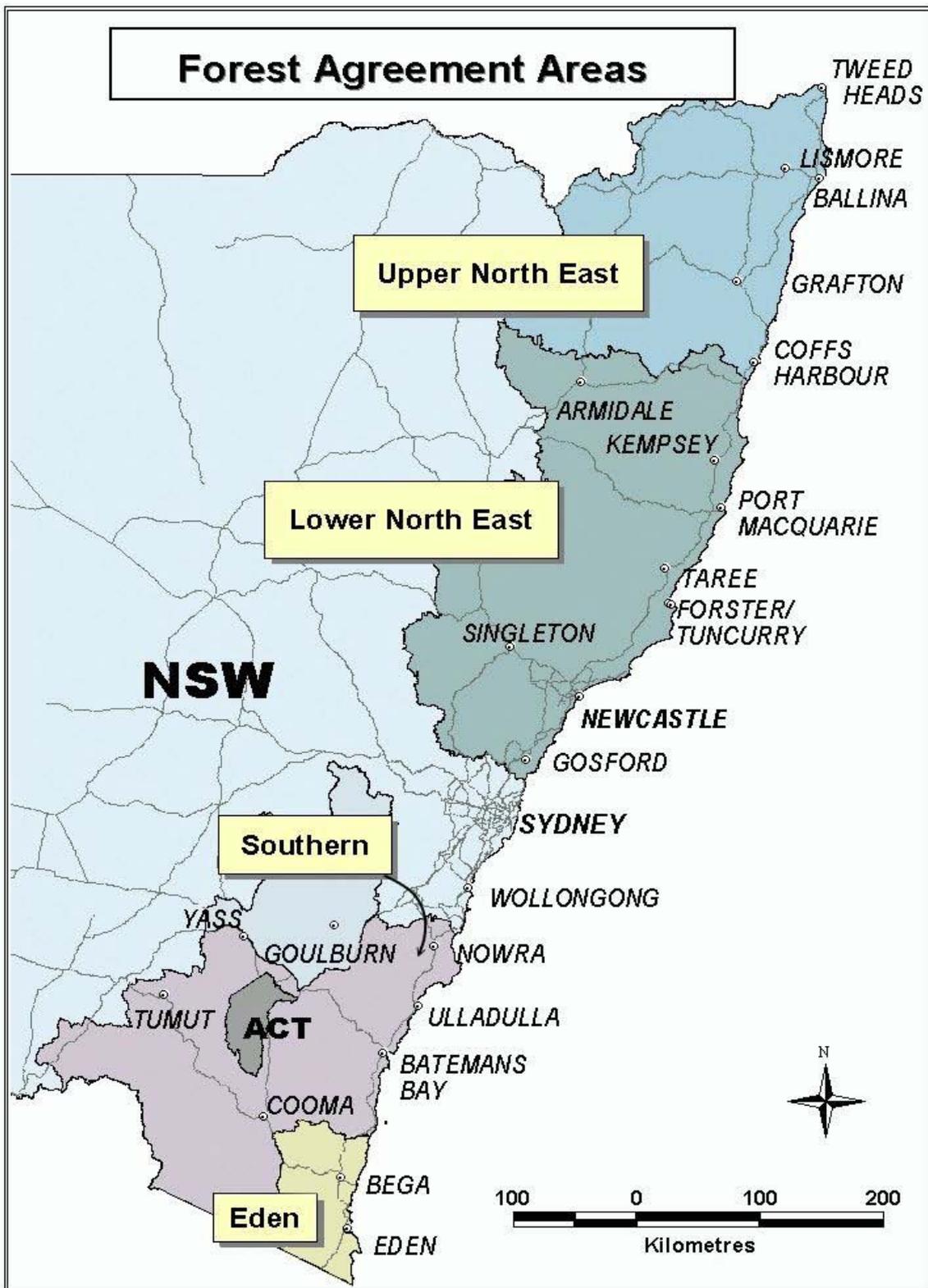
6. Conclusion

Between 1996 and 2001, the New South Wales (NSW) Government undertook one of the most comprehensive and inclusive environmental and land use assessments ever carried out across Australia. Comprehensive Regional Assessments (the CRA process) of the NSW coastal forests delivered a world class reserve system, adding over 1.5 M hectares of land to the States National Parks and reserve systems. The CRA process also provided \$140 million in structural adjustment funding to industry and twenty year certainty of a sustainable wood supply for timber dependent companies and regional communities.

The *Forestry and National Park Estate Act 1998* requires that the NSW Forest Agreements and the integrated forestry operations approvals (IFOAs) be reviewed by the Ministers party to these Agreements and Approvals to assess the implementation of the provisions of the Forest Agreements and whether the IFOAs have been effective in achieving their stated purpose.

This report includes the outcomes and recommendations from this review, and completes the statutory requirement to review the NSW Forest Agreements and the integrated forestry operations approvals. The amendments that will be made to the NSW Forest Agreements and the IFOAs are detailed in Section 4. These include 63 licence amendments that will help streamline and improve the effectiveness of the IFOAs conditions. Section 5 of this report also identifies a number of matters that were raised that require further consideration before any amendments to the NSW Forest Agreements and the IFOAs can be considered. These matters will be investigated as a matter of priority.

The Government acknowledges the valuable contributions and comments received as part of this review. While a number of submissions received in response to the *Review of the New South Wales Forest Agreements and Integrated Forestry Operations Approvals: Upper North East, Lower North East, Eden and Southern Regions* related to matters outside the scope of this review, these comments have been noted and represent a valuable contribution for consideration during the development of relevant Government policy.



Appendix 1: NSW forest agreement areas showing Upper North East, Lower North East, Southern and Eden regions. The subregion of Goulburn in the Southern region is not included in the review.