

SOUTH EAST QUEENSLAND FORESTS STAKEHOLDER/GOVERNMENT AGREEMENT

Agreement between the Australian Rainforest Conservation Society, the Queensland Conservation Council, The Wilderness Society, the Queensland Timber Board and the Queensland Government (the parties) on the South East Queensland Forest Agreement (SEQFA).

1. Objective
 - 1.1 A world class conservation reserve system
 - 1.2 Ecologically sustainable management of forests;
 - 1.3 A competitive and efficient timber industry; and
 - 1.4 Enhanced economic development and employment prospects for rural communities
2. The Agreement
 - 2.1 The parties agree that:
 - 2.2 The Queensland Government will immediately implement a strategy to develop substantial native hardwood plantations which will enable the industry to transition to a plantation based resource at 2025 or sooner where practicable
 - 2.3 To facilitate industry transition, incentives will be available from government to move over the 25 year period into value-added hardwood products, hardwood plantation timbers and private native hardwood resource including farm forestry
 - 2.4 There will be an immediate addition to the conservation reserve system of an estimated 425,000 ha (as defined in Attachment 1) to be completed by 31 December 1999 if possible
 - 2.5 There will be no clearfelling
 - 2.6 There will be no export wood chip industry based on native forests
 - 2.7 There will be no harvesting of non-sawlog material and residues other than for products currently produced
 - 2.8 Logging of native forests on State forests and timber reserves will cease at the end of the year 2024 by the latest
 - 2.9 Supply level of 82,981 m³ for the first year then 54,6 19m³ for 9 years and 49,119m³ for the next 15 years will be provided to industry, subject to 2.14, 2.15 and 2.16 (see Attachment 2)

- 2.10 Current crown allocation volumes will be provided to the end of the year 2024 to the mills listed in the attached allocation zones (Attachment 3)
- 2.11 Allocation zones will be utilised flexibly to provide the timber supply at approved volumes for the 25 year period
- 2.12 The current crown allocation to the mill at Dingo will be provided for a ten year period
- 2.13 To provide timber supply to industry at the agreed volume for the 25 year period logging will continue on State forests and timber reserves and leasehold lands not included in the 425,000 ha reserve

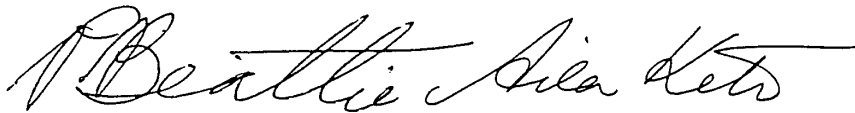
This balance of the area of crown hardwood forest may be logged once in general accordance with the schedule attached (Attachment 4). This schedule has been developed to ensure that the government is able to deliver its commitments to the timber industry as outlined in 2.8, 2.9, 2.12 and 2.14 while avoiding logging on the areas of highest conservation value unless it is unavoidable to do so. The total area available for logging will be subject to two separate harvesting regimes (Part A and Part B) listed in the schedule. Where any logging occurs within Part A (an area of approximately 80,000ha) it will occur under current harvesting rules. Where logging occurs within Part B it will occur under modified harvesting rules. These modified rules, after making allowance for the DNR Code of Practice (including habitat tree retention) will involve a harvest of all the trees of commercial species that are 40cm or greater at breast height (DBH) and that meet compulsory sawlog standards, known as 40cm+ diameter limit cut

It is understood that the harvesting schedule has been developed based on SKED modelling and will be subject to further refinement through operational planning

- 2.14 Wood supply agreements with industry will be for 25 years and be compensatable and tradeable
- 2.15 In the interests of either transferring additional areas in Part A to the reserve system or reducing the impacts of harvesting in the productive forest area the Queensland Government has a first right of refusal in terms of any mill seeking to sell their wood supply allocation or their business. The Queensland Government in purchasing a wood supply allocation or business will have regard to the social and economic implications arising from any such purchase
- 2.16 Where the Queensland Government chooses to purchase a wood supply allocation it will consider on a case by case basis, in consultation with stakeholders, reducing the impacts of harvesting in the productive forest area or transferring additional areas included in Part A to the reserve system
- 2.17 The Queensland Government will maintain an adequate planning and monitoring program to avoid or mitigate significant environmental impacts
- 2.18 The Queensland Government will institute a forest rehabilitation program
- 2.19 There will be regular, periodic pricing reviews; prices will be market-based

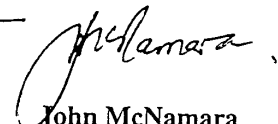
- 2.20 The Queensland Government will facilitate and provide incentives for ecologically sustainable management of forests and timber resources on private land
- 2.21 There will be a program of regional development to diversify the economic bases of regional communities
- 2.22 New institutional arrangements will be established to achieve the outcomes set by this Agreement
- 2.23 Other products currently allocated from crown resource will continue to be available consistent with current standards with the Government committing to address substitute resource from plantations as soon as practicable
- 2.24 Old growth and wilderness identified by CRA projects (and the attached maps) will not be logged.

This Agreement is subject to completion of certain commercial arrangements between the Queensland Government and elements of the Queensland hardwood timber industry, on terms satisfactory to the Government.



Hon Peter Beattie MLA
Premier

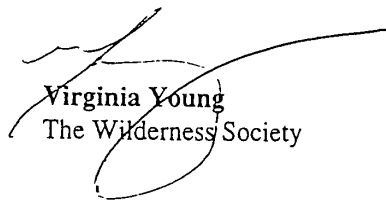
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Council



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SEQFA EXPLANATORY NOTES

- 2.18 This forest rehabilitation program will be limited in its extent across the productive forest area and will be developed as is appropriate following an assessment of impacts from logging by the proposed new forest industries management.
- 2.24 This is agreed on the understanding that loggable volume of old growth and wilderness in the productive forest area amounts to no more than 40,000m³ over the 25 year period. Over the next two weeks, identified areas of old growth and wilderness within the productive forest area will be located on management maps and the wood volumes available from these areas estimated. The areas will be removed from the logging schedule to a limit of 40,000m³ over the 25 year period, provided that alternative volumes can be made available to meet supply commitments to industry from any of the following sources:
- 45,000m³ from Finlayson's former allocation
 - additional volumes from State Forest 12 (Murgon-Wondai Zone)
 - 23,000m³ from existing hardwood plantations

It is also understood that in accepting this principle the Queensland Government's commitments to supply merchantable timber to the timber industry under this Agreement can be effectively discharged.