

**INTERIM AGREEMENT ON
TASMANIAN FORESTS WOOD SUPPLY AND
CONSERVATION**

between

Australian Conservation Foundation

**Australian Forest Contractors
Association**

Australian Forest Products Association

**Construction, Forestry, Mining and
Energy Union**

Environment Tasmania Inc

**Forest Industries Association of
Tasmania**

**Tasmanian Forest Contractors
Association**

Timber Communities Australia

Tasmanian Sawmillers Association

The Wilderness Society Inc

The Wilderness Society (Tasmania) Inc

15 August 2012

This interim agreement is made on the 15th day of August 2012 between the:

Australian Conservation Foundation
Australian Forest Contractors Association
Australian Forest Products Association
Construction, Forestry, Mining and Energy Union
Environment Tasmania Inc
Forest Industries Association of Tasmania
Tasmanian Forest Contractors Association
Timber Communities Australia
Tasmanian Sawmillers Association
The Wilderness Society Inc
The Wilderness Society Tasmania Inc

(together the **Signatories**)

The Signatories to this interim agreement affirm their commitment to a long-term vision for the forestry industry, the environment and communities in Tasmania.

We have worked together to seek a joint solution to the long running conflict that has divided Tasmania and call upon the Tasmanian and Australian communities to join with us in giving their proud support to both the Tasmanian forest product brand and its entire conservation estate.

We affirm our support for all aspects of this interim agreement and the principles it embodies. We call on all political parties and the community to support all of the industry, community, economic and conservation outcomes promoted by the interim agreement, and for the further work required by Signatories and governments to inform the final agreement.

The Signatories agree to:

SHARED OBJECTIVES

1. A genuine, lasting end to conflict over Tasmania's native forests through commitment to a long-term durable agreement that delivers:
 - A. an ongoing, vibrant forestry industry in Tasmania based on native and, increasingly in the future, plantation forests
 - B. protection of significant additional areas of native forest with important conservation values
 - C. strong, resilient communities and decent and secure jobs for workers and contractors
 - D. a strong focus on research and development to assist in driving these objectives.

The Signatories recognise that the above outcomes are interrelated and no one outcome takes precedence over another.

2. The Signatories agree to publicly and proactively support the outcomes of this and a final agreement, including in markets for Tasmanian forest products.

AGREED VISION

3. The Signatories agree to the long term vision for the forestry industry, the environment and communities in Tasmania, as set out in Attachment A, and that it should be recognised in legislation.

INDUSTRY REQUIREMENTS

Wood resources

4. The Signatories agree to ongoing native forest and plantation wood supply for industry, including high quality sawlogs, peeler wood and specialty timber. The final agreement will specify the volumes.

5. Agreed wood production areas to be set aside in legislation as Permanent Timber Production Zone Land.

Voluntary industry restructuring

6. A voluntary sawlog contract buyback program should be run immediately to assist the implementation of the final agreement. The program will be open to all sawmillers who wish to voluntarily surrender some or all of their current contractual volumes, but priority will be given to buying back sawlog contracts in regions where supply is most challenging. The program will also assist smaller regional sawmillers who wish to voluntarily exit the industry.

Support for affected workers, contractors and communities

7. Implementation of the final agreement will include support for affected workers and contractors, particularly in regions impacted by any reduction in forestry activity.
8. Support communities affected by the final agreement through the Regional Development Taskforce Tasmania, established under Stream 3 of the Tasmanian Forests Intergovernmental Agreement.
9. The Signatories call on all relevant commercial entities including the forest manager to put in place fair and equitable arrangements with forest contractors including terms commensurate with the investment and risk borne by these contractors.
10. The Signatories also call for the Tasmanian Government to establish and mandate an appropriate forest contractor training, accreditation and licensing system for harvest, haul, silviculture and roading in forest operations.

Transition to greater use of plantations

11. The Signatories agree on the need to develop and implement a plan for utilisation of the existing and future plantations as an integral part of a future forest industry, and an agreed transition plan to reflect the sustainable yield available from native forest on Permanent Timber Production Zone Land. The development of these plans will be overseen by the Signatory/Stakeholder Council.
12. The Signatories call for a well funded research and development program centred in the National Centre for Future Forest Industries to underpin the immediate, medium and longer term outcomes of a final agreement, with a particular focus on plantations for solid wood supply and manufactured products. This program should be developed in consultation with the Signatory/Stakeholder Council.
13. The Signatories call for new policy initiatives that will incentivise and facilitate investment in and management of plantations for solid-wood production. We further call for funding for direct investment in such plantations in Tasmania as necessary to facilitate the final agreement.

Residue solutions

14. The Signatories agree that solutions to address short, medium and longer term residue issues should be put in place as soon as possible. Options to be explored immediately include reopening of Triabunna woodchip facility, access to Burnie export facility and short term woodchip stockpiling arrangements. The Signatories call on all relevant parties to do everything possible to facilitate these short term solutions or to put in place suitable alternatives.
15. The Signatories call on the governments to work in partnership with communities and with relevant commercial interests to explore options and develop business cases for development of facilities to process, value add and use wood residues in Tasmania, rather than continuing to export all woodchips in the medium to long term. These projects have the potential to assist in job creation and economic diversification in Tasmania.

CONSERVATION OUTCOMES

New reserves

16. Legally binding protection of additional areas of native forests with important conservation values, to be protected as part of the National Reserve System. The final agreement will specify the areas to be protected.
17. Immediate protection of these areas, pending the reserve making process under the legislation, will be provided through:
 - A. A Protection Order that will suspend forestry rights, revoke certified Forest Practices Plans, and refer to the land as Future Reserve Land; and
 - B. A new Conservation Agreement under the *Environment Protection and Biodiversity Conservation Act 1999*.
18. The new reserve areas will be given permanent legislative protection through proposed reserve orders.
19. The Signatories will develop a proposal to support the conservation outcomes of this agreement.
20. Some limited areas may be designated as once-off log, restore and reserve, and log-of-last-resort zones. A decision on the future status of these zones will be made in the context of the consideration of a durability report, which will include an analysis of the plantation estate and its contribution to wood supply.

DURABILITY

Signatory Council and Stakeholder Council

21. A Signatory Council to be established to oversee initial implementation and durability of the Agreement, including preparing reports on the extent to which key elements of the agreement are satisfactorily implemented.

22. The Signatories will provide durability reports to the Tasmanian Government, demonstrating that implementation of the commitments in this agreement is progressing well, prior to the tabling of the initial Protection Order, and again before any subsequent reserve orders.
23. Key elements to be considered in the durability reports include progress with implementing short, medium and longer term residue solutions; ongoing public and proactive support for the outcomes of the final agreement, including in markets for Tasmanian forest products; and support by governments for implementation of the agreement.
24. A Stakeholder Council, with appropriate broad membership, to be established to replace the Signatory Council within two years, to ensure ongoing engagement with key stakeholders and long-term durability of the agreement.
25. The Signatories agree that failure by the Signatory/Stakeholder Council to provide required durability reports within agreed timeframes demonstrates a lack of durability unless remedied within further agreed timeframes.

Certification

26. The Signatories support forest certification of appropriate remaining forestry activity in Tasmania, and the further development of Australian national certification standards for forest management.
27. The Signatories will actively support Forest Stewardship Council certification for the Permanent Timber Production Zone Land managed as intended under the final agreement, as a matter of priority.

Dispute Resolution

28. The Signatories are committed to working cooperatively to develop and implement agreed solutions to address any claims or grievances that Signatories may raise in the future over implementation of the final agreement or in relation to activities external to the agreement that may undermine it. The Signatories have agreed to establish a dispute resolution mechanism for inclusion in the final agreement.

ENGAGEMENT WITH THE TASMANIAN INDIGENOUS COMMUNITY

29. Signatories recommend that the Australian and Tasmanian Governments open up good faith negotiations with Aboriginal Tasmanians to progress a fair reconciliation of their claims regarding Tasmanian land.

INSTITUTIONAL ARRANGEMENTS

30. The outcomes of the final Agreement to be incorporated into existing State and Federal mechanisms.
31. Support changes to the Forest Practices Act guiding principles and objectives to give effect to the agreed vision and objectives of the final Agreement.

32. The Signatories agree that the production forest estate and the reserves forest estate be managed by institutions that provide secure and durable management outcomes consistent with the intended purpose of those respective forest areas.

NATURE OF OBLIGATIONS UNDER THIS INTERIM AGREEMENT AND RELATIONSHIP TO OTHER AGREEMENTS

33. Where Signatories have agreed to ensure that certain outcomes occur, this means they will do everything reasonable within their powers to support these outcomes, including through public advocacy, proactive support for passage of necessary legislation to implement the final agreement, and joint representations to key stakeholder groups.
34. The Signatories acknowledge the importance of the Australian and Tasmanian Governments and the Tasmanian Forests Intergovernmental Agreement in providing the opportunity to develop a long-term durable agreement to provide a genuine lasting end to conflict over Tasmania's native forests.

SUPPORT BY GOVERNMENTS

35. We call on the Australian and Tasmanian Governments and Parliaments to support implementation of all elements of this interim agreement and a final agreement, including through appropriate funding and policy settings as appropriate.

FURTHER WORK

36. The final agreement will be informed by the results of a detailed work program to be undertaken over the next 4-6 weeks before consideration of the final legislation by the Tasmanian Parliament. The work program includes:
- implementation of a voluntary industry restructure program;
 - ongoing detailed modelling and rescheduling work by Forestry Tasmania and independent experts; and
 - finalisation of additional durability mechanisms and exploration of options for utilisation of residues

DEFINITIONS

In this interim agreement unless the contrary intention appears:

Forest contractors means harvest, haulage, silvicultural, roading and forest management contractors.

Forest manager means the organisation with responsibility for managing the Permanent Timber Production Zone Land.

Future Reserve Land means land placed under a Protection Order by the Tasmanian Parliament, pending formal gazettal.

High quality sawlog means sawlogs classified as Category 1 and Category 3 in Schedule 1 of the Tasmanian Parliament's Forestry Regulations 2009.

Interim agreement means all parts of this interim agreement between the Signatories and includes the Attachments to this document.

Peeler wood for the purposes of this agreement means logs suitable for processing by existing rotary peeler veneer facilities in Tasmania.

Permanent Timber Production Zone Land is as defined in the *Tasmanian Forests Agreement Bill 2012*.

Protection Order means an order by the Tasmanian Government that suspends forestry rights and revokes certified Forest Practices Plans over an agreed area.

Regional Forest Agreement means the Tasmanian Regional Forest Agreement signed by the Australian and Tasmanian Governments in 1997, and as varied on 19 July 2001 and 23 February 2007, and the Supplementary Agreement signed on 13 May 2005.

Signatories means all of those organisations which have signed this Agreement.

Signatory Council means a council of the Signatories to this Agreement established under Terms of Reference agreed with the Tasmanian Government.

Specialty Timber Zones means areas of Permanent Timber Production Zone Land specifically managed for long term specialty timber supply.

Stakeholder Council means a council with appropriate broad membership, to be established to replace the Signatory Council. Terms of Reference for this Council will be agreed by the Signatory Council and the Tasmanian Government.

Statement of Principles means the Tasmanian Forests Statement of Principles to Lead to an Agreement signed by forest industry, union and environment organisations on 14 October 2010.

Tasmanian forestry industry for the purposes of this Agreement means those businesses and workers that depend on the growing, managing, harvesting, transporting or processing of trees or wood products from state-owned native forests and plantations in Tasmania.

Tasmanian Forests Intergovernmental Agreement means the agreement signed by the Prime Minister and Tasmanian Premier on 7 August 2011.

A Vision for Tasmania's Forests

Tasmania enjoys a rich forest heritage with natural and modified landscapes which can provide multiple environmental, economic and social benefits to its people on a sustainable basis into the future. Implementation of the agreement provides the basis for resolution of longstanding conflict surrounding the management of forests and for widespread public support for community, conservation and forest industry outcomes.

Tasmania's vision is for:

- A protected area estate that is accepted and valued for its permanent protection of nationally and internationally significant conservation, biodiversity and heritage values,
- A vibrant and competitive forest products sector with a brand accepted and valued in domestic and international markets,
- Proud and genuine support of the Tasmanian and Australian communities for each of the foregoing in the context of this agreement.

This Vision encompasses:

Industry

1. A strong, competitive forest sector based on sustainably managed publicly and privately owned native forests and plantations, profitable production and infrastructure and capable of innovation and investment.
2. A permanent State forest production estate including both native forests and plantations securely tenured and managed for wood production according to recognised sustainability standards.
3. A sustainable annual supply of high quality hardwood sawlogs, peeler billets and special species timber from native forest and plantation sources on State forests in accordance with the terms of the Agreement.
4. An increasing reliance on supply from hardwood plantation sources, consistent with the emerging availability of satisfactory plantation resources, technology and markets for plantations based products.
5. A forest products supply chain, processing capacity and markets which allow for the full, sustainable utilisation of all harvested forest resources and their downstream processing and value adding to maximise value for Tasmanian communities.
6. An industry that supports decent, secure and safe jobs, fair wage and contract rates, and respect for employees and contractors rights and social protection, throughout the supply chain.

Conservation

7. A protected area system on public land of a quality, scale and tenure, compatible with the National Reserve System that protects areas of National and International significance consistent with the terms of the Agreement.

8. A long-term approach to land and resource management, which optimises conservation functions at a landscape level.

Community

9. Meaningful engagement and involvement of forest stakeholders, the community and governments in the management of State forests.
10. Strong, cohesive and resilient Tasmanian communities supporting and supported by the management of production and protected forests areas.
11. A fair reconciliation of Aboriginal Tasmanian's claims regarding Tasmanian land.

Management agencies/institutions

12. Management and regulatory agencies/institutions whose decision-making is efficiently integrated at a landscape level, while providing confidence and security to production and environmental outcomes
13. Continued public and private investment in forest and forest products research and development.