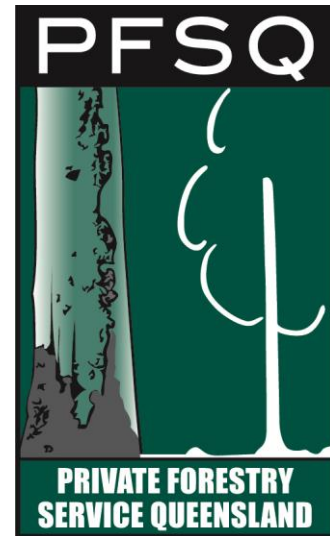


# Model Contract No 2.

## Landowner / Harvest Manager Engaging a Harvest Contractor

**Landowner / Harvest Manager - Contractor**



### **Introduction:**

This publication has been produced by the Private Forests Southern Queensland (PFSQ) and is No 2 of a series of 5 model contracts. The contracts are provided to assist parties involved in the native forest industry in their business dealings.

Model contract 2 provides for the situation where a landowner or independent third party engages a contractor to harvest native forest, but the landowner or independent third party sells the native forest products to a purchaser or purchasers. Four Native Forest Stand Management Guidelines have also been produced by the project

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## **TIMBER HARVESTING CONTRACT**

THIS AGREEMENT is made the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

BETWEEN: THE LANDOWNER/MANAGER referred to in Schedule 1 (“the Manager”) of the One Part

AND: THE CONTRACTOR referred to in Schedule 1 herein (“the Contractor”) of the Other Part

WHEREAS the Manager has negotiated an agreement with the Contractor for the harvesting of the timber standing on the land described in Schedule 1;

AND WHEREAS the Contractor has agreed to harvest such timber.

NOW THIS DEED WITNESSES:-

1. The Contractor acknowledges that the Manager has the authority to enter into binding agreements for the sale and harvesting of the timber.
2. The Manager has prepared a Timber Harvesting Operational Plan (“the Plan”) for the harvesting of the Timber a copy of which is attached Schedule 2 and Procedures for Log Classification and Documentation (the “Procedures”) Schedule 3. The Plan and Procedures shall be deemed to form part of this Agreement as if their provisions were embodied in this Agreement.
3. The Contractor will:
  - (a) log the land in accordance with the provisions of the operational Plan and the directions of the Manager;
  - (b) comply with the Procedures in respect to each and every log harvested
  - (c) insure and keep insured all employees for workers compensation cover as required by law, all plant and equipment against all usual risks, and public liability insurance for not less than ten million dollars (\$10,000,000);
  - (d) ensure that all plant and equipment shall be suitable for the work and shall be well maintained;

- (e) ensure that all employees shall be competent and have the necessary skills and current accreditation;
- (f) all work will be carried out in a conscientious, expeditious and professional manner within the time scale as depicted in the Plan and in accordance with the directions of the Manager;
- (g) all work will be carried out so as to cause as little damage to retained trees as possible and as little interruption to grazing stock as possible
- (h) all work will be carried out consistently with the Plan, and in accordance with all statutes, ordinances, by-laws and codes of practice for timber harvesting in privately owned forests in Queensland (including the Queensland Vegetation Management Act 1999, as amended and Forest Practices Code, and the Workplace Health and Safety Queensland Forests Harvesting Code of Practice).

4. The Manager will:

- (a) identify and guarantee to the Contractor the boundaries of the Land;
- (b) permit the Contractor, his, her or its servants, agents and contractors free and unrestricted access with or without vehicles to and from the Land during the hours set out in the Plan for the purpose of felling and removing the Timber;
- (c) mark out the stand consistently with the Plan to enable the contractor to work continuously;
- (d) ensure that compliance by the contractor with the Plan will result in compliance with the Vegetation Management Act and codes;
- (e) pay the contractor in accordance with the Harvest Rates and Terms set out in the Plan.

5. Penalty and Infringement

- (a) In the event that the contractor is in breach of the Plan or Procedures or fails to comply with the reasonable directions of the Manager the

Manager may notify the contractor of the suspension of contract works and the contractor shall immediately cease operations.

- (b) the parties shall immediately meet in an effort to resolve procedures, agree on rectification works, the application of penalties set out in the Procedures or Plan and all matters in dispute.
- (c) if the dispute is not resolved by agreement of the parties within 7 days of the date of the notice then the Manager may terminate this contract by notice in writing.

6. The Manager may determine this Agreement at any time and without prior notice should the Contractor, his, her or its servants, agents or contractors be guilty of any dishonesty, serious misconduct or serious neglect of duty or refuse to comply with any reasonable instructions or directions given by the Manager.

7. Neither this Agreement nor any of the rights and obligations hereunder may be assigned by any party without the prior written consent of the other parties.

8. Goods and Services Tax

8.1 The parties agree that:-

- (a) unless the context so excludes then the terms used in this clause shall have the same meaning as they do in the A New Tax System (Goods and Services) Act 1999 *as amended (The GST Act)*;
- (b) the consideration or payments reserved pursuant to the terms of this contract are expressed as the GST exclusive value of the supply to which they relate; and
- (c) the amount payable for any supply pursuant to this contract shall be the price of the supply calculated pursuant to this clause.

8.2 In the event that GST is payable on any supply pursuant to the terms of this contract, then the price of the supply to be paid pursuant to this contract shall be equal to the GST exclusive value of the supply plus GST payable on the supply.

9. Resolution of Disputes

The parties must endeavour to resolve any dispute under this agreement by mediation or other dispute resolution method before they commence legal proceedings.

SIGNED SEALED AND DELIVERED as a )  
Deed by the Grower )  
in the presence of: ) \_\_\_\_\_

\_\_\_\_\_  
Witness (who warrants that he is not a party to this deed or named herein)  
Full name of Witness \_\_\_\_\_  
Full address of Witness \_\_\_\_\_  
\_\_\_\_\_

SIGNED SEALED AND DELIVERED as a )  
Deed by the Manager )  
in the presence of: ) \_\_\_\_\_

\_\_\_\_\_  
Witness (who warrants that he is not a party to this deed or named herein)  
Full name of Witness \_\_\_\_\_  
Full address of Witness \_\_\_\_\_  
\_\_\_\_\_

## SCHEDULE 1

The Grower:  
(Name in Full)  
Address

The Manager:  
(Name in Full)  
(Address)

The Purchaser:  
(Name in Full)  
(Address)    Not applicable

The Contractor:  
(Name in full)  
(Address)    Tim Tam's Logging  
Albany Rd, Garmony Creek

The Seller    Not applicable  
(Name in full)  
(Address)

The Land

ALL THAT the property containing 300 hectares or thereabouts situated at  
Forest Road, Bushville  
And comprised and described as: Lot 1 on RP 666666  
County of Bos Parish of Taurus  
Shire of Black Stump, the approximate position of which is shown on the Plan.

## SCHEDULE 2

# FOREST HARVESTING OPERATIONAL PLAN

Version 1 (Nov 2005)

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# **FOREST HARVESTING OPERATIONAL PLAN**

## **PROPERTY DETAILS**

**Property manager/Landowner:**

**Address:**

**Property Address:**

**Postal Address:**

**Phone Number:                      Home:                      Mobile:**

**Property Description:**

**Vegetation Management Act Classification/s of Harvest Areas (if applicable):**

## **HARVEST MANAGER and/or CONTRACTOR DETAILS**

**Name:**

**Address:**

**Postal Address:**

**Phone Number:                      Home:                      Mobile:**

## **HARVEST CONTRACTOR DETAILS (if different from the above)**

**Name:**

**Address:**

**Postal Address:**

**Phone Number:                      Home:                      Mobile:**



## RESOURCE DETAILS

**Size of Area to be Harvested (ha):**    **Gross:**                    ha    **Net:**                    ha

**Forest Type:**

Example: Dry Eucalypt Forest, Wet Eucalypt Forest, Cypress, etc

**Commercial Species:**

Example: Spotted gum, Grey box, Blackbutt, White mahogany, Gympie messmate, etc

**Range of Commercial Products:**

Example: Sawlog, salvage, poles, girders, veneer billets, fencing timbers, etc

**Management Unit Description:**

Example: Specific areas to be logged as per attached map (attach an example map)

**Utilities Present:**

Example: Power lines, buildings, underground cables, etc as per attached map

## OPERATION LIMITATIONS

**Safety in Harvest Operations:**

Example: All standard harvest operation signage must be erected before and during harvest operations and placed according to Workplace Health and Safety Queensland (WPHS) requirements, including the most current WPHS Queensland ‘Forests Harvesting Code of Practice’.

Appropriate person protective equipment (PPE) must be worn at all times during harvest operations.

No person is to enter harvest area without appropriate PPE, which includes helmet, safety boots and high visibility vest.

All harvest machinery will have appropriate ‘Roll over protection systems’ (ROPS) and ‘Falling object protective systems’ (FOPS) according to WPHS.

**Buffer and No Logging Zones:**

Example: Areas where no logging is permitted should be identified, zones to be marked with red paint and recorded on the attached map.

**Filter Zones:**

Example: Areas where no felling of trees is permitted in the direction of any waterway or watercourse. Filter zones should be identified in field with paint marking and then recorded on the attached map.

**Stand Hygiene Standards:**

Example: All machinery maintenance disposal material i.e. grease canisters; oil, drums, filters and other rubbish must be removed from the site.

**Wet/Dry weather operations:**

Example: In negotiation with cutters and haulage contractors. Haulage from the property will only occur in dry conditions.

**Harvesting Slope Limit:**

Example: Does the steepness of the terrain does limit harvest operations in certain areas. Is it necessary to specify the type of machinery allowable? - (Rubber tyred skidder).

**Property Access Points:**

Example: Main access to the property is from “ ” road.

**Tree Selection Basis:**

Example: The logging area will be marked on a selection for retention basis using orange paint by “ ”. All “unmarked trees” are able to be harvested. OR Trees to be harvested will be marked with orange paint.....

**Tree Marking System:**

Example: Trees able to be harvest = Orange dots, Habitat trees = H, Poles = P, Buffer zones = red paint, No logging zones = 3 red lines, etc.

**Boundary/Logging areas clearly identified:**

Example: Boundaries will be identified by yellow flagging tape as per attached map. In addition the Harvest Contractor will be shown boundaries in the field.

**Maximum Stump Height:**

Example: Stump height should be as low as possible (should aim for 300 mm)

**Equipment Restrictions:**

Example: A rubber tyred skidder is the only acceptable machinery for snigging operations on this property. OR A dozer with winch may be used to access steep areas.

**Roading (Construction and Maintenance):**

Example: Road maintenance for access to the property and maintenance of loading ramps for log haulage, if required, will be negotiated between the Landowner/Property Manager and Harvest Manager and/or Contractor.

**EMERGENCY FIRE EQUIPMENT**

<b>Contact</b>	<b>Contact Phone</b>	<b>Fire Equipment:</b>
E.g. Blue Ridge Rural Fire Brigade	07 59966555	Tankers, mop up

**Water Access Points:**

Example: As per attached map or identified to the Harvest Manager and/or Contractor by Landowner/Property Manager.

**HARVEST MANAGEMENT**

**Responsibility for Compliance with Regulations:**

Example: The Harvest Manager and/or Contractor “ will take full responsibility for compliance with Local, State and Commonwealth Government regulations which pertain to forest operations performed on this property under this agreement.

1. Acceptance of liability is reliant upon the accuracy of information provided by the current Landowners/Property Manager such as:
  - A. Property ownership details
  - B. Property boundaries
  - C. Local Government preservation zones
  - D. Other harvesting operation constraint
2. Acceptance of liability is also reliant upon the landowner/Property Manager’s abidance of the conditions set out within this agreement.

**Loading areas/log dumps:**

Example: The location of loading areas and log dumps will be negotiated between the Harvest Contractor and the Landholder/Property Manager and identified as per attached map. Any further loading areas, log dumps, and ramps will be negotiated.

**Snig Tracks:**

Example: The location of all major snig tracks will be negotiated with the Landholder/Property Manager.

**Drainage and Erosion Control:**

Example: The Harvest Contractor will drain all snig tracks and major road access after harvest completion in accordance with Queensland's Vegetation Management Act 1999, as amended, and Forest Practices Code. All associated costs of drainage will be borne by the Harvest Contractor.

**Special Feature Management Areas:**

Example: No machinery will traverse the designated SFMA as identified on the attached map.

**Post Harvest Inspection:**

Example: At the completion of harvest operations and post harvest drainage, before any harvest machinery leaves the site there will be a joint site inspection by the landholder/Property Manager and the Harvest Contractor. (The Harvest Contractor will provide appropriate notice of anticipated inspection date and time).

**INFRINGEMENT PENALTY CLAUSES****Damage to fencing:**

Example: All damage caused by harvest operations must be repaired at the Harvest Contractor's expense.

**Penalty for felling trees into a watercourse:**

Example: Harvest Contractor will avoid felling trees towards watercourses, if unavoidable all tree heads must be removed immediately.

**Penalty for harvesting marked or non available trees:**

Example: Any marked trees felled without the Landholder/Property Manager's permission will have the appropriate stumpage calculated and the Harvest Contractor will pay double the determined value. No cutting and snig rate will be paid for unauthorised removal.

**Penalty for excessive stump height:**

Example: If stump height is regularly excessive in the opinion of the harvest manager, the Harvest Contractor will be required to re-cut all identified stumps as directed by the Landholder/Property Manager.

**Management of logging smash/damage to retained trees:**

Example: The Harvest Contractor will avoid causing damage to retained trees by applying skilled directional felling techniques. In the case where tree weight distribution determines that the tree will cause damage to a retained tree, the Harvest Contractor will consult the Landholder/Property Manager.

The Harvest Contractor will take all necessary care to avoid damage to marked trees during snagging and loading operations.

The Landholder/Property Manager has the right to cease all harvest operations instantly, when excessive smash/damage to retained trees is occurring.

**Felling Debris:**

Example: The Harvest Contractor will avoid pushing logging debris or leaving felled tree heads around the base of retained trees.

**Tree Hang-ups:**

Example: All hang-up trees must be removed instantly unless for unavoidable reasons this cannot happen. In the case where a hang-up has to be left for a period, the danger zone of one tree length around the hang-up must be cordoned off with flagging tape and appropriate danger signage erected.

**HARVEST RATES AND TERMS**

**Stumpage Payment Rate:**

Example: Rate/m<sup>3</sup>, piece, lm, etc as per attached schedule/s.

**Stumpage Payment Terms:**

Example: Payment to landholder at ramp prior to haulage. Within 14 days of receipt of timber, etc

**Cut and Snig rates:**

Example: Cut = \$10/m<sup>3</sup>      Snig = \$15/m<sup>3</sup>

**Cut and Snig rates for special products:**

Example: Rate to be paid for cut and snig of various products, if applicable.

**Proposed Commencement Date:**

Example: Date and approximate time harvest operations will commence.

**Proposed Completion Date:**

Example: An indication of the likely time frame required to complete the harvest operation.

**Harvest Plan prepared by:**

Example: Person who was responsible for the completion of this Forest Harvesting Operational Plan.

**PROPERTY OWNER RESPONSIBILITY**

Example: The Landholder/Property Manager shall not perform any forest management activities such as controlled burning, felling, tree paint marking, etc during the period of time the property is being harvested by the Harvest Contractor.

**Landholder/Property Manager:**

**Signed:** .....

**Signed:** .....

**Date:** .....

**Harvesting Manager and/or Contractor:**

**Signed:** .....

**Date:** .....

**Harvesting Contractor (if different from the above):**

**Signed:** .....

**Date:** .....

## **SCHEDULE 3**

# **PROCEDURES FOR LOG CLASSIFICATION AND DOCUMENTATION**

**Version 1 (Nov 2005)**

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## PROCEDURES FOR LOG CLASSIFICATION AND DOCUMENTATION

**Purpose:** The purpose of the system described and agreed to by the parties is to record all timber product cut and removed in the harvesting operation and to facilitate reconciliation of product sold with product harvested and merchandised.

**Open book:** The record of timber cut and product removed shall be open and made available to the landowner, harvest manager, haulage contractor and product purchaser.

**Initial Product identification branding:** Initial branding of each log and its stump will be done and recorded at stump by the cutter. Minimum branding details will include: Cutter number and log number.

**Snigging:** No unmarked log will be snig from the place where it was felled.

### Classification and measurement details:

Sawlogs and salvage logs are to be branded at the log dump with the log number, log length and log centre diameter (under bark) in either paint pen or by wheel hammer on the end of each log.

All salvage log numbers are circled to delineate 'salvage class' eg. **25** 4.5 x 38.

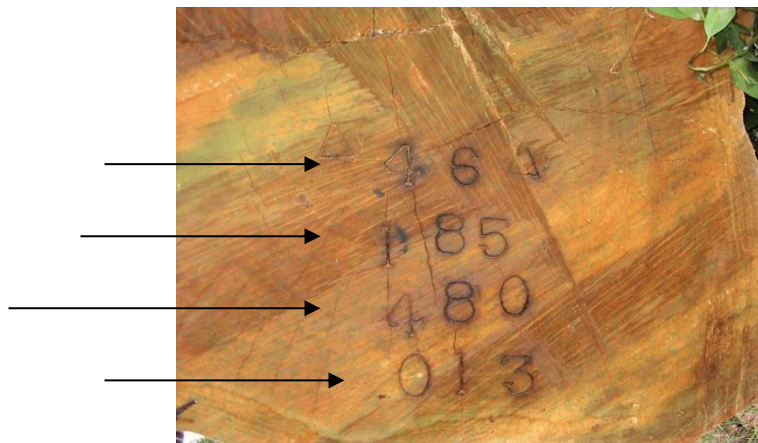
Poles are to be branded with:

Cutter number

Pole length

D-line

Pole number



Rounds are to be branded with species code, length and small end diameter on the butt of each length.

e.g. Spg 6.0 x 200

**Cutters docket:** The classification and measurement details of each log shall be recorded in a cutters docket as they are merchandised. A Copy of the cutter dockets will be made available as directed by the Landowner and/or Harvest Manager at least weekly and preferably daily.

**Multiple products:** Logs containing multiple products (eg sawlog and salvage log) shall be recorded in the cutters docket separately under the same log number with A, B, C identifiers.

The butt of the log shall be marked with the separate classification and measurement details of each product contained in the log.

**Re-entering details:** If a log already recorded in the cutters docket is further merchandised the original information is to be ruled through by a single line through the original entry in a way that the original information can still be read. Classification and measurement details of each piece (if cross cut into multiple products) shall be recorded on separate lines of the cutters docket under the original log number with A, B, C identifiers.

**Reclassifying:** The Landowner and/or Harvest Manager may re-classify or re-measure any log and the new classification or measurement shall be final. Details of the new classification or measurement shall be re-entered in the cutters docket.

**Priority Products:** All logs are to be merchandised to the highest value products as follows:

<b>PRODUCT</b>	<b>PRODUCT CODES</b>
Veneer billets	<b>V</b>
Girders	<b>G</b>
Poles	<b>P</b>
Saw log	<b>S</b>
Salvage	<b>SL</b>
Round	<b>R</b>
Fencing timber	<b>F</b>

**Product Specification:** All products shall be classified in accordance with the specifications provided by the Landowner and/or Harvest Manager or as per the attached Schedule.

**Product removal procedures:** Prior to the removal of any product from the landing the haulage contractor shall complete a load docket with sufficient details of each product loaded such as log number and log dimensions.

**Infringements:** Failure to brand any sawlog or billet at log landing may warrant suspension of operations.

**Missing logs:** Any log appearing on the cutters docket but absent from log landing or any load docket will not be paid for and a penalty deduction equal to twice product value deducted from payments.

**Payment:** All payment for cut snig and haul shall be calculated in accordance with the cutters docket details.

## **PRODUCT SPECIFICATION**

Example: As per 'Forest Products and Marketing Guide 4', available from AgForests Queensland.

Or detail as per specific products.