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Sent: Thursday, 3 January 2013 2:32 PM
To: tfacommittee
Subject: submission to select committee

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Good Afternoon,

I am hoping that the email below that I previously sent to Premier Giddings, Deputy Premier Green and Minister Burke will be sufficient as a submission to your committee, I am dependent on the legislation being passed otherwise I will become another statistic and will have no other choice but to claim bankruptcy and lose everything I have worked for over the past 40 years. If further information is required or you would like to hear from me face-to-face I am more than happy to oblige.

Given the IGA is now going to a select committee and it will be at least March until a decision is made, I have no other option – other than to share my current situation with you and hope that I gain your immediate attention.

I have owned and operated the Avoca Sawmill for well over 20 years and worked in the industry for at least 35 years, my father and I built the sawmill literally from the ground up – some of the equipment in the mill was engineered by my father, at the peak of the industry this was a family business employing both my son and son in-law, this family legacy has now been non-operational for close on two years! My mill supplied local councils, builders, fencing contractors and at one time I was cutting the bridge timber for the Apt Railway project, my only customer for my waste products was Gunns Limited, over time as the local market decreased, I found a market in Victoria and was sending my products there. I also supplied McKay's Timber with my products. Being a small business often with a cash flow problem I purchased my logs from Forestry Tasmania when available also through McKay's Timber which were also sourced from Forestry Tasmania, as well as Gunns Limited for my private logs.

Five years ago before the market started diminishing, I was one of the main employers for Avoca, I employed 5 full-time workers often people with barriers including the long term-unemployed, each person had a family and young children who attended the local primary school, 5 people may not sound significant but you need to consider the population of Avoca is only 123 people, in dollar terms this equated to around \$175,000 per annum back into the local economy just through salaries, that is without the savings to government to not to have these employees on government benefits, which would have and now is the case given the non-operation of my mill. Many of my staff, have now left the area, coincidence that the local primary school is set for closure, the police station has been closed, we are down to 1 shop and a pub, this is no coincidence it is a direct result from the situation that the forest industry now finds itself in.

A few years ago with a downturn in the market I found myself in financial trouble, being the proud and honest man that I am, I didn't take the easy option of declaring bankruptcy, I refinanced my family home, to pay of the business debts and to provide working capital for the mill. This decision was bitter-sweet, it caused much anxiety for my wife and I as we were heartbroken that 30 years of paying off a mortgage and being within \$10,000 from owning our own home a life-time dream for many, we were now well over \$150,000 away from that dream and we were in our 50's, but on the flip side we were able to hold our head high pay the debts and continue operating our business and employing our staff, and things started to look up.

From 2008 – 2011 my through-put has decreased from about 5000 cubic metres back to about 3000 cubic metres, however I kept struggling through with a small team, I also went from working in the office back to the extremely physically demanding job of "benching" not ideal when you are 57 years old, but it kept the business afloat. Once Gunns Limited exited all native forest it diminished the availability of private logs for my mill and ceased the contract to purchase my waste products, this is in addition to not being able to source logs from Forestry Tasmania was making it extremely difficult to operate the business.

With talk of voluntary exit packages for small regional sawmillers becoming available and the restructuring of the industry, we felt that there was light at the end of a long hard tunnel and we made the decision we would exit the industry if possible. But that was at least 18 months ago, we have kept the business open although still unable to generate an income due to factors already discussed. To make matters worse one of my Victorian customers declared bankruptcy owing me \$70,000. This was another major blow for us we have used all our personal savings, withdrawn my super just to provide an income to make ends meet, as the business is unable to generate any money. More recently we have had to start selling off our possessions. I do not want to claim bankruptcy, for many reasons including the negative affect this would have on my creditors, and I have worked too hard to have that black mark against my name! Recently my wife and I found out we are eligible for Newstart allowance, this is not enough to make ends meet, although it is better than nothing, we are now relying on our adult children to contribute financially and assist us, the best way to describe this situation is gut-wrenching, we should be helping them, not great for the dignity I can tell you!

I have watched and waited patiently while the IGA has been developed, often speaking with John Dawson and others regarding my situation, I have not once jumped up or down, I have been very understanding of the process and I have made sure that my situation has been heard without going through the media and sensationalising the situation to the public – many of which have no idea about the industry and the lives of the people affected. However with the latest delay – I simply can't wait any longer for financial assistance, I am out of money, I can't operate the mill, jobs are scarce for a 59 year old sawmiller and mine and my wife's physical and mental health cannot withstand any more uncertainty or financial pressure. It is clear that I have been able to withstand many challenges and barriers that come with being in an industry that has at times been vulnerable and unpredictable to outside pressures, however with Gunns Limited exiting the

industry and the other factors mentioned I would like to leave the industry with dignity and my debts paid.

So I am very passionately asking you to please do what-ever is in your power to assist me financially in the way of an exit package or something similar in the immediate future.

I am more than happy to submit a formal application, but something has to be done for us small regional sawmillers and fast. I would welcome the opportunity to meet with you in person or over the phone and share more of my story.

Thankyou for taking the time to read my email, I trust you or someone in your office will contact me in the very near future.

Yours sincerely

Grant Richardson

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