House of Assembly

Standing Committee on Community Development

Inquiry into the Triabunna Woodchip Mill

Submission by

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The committee is to be commended for delving into this period of public policy.

If lessons can be learnt and processes, checks and balances established we may be able to avoid a repetition of the disastrous lost decade for Tasmania.

More than any other event the hurried sale of the Triabunna mill suggests the insolvency of the previous owner at that time, yet public policy makers and their masters, the willing or unwilling victims of cognitive capture turned a blind eye to the obvious and further delayed the inevitable.

The relentless pursuit of a policy objective come hell or high water has proved to be an extremely risky strategy not only for the beleaguered residents of Triabunna but for all Tasmanians.

The terms of reference which I wish to make some comments are:

(a) The circumstances surrounding the closure (and) sale .... of the Triabunna woodchip mill; and
(c) .....matters related and incidental thereto

The comments preclude mention of environmental and economic issues, rather just the crucial accounting aspects that were wilfully ignored for so long. Without an understanding of the financial situations of the main players at the time, any conclusions will be baseless.

Gunns' 2009 Annual Report drew attention to weakened conditions in the key Japanese fibre market as the principal reason for marked declines in revenue from woodchip sales, at that stage all emanating from native forests.

The next six months period saw further declines in revenue from woodchips which led to a catastrophic 98% decline in profits for the first half of the 2010 financial year to a mere $420,000.

Without a bit of creative accounting the bottom line would have shown a loss.

Accountants have an innovative way of dealing with purchases of assets. Overpayment for an asset is booked as 'goodwill on purchase' and included as a boost to the balance sheet, whereas underpayment is counted as a 'discount on acquisition' and immediately booked as income. It's a win-win situation. Gunns' recent purchase of ITC Timber from Elders was self assessed as a bargain buy and the bottom line received a very welcome $2.8 million boost. The practice is regarded with healthy scepticism, as little more than lipstick on a pig. Gunns used it on a few occasions. ABC Learning run by the now bankrupt Eddy Groves was also an avid follower.

The release of the half yearly results in February 2010 received even more media attention than would normally be expected following an unheralded 98% drop in profits. Companies are expected to inform the ASX as soon as they become aware of events likely to impact on share prices. The executive Chairman managed to get his own house in order with the sale of 3.4 million Gunns' shares in early December 2009 but the first the market officially knew of the profit downgrade was mid February 2010.

The Board tried to maintain some semblance of knowing what they were doing by announcing a strategic review, a draft restructure plan, sales of non-core assets etc, the usual assortment of knee jerk reactions to a crisis.

Deadlines came and went.

By June 2011, after 18 months of restructuring, with asset sales of only $141 million, including the hardware, wine and walnut businesses and some logged native forests, borrowings were only down by $37 million, from $665 million in December 2009 to $628 million in June 2011.

The rest of the asset proceeds were used to purchase FEA's Bell Bay sawmill and accompanying rights to timber from the Tasmanian softwood estate (at that stage half owned by Forestry Tasmania), and the construction of the Portland woodchip loading facility.

Gunns overpaid for a softwood sawmilling business as part of the Auspine purchase in 2008. The Tasmanian mills were decrepit without resource security and necessitated the outlay of a further $50 million for FEA's newer mill and resource rights. The softwood sawmilling assets which cost Gunns $250 million were eventually sold by Korda Mentha to interests associated with New Forests for only $40 million. The Auspine purchase marked the beginning of the end for Gunns. Gross assets of $636 million were acquired but the net purchase price was only $348 million as Gunns took over loans and other liabilities. By the time all Auspine assets were sold the total loss was $350 million. In other words Gunns lost every single $ invested in Auspine assets. And this was a softwood business far removed from the hassles that dogged native forest businesses. The conventional wisdom was this company was going to lead Tasmania out of the economic wilderness. However its demise started when it overpaid and overborrowed with the Auspine purchase in 2008, at the same time as trying to build a $2.3 billion pulpmill without a partner.

Things worsened when Gunns' took over the running of Great Southern's MIS plantations, a move necessary to overcome the lack of sufficient plantation resource in Tasmania for the proposed Bell Bay pulp mill. Great Southern's MIS schemes were located mainly in the Green Triangle and in WA. An additional facility was required at Portland to ship the Victorian product. WA woodchips could be shipped through Albany, the facilities having been acquired by Australian Bluegums (ABG), a company ultimately owned by an American group registered in the Cayman Islands, who acquired the facility following Timbercorp's demise. ABG subsequently bought the Portland facility from Korda Mentha after Gunns' exit.

Within six months of burdening itself with the additional MIS schemes from Great Southern, Gunns realised the significant drain on cash reserves, the uncertain nature of future returns and contemplated internalising the schemes i.e. buying the trees from growers[i]. Given the disaster that befell Great Southern when it tried to do the same in 2008 this never eventuated. Instead the cash flow burden gradually strangled Gunns as it did Great Southern, Timbercorp and Willmott Forests. Gunns were also told in 2010[ii] that potential pulp mill investors were concerned about

- The level of debt and liquidity of Gunns
- Complex and diverse structure
- Various litigation matters

With no spare cash from asset sales Gunns relied on cash flows from operations to survive. However the operating cash flow statements as presented gave a misleading view of Gunns' situation. Despite being boosted by a run down in inventories from the ITC acquisition which had been financed by new equity from shareholders late in 2009, the meagre operating surpluses were inflated by the inclusion of receipts from repayment of loans from the unfortunate MIS growers[iii], who persuaded by conflicted financial advisers and soothed by politicians, recklessly borrowed funds from Gunns to buy tax deductions and support a doomed Ponzi scheme, which in practice if not by design, induced growers to contribute funds to Gunns rather than discharge their ordinary duty as member of a civilised society and pay a lesser amount to the ATO. The loans were subsequently bundled up, securitised and sold to third parties because Gunns needed the cash, but Gunns still received loan repayments on behalf of the new owners of the loans and recorded the inflows as operating cash receipts.

Gunns was on the road to ruin and it was obvious to anyone prepared to look at their financials.

However it was not only the shareholders of Gunns who had skin in the game. Gunns' creditors, who include forest contractors, too were owed a fiduciary duty by the Board. As were the aforementioned MIS growers whose numbers were swollen by misleading signals and unachievable promises, necessitating extra land which unfortunately brought a fourth group of lambs to slaughter--farmers with land to lease to MIS investors, the land needed to complete the pretence that a business of growing trees was being conducted.

Despite all the travails and huge losses, Gunns never once failed to conjure an underlying profit figure, an unaudited figure obtained by excluding the effects of one off events that may otherwise tarnish the true profit of the underlying business, whatever that was, given that Gunns was transitioning to a pulp mill somewhere over the rainbow. In one of its final flourishes late in August 2012, Gunns posted a $904 million loss for the 2012 year but in the next breath reckoned the underlying earnings were $27 million[iv]. It was reminiscent of the Black Knight in Monty Python and the Holy Grail claiming the $904 million loss was just a flesh wound. Three weeks later the undertakers were summoned.

The decline in revenue from native forests as noted in the 2009 Annual Report continued unabated.

In January 2010 Gunns announced the proposed pulp mill would be 100% plantation based.

The mid year report issued in February 2010 announcing the strategic review of operations precipitated the withdrawal from native forests.

If there were any doubts about Gunns' woes the Managing Director made the position abundantly clear in November 2010[v]:

"In the past 12 months we have seen the decline of two of the company's major contributors to profit for the past decade, being the Japanese woodchip market and Australian market for Managed Investment Schemes.

These two businesses contributed 92% per of the company's total earnings before interest and tax since 2001."

The spinmeister's view that the withdrawal from native forests was part of the plan to gain a social license glossed over the reality that there was no alternative. Losing 92% of the bottom line and trying to service almost the same level of debt with decrepit assets that were about to become stranded, left the company with no alternative but to stop the bleeding by closing plants and selling assets.

At the time of its closure in April 2011 the Triabunna mill was handling woodchips for the non Japanese market. As noted in November 2010[vi]:

"The Chinese market is emerging but is significantly more price competitive and it will be some years before it provides the volume and the prices to effectively replace Japan."

It is also important to get the decline of native forest sawmilling into perspective. Again from the same report in November 2010[vii] it was noted:

"..... that domestic demand for hardwood has declined from a little over 3 million cubic metres in 1980 to a little over 1 million cubic metres last year."

The decline in Gunns' revenues from native forests inevitably meant Gunns' major supplier of native timber, Forestry Tasmania (FT), also suffered.

FT could never decide whether it was a regulator, a custodian of public assets or in the forestry business to make profits. Instead it meekly surrendered its monopoly position and basically became a supplier of timber to Gunns on terms which favoured the latter, and inevitably meant when Gunns suffered a catastrophic decline in its native forest business, FT found itself firmly positioned in the front seat of an out-of-control double luge sled in a race to the bottom.

FT's 2011 financials revealed debtors of $39 million, 80% of which were overdue. Of the latter $12 million was considered impaired. Its operating cash was a negative $9 million meaning it wasn't generating enough cash from operations to cover the capital costs of roads to allow harvesting in the first place, let alone replanting costs and other capex amount ($18 million in total). FT wasn't even aware it was technically insolvent until its lender Tascorp reminded them it was in breach of its lending covenants when reviewing the 2009 financials. The situation was finally remedied on 11th August 2010 with a Letter of Comfort from the Treasurer[viii].

It would be a pointless exercise to try to unravel the complex areas of disagreement between Gunns and FT. The level of mistrust between the parties is clearly evident in the correspondence, emails and notes of meeting now on the public record. It's the sort of behaviour that is inevitable when insolvent entities struggle to survive. The amount in dispute was roughly $25 million. FT's Bob Gordon's briefing note to the Minister dated 27th July 2011[ix] put the total debt at $26.83 million.

High level meetings to resolve the dispute and avoid the court system started in January 2011. In March 2011 the Tamar woodchip mill closed down and Gunns had indicated its wish to sell Triabunna by 30th June 2011. Gunns were taking less and less timber from FT. FT was accused of stealing Gunns' customers. Both companies were slowly sinking. By 18th April Gunns' Chairman wrote to his equivalent at FT[x]:

"In light of the decimation of the market for Tasmanian native forest woodchip and the deterioration of the relationship between FT and Gunns, it seems desirable that FT and Gunns separate, Gunns therefore wishes to terminate CoS 917 and 918...." (NB CoS 917 and 918 were the long term supply contracts between the parties).

The reply dated 4th May[xi] highlighted the gulf between the parties.

However it is the height of intellectual sloppiness to portray the dispute in terms of personality clashes rather than attempting to understand the huge financial issues that were impacting on both parties, issues that were inevitably driving outcomes rather than the participants themselves.

Meanwhile other parties involved in the Tasmanian Forest Agreement talks had signed off on an agreement in October 2010, and were waiting for the gravy train to arrive.

The funds were to come principally from the Federal government. The Intergovernmental Agreement between the State and the Commonwealth which was finally signed on 7th August 2011[xii] provide for various compensation payments. Stream Two aimed at protecting high conservation value forests and ensuring sustainable wood supply included at Clause 34:

"The Commonwealth will provide $43 million to the Tasmanian Government to assist the State to facilitate the implementation of this Agreement. At least $15 million of this funding will be used by the State to support voluntary compensable

exits by saw-millers wishing to exit the industry (as set out in Clause 23), and $5 million is to be used in accordance with purposes and conditions to be agreed with the Commonwealth to support provision of information and consultation with affected communities."

After the $15 million for the smaller sawmillers and $5 million for affected communities, $23 million was left to help bail out FT and Gunns.

With a looming bucket of cash in the room Gunns changed tack. Bob Gordon's briefing note to the Minister on 30th June 2011 noted a telephone request from Gunns' Mr L'Estrange[xiii] wishing to recommence negotiations for new supply agreement, despite having indicated ten weeks earlier of its wish to terminate the contracts. Without current agreements in place, receiving compensation for their surrender was going to be harder to justify.

Gunns' cash flow problems were raising questions of solvency. It needed cash for redundancy payments for all the workers displaced from the closure of its native forest woodchipping and sawmilling businesses, for a $10 million principal payment to the banking syndicate in July 2011, and another $20 million to enable substantial commencement on earthworks at the Longreach pulpmill site by the end of August 2011.

Bob Gordon's briefing note to the Minister dated 29th July 2011[xiv] included the following discussion:

+ Forestry Tasmania considers that it is unlikely to recover any more than a small proportion of the amounts owed by Gunns, unless specific measures are taken to recover the outstanding amounts. This conclusion is drawn from:
    - Gunns' behaviour with respect to payments to Forestry Tasmania over the past twelve months;
    - Gunns' advice on 14 July (see above); and
    - anecdotal reports of Gunns' behaviour towards many others of its creditors over the same period.
+ Forestry Tasmania has formed a view that Gunns' financial problems are overwhelming and may soon lead to the appointment of a receiver by its secured creditors.
+ Forestry Tasmania's Board has authorised the pursuit of all available remedies to seek to recover the amounts owed to Forestry Tasmania by Gunns.
+ The legal remedies available to Forestry Tasmania differ from agreement to agreement, but are basically initiated by the issuing of breach notices. If not rectified within a cure period, Forestry Tasmania is then able to pursue other remedies that include the seeking of Court orders for payment, the suspension of supply (hardly relevant, in the current circumstances), the termination of contracts (also of limited relevance, given Gunns' termination of Contracts 917 and 918 by notice in writing on 18 April 2011) and the seizure of assets.

Given that FT was insolvent at the time necessitating the Letter of Comfort, Mr Gordon was attuned to recognise insolvency signs and it was his view that Gunns' problems were so overwhelming that the appointment of a Receiver was imminent.

This was the time of the sale of Triabunna mill. Originally intended to sell to associates of Aprin Logging in June 2011, delays with finance meant Gunns sold the mill to another party, Triabunna Investments Pty Ltd, announced on 13th July and completed two days later.

The sale has been described by the spiritual leader of the Tasmanian Liberals Senator Abetz as "an act of bastardry"[xv] by Gunns' CEO Greg L'Estrange. Believing a narrative dominated by personalities rather than issues is quite silly given Gunns' catastrophic circumstances. Mr L'Estrange did the best he could with the cards dealt by his predecessor. He didn't overburden Gunns with debt. He didn't initiate or promote the fraudulent MIS schemes which ended up choking Gunns when new investors could no longer be enticed to help cover the legacy costs of existing schemes. It wasn't his decisions that created the disparate portfolio of assets within the group, most nearing the end of their effective lives. He had little room to move. There was no option but to raise cash immediately. Gunns was insolvent and fast losing the cooperation of its bankers. FT and presumably the government knew of Gunns' plan to sell Triabunna as far back as March 2011. If Gunns' debt was not in dispute it could have settled by accepting the Triabunna mill in lieu. But FT needed cash. Payment in kind wouldn't help stave off insolvency. That was cash that Gunns didn't have. In fact Gunns needed more cash itself, and quickly, just so it could live to breathe another day. If the debt was not in dispute FT could have acquired the Triabunna mill. FT had an unused facility of $24 million with Tascorp at the time which had been secured by the Letter of Comfort. It could have used that facility. But because the debt was in dispute and both parties needed cash there was a deadlock. Without IGA money both companies would have collapsed. Everyone involved in the forest industry had experienced savage balance sheet losses. It was a war zone. No prudent lender would enter. Cash was king. That's why Triabunna Investments Pty Ltd ended up with the mill.

The next source of cash was the IGA money. Initially it was hoped the $23 million would be paid to Gunns who would then pay half to FT, thus helping to keep both afloat.

But Gunns needed over $20 million to commence earthworks at Longreach which had to substantially commenced by the end of August 2011 else the permits would lapse. It knew it held the trump cards as the TFA would have fallen over immediately had Gunns not surrendered its native forest timber rights. So it dug its heels in and insisted on the full $23 million.

The extra $11.5 million for FT had to be found from elsewhere. It was a defacto payment to Gunns this time paid directly to FT. That's how it was recorded in FT's books, simply as revenue from native forests, not as a government grant or an equity injection. Yet another misleading book entry designed to reduce FT's appalling operating loss. The amount didn't go through Gunns' books so how could a direct payment from government be treated by FT as revenue from native forests if not to pretty up the operating income from forests?

So when did the question of residual rights surface? It is clear the Government asked the Solicitor-General to advise on the matter of residual rights. Not the value but whether it was possible they still existed.

To add a bit of gloss to proceedings the Government employed a Probity Auditor, not to vet whether rights existed or whether they had any value, but simply whether due process was followed. This simply meant to check whether the final outcome was consistent with all the relevant documents and correspondence. And surprise surprise, it was.

Why was the particular Probity Auditor selected?

Why not our Auditor General? The leader of the Government in the Legislative Council at the time explained that "the Auditor-General is authorised to act independently; he has complete discretion in the performance of his functions and is not subject to direction into whether or not a particular audit is conducted or report made". Furthermore it "could potentially compromise his ability to perform a holistic, external and independent review of the processes relating to the Tasmanian Forests Intergovernmental Agreement in its entirety". Better not give the job to someone with too much discretion. Much better to get someone else to do the job, like someone who just happened to be a government appointee on the Board of one of its GBEs, MAIB. The Government's overriding concern for independence caused it to select as Probity Auditor a person who had recently been bestowed a Government favour.

Then there is the question as to how the value of the rights was determined. We are still in the dark.

The Government unbundled the process.

Get the Solicitor General to give an opinion on whether rights exist.

Then get another with links to government to pass judgment on whether due process was followed.

Then someone else to decide on what the rights are worth, but don't tell anyone how it was calculated, how compensation was calculated for surrendering an asset that was creating losses and needed to be ditched to avoid insolvency.

Keep everyone in the dark, at arm's length from one another and then hey presto, Gunns gets $23 million and FT $11.5 million.

The selling of the Triabunna mill is an important event when considering the date of Gunns' insolvency. The cavalier disregard for signs of insolvency which allowed the government to keep a comatose Gunns' away from its inevitable date with destiny has been a black mark against sensible public policy.

Gunns' voluntary administrator in his second report to creditors canvassed the crucial date of insolvency[xvi]. Clearly Gunns was insolvent when it approached the banks in September 2012 on bended knees and asked to be able to retain a little more from asset sales and also "that a debt compromise of a material portion of their debt was required to remain viable", to quote the administrator. Gunns was probably insolvent when it received a significant downward revaluation of plantation assets early in July 2012, making asset sales pointless and raising capital almost impossible. And it might have been insolvent in March 2012 when white knight Richard Chandler Corporation exited the data lock-up after half an hour and headed back to Singapore, despite a proposal that would have resulted in massive dilution of existing shareholders with RCC only contributing $150 million for 40% of Gunns.

But Gunns might have been insolvent as early as July 2011 when the Triabunna mill was sold and the government signed the IGA to enable funds to flow. Bob Gordon certainly thought so.

There has been a conspicuous failure to understand Gunns' predicament. At June 2008 Gunns reckons it was worth a net $982 million. Over the next three years it raised another $500 million from shareholders which should have meant its net assets were $1.5 billion. Instead the market assessed Gunns as only worth $300 million in June 2011. Just reflect on that for a moment, a company raises $500 million in cash from shareholders to add to its existing net assets yet the market reckons it's still only worth $300 million[xvii]. That was the situation facing Gunns when it was scrambling for cash at the time the Triabunna mill was sold.

There has also been a conspicuous failure to understand the hole that FT dug for itself. It didn't even realise it was in breach of its lending covenants until it was pointed out. It was completely insolvent requiring a Letter of Comfort from the government to secure its meagre borrowings. It pursued a policy of riding tandem with Gunns during the good times without any thought of a Plan B. When Gunns crashed so did FT. What else could possibly have happened?

There has been a complete failure to understand the profitability of native forest logging. When FT reports its income it fails to include in cost of sales a value for timber sold. To explain, take a case of a retailer, say Woolworths. For every $1 in revenue the costs of sales may be 80 cents say. After wages, overheads etc the net profit may be 10 cents. In the case of FT an amount for the cost of timber sold is not included in cost of sales. Even if it is timber from a plantation. Imagine for a moment a potato farmer not including the cost of establishing and growing his crops in a calculation of operating income. This is in effect what FT does. Planting costs are capitalised. Any changes to the value of standing timber are treated as non operating income adjustments even when timber has been felled and sold. This is not an esoteric accounting argument , but rather an explanation of the fundamental flaw in the way FT accounts for operating income[xviii], which has almost all been sourced from native forests. This in turn implies that FT's native forest logging is even more unprofitable than current figures suggest, which reveal that it is unable to generate enough cash flow from operations to fund capex such as roads to allow harvest and subsequent replanting costs. Any conclusions the committee chooses to reach about the need for a facility like Triabunna should take into account that native forest logging is even more unprofitable than FT's bleak financials suggest.

There has been a complete failure of process. It will be remiss of the committee if it doesn't attempt to come to grips with the predisposing factors that led to the Triabunna mill sale, not just idle gossip, hearsay and baseless assertions from selected invitees. Understanding the commercial reality underpinning this single event will highlight why public policy in the forestry industry over the last ten years has failed.

- Did the hurried sale of Triabunna for cash less than the previous conditional offer not suggest to the government that Gunns' cash flow problems were worse than previously believed? Did the government question Gunns on its solvency at this time?
- Did the government form an opinion at the same time that were the $23 million IGA money not paid to Gunns that Gunns would have been insolvent? It went to a lot of trouble appointing a Probity Auditor etc to try to make the process appear kosher but did the government do any due diligence on Gunns' solvency at the time? If it didn't it was grossly negligent.
- Where did the $11.5 million paid to FT come from? From IGA funds? If so were IGA funds intended to prop up FT?
- FT's behaviour suggests it was confused about its role, whether a regulator, a custodian, a provider of public goods or a business, or maybe insolvency brings out the worst?
- From June 2008 onward when Gunns' problems increasingly were made public, did the government ever bother to reassess Gunns' capacity to build a pulp mill? Or did it simply accept assurances from the company?
- Was the government aware at anytime from 2010 onwards that Gunns' level of debt and liquidity, the complex and diverse structure and various litigation matters were the obstacles confronting potential pulp mill joint venture partners? If so why did the government simply turn a blind eye and continue to pretend that the dream was still possible?

Assuming this inquiry is not a witch-hunt its very existence is prima facie evidence that prevailing policy is inadequate. Waiting for a declining industry to finally leave before organising a committee to search for a replacement falls well short of optimum policy. One hopes the committee will recommend an alternative approach.

We are currently witnessing a similar approach on the West Coast. The not unexpected closure of the Henty mine followed by the Mount Lyell mine mothballing prompted the establishment of a committee to search for alternatives, in this case chaired by a member of the government whose electoral success partly resulted from his appeal to the bogan demographic via unreserved support for an undercapitalised tin pot miner whose only chance of survival depended on the iron ore price staying above $100 per tonne which it isn't and unlikely to be in the near future, inevitably resulting in dashed expectations and more pain for the local community. What chance of getting sensible suggestions from them? A little time reading the financials and ASX announcements would have sounded warning bells[xix]. That unfortunately is the problem, politicians, ministers and minders, unwilling and in most cases, unable to comprehend matters financial and instead relying on the sweet talking of proponents.

The role of government needs to alter. It needs to step aside, be willing to forgo the cutting of ribbons and unveiling of plaques and become more of a facilitator, not an active participant where it too easily becomes another victim of cognitive capture by self interested promoters and groups.

ENDNOTES

[i] [i]Report by Administrators p 10 https://www.ppbadvisory.com/uploads/i297-s439A-report-to-creditors-Part-1.pdf
[ii] Ibid
[iii] This can be seen in the Report by Administrators p 53 https://www.ppbadvisory.com/uploads/i297-s439A-report-to-creditors-Part-1.pdf
[iv] 2012 Preliminary Final Report http://www.asx.com.au/asxpdf/20120831/pdf/428fnb3snnjpqh.pdf
[v] Managing Director's Address AGM 2010 p 1
http://www.asx.com.au/asxpdf/20101125/pdf/31v4d7v72s3pfz.pdf
[vi] Ibid p 4
[vii] Ibid
[viii]See http://www.parliament.tas.gov.au/ParliamentSearch/isysquery/7c774314-877f-491e-bb15-109ad031c85b/7/doc/
[ix] See RTI 11-21 http://cdn.forestrytasmania.com.au/uploads/File/pdf/rti2011/RTI11-21_elise_archer.pdf
[x] See Forestry Tasmania RTI request RTI 11/16 (Part 2)
http://cdn.forestrytasmania.com.au/uploads/File/pdf/rti2011/rti_11_16_gutwein_part2.pdf
[xi] Ibid
[xii] [xii] See http://www.environment.gov.au/system/files/pages/88396b17-ea57-466d-858a-ad896d98fa16/files/tasmanian-forests-intergovernmental-agreement.pdf
[xiii] See Forestry Tasmania RTI request RTI 11/16 (Part 2)
http://cdn.forestrytasmania.com.au/uploads/File/pdf/rti2011/rti_11_16_gutwein_part2.pdf
[xiv] See RTI 11-21 http://cdn.forestrytasmania.com.au/uploads/File/pdf/rti2011/RTI11-21_elise_archer.pdf
[xv] The Monthly July 2014 p 26.
[xvi] See Report by Administrators p 31 https://www.ppbadvisory.com/uploads/i297-s439A-report-to-creditors-Part-1.pdf
[xvii] $334 million was raised in Sept 2008, $145 million in Nov 2009 and $25 million in Feb 2011. By June 2011 there were 848 million issued shares worth 35 cents each.

[xviii] The 2012-13 financials have a changed format. In prior years changes in the value of standing timber were considered a non-operating item. Prior to 2010-11 operating expenses also failed to include the costs of defined benefit superannuation for employees.

[xix]See http://www.tasfintalk.blogspot.com.au/2014/05/shree-another-mining-accident-waiting.html