

From:

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To:

The Legislative Council Select Committee looking into the Tasmanian Forests Agreement
Bill 2012

As a third generation forestry/timber industry worker, I was in essence born into it. I am very passionate about the industry and the fact that it is one of the most sustainable and environmentally friendly industries that operate in this state.

Timber is an important part of daily life that is taken for granted by many, with many not understanding the multitude of products and their uses. For example, our saw mill supplies to the agriculture industry – vegetable bins and wood chips for use in calf sheds and lanes. We also produce garden stakes, surveyor pegs, bridge building timbers, saw dust for boilers, and the list goes on.

The timber industry has generated billions of dollars for the Tasmanian economy. The importance of the industry, the thousands of direct jobs, and thousands more indirect jobs, is generally understated by those who have no appreciation for, or like of the industry.

My business consistently, until 2009/2010 turned over 6-7 million dollars a year, paying out around 1.6 million dollars in wages each year. The industry being a high expense industry, the majority of turn over went to local and Tasmanian businesses and this is one of the reasons why it economically stimulated the whole of Tasmania.

Income generated by the industry helped pay for roads, hospitals, schools, police etc. It is not mere coincidence that the Tasmanian economy has been struggling; it falls in line with an industry that generated over 1 billion dollars into the economy each year, being brought to its knees. Tasmania can not afford NOT to have the industry.

We all know that we can not undo the damage that has been caused over the last 3 years, businesses gone broke. I know full well what it has done to my business and my health, also the broader community. It has been terrible, and what pisses me off most is that it was preventable because it was largely man made.

Had the attitude of all people involved been – OK, the industry is at a cross roads, let's put time, effort and energy into where we want to be in 50 years – Tasmania would now be starting to reap the rewards of that now.

The industry needs to diversify, so that it is not dependant on 1 or 2 markets. We need many strings to our bow, e.g. biomass, biochar, gasification, ethanol, peelers, sawn timber, cross

laminated timber. Better marketing of our high grade sawn timber and then add the list of opportunities we haven't even thought of yet.

I quote often refer to it as a butcher shop. What price would they have to sell their scotch fillet for, if they could not get a return for the waste product, which is turned into mince? The answer is a shit load more. Would consumers pay for it? No. That is where we are sitting now with our industry. We are not getting a return for our by products and this is what we must address.

When I asked Vica Bailey at Ross, why is it that the Australian conservation movement is the only environmental movement in the world that does not recognise biomass as a renewable energy, he said because they did not want an industry made out of it. Who the hell does he think he is? God?

These are just some of the reasons why I believe that it is worth fighting for our fantastic industry because it is just politics holding it back at the moment, causing unnecessary grief to the people of Tasmania and its nothing but selfishness, stupidity and short sightedness it makes me angry. We now have our kids stressed and concerned about their future here and they have good reason to think that way, because we have let them down with our short-sighted politics.

We do have to change our way of thinking and adopt an aggressive approach to rebuilding the industry, if Tasmania is going to have any chance of becoming vibrant again. Locking up more of the resource makes no sense. I cannot see how this helps the economy or the people of Tasmania one bit, because it turns an asset into a liability.

Tourism is the icing on the cake; it will never provide certainty to the economy and communities. What is the first thing you do if you are struggling financially? Stay at home, you don't go on holidays. It is my opinion and logic that we have too much of Tasmania locked up now and need to look at some of these areas. It may well be that the best management would be for it to return to production forest.

The section of the Western Tiers that my grandfather milled in the 1930's, and my father logged in the 60's, now has a yellow boom gate on it and is of conservation significance. What a load of crap. The truth is we will lose the lot in a cloud of smoke. Even more expense to the tax payer fighting the fires.

The forestry agreement – what will it deliver to Tasmania? Half a million hectares locked up, which is another 8% on top of the already 48%. And a handful of industry players receiving money. Peace in the forest, never at our level, and the people that give us grief are not committed to the process and won't stop.

Forestry Tasmania will be left with 3% of the 11% of Tasmania's landmass it has now to supply the industry. Within 20 years FT will have to find its volume for its contracted customers, which means it will be rotation through the remaining forests every 40 odd years, which will become the death of our sawmill industry for furniture grade timber as it will not be mature enough to cut stable timber. We need 80-120 year rotations.

When me and my wife camped under the protester tree it was the best thing for me as it wasn't long and the dialogue was created. This was educational from both sides as they came

to teach me how to manage forests, and they were surprised about the amount of planning that went into what we did. But when you get to the heart of it, they want NO industry, but still want to get their fire wood. One of them asked me what my opinion was of the super trawler. I said that I could not comment on it as I did not understand it. These people do not understand our industry, yet they want to be the ones that direct it into the future.

I still wonder what was going on when the government paid out over 68 million dollars in 2008 under the Tasmanian community forestry industry development program to encourage businesses in the forestry industry to invest in growing the business into the future. It was a dollar for dollar grant opportunity, and businesses like us got loans to invest in plant and equipment as it indicated to us that our future was long term. In 2010 they shut it down, I still don't understand this.

A lot of industry people are still heavily in debt, especially those who did not receive any compensation. Myself, I am in debt by over 1 million dollars. This position, of bugger all work, makes it very attractive to take the money on offer and run.

Do not be fooled, it was by design to have us on our knees with them saying you have no choice but to sign on the dotted line. Take your chance you might get some money. But where does that leave our children and the communities that rely on the industry? Stuffed! Absolutely stuffed!

We need a strong government that will address the protestor issue sooner rather than later, by showing support to the hard working men and women of Tasmania, instead of rewarding protestors by giving them, the minority, just what they want all the time. As we travelled around the state with the coffin, it became so clear to us that this is how the majority of Tasmanians feel.

From now on, every time there is an illegal protest, we should unlock 1% of what they have locked up. I am sure this would send a message that we have had enough.

The media, they can be a great ally, and a destructive enemy. Each of you would know this. They have not been kind to our industry for what reason I don't know. When there a handful of jobs lost at the ABC, they carried on like pork chops. Yet no one cares about the 70 or so people that I am not longer able to employ. No one heard about it or cared because they are just forest workers.

I welcome money to come to our industry, as 3 years of no work, no residue markets means that a lot of us will not survive without something. But let's use it to stabilize the industry and rebuild it. Long term planning is what is needed and we must insulate it from short sighted politics. This will bring confidence and investment. But no more lock ups.

This forestry agreement sits as a plan Z, the worst possible outcome for the industry. To generate a viable plan A, let the industry sit down with the government and I mean all of the industry and I mean a majority government.

After speaking to a player in the game as to why they want the agreement to get passed, it became clear to me that they see the agreement as a means to extinguish their competition, which will allow them to jack up the prices on their products.

Another player said that Bunnings pressured them because the environmentalists threatened to protest their stores. Let's just keep rewarding the environmental terrorism.

Some of the other players are plantation oriented and still believe that if the native industry is closed down, that the eucalypt plantation will be able to go ahead without controversy.

Our native forest is Tasmania's best asset. Eucalypt plantation is a commodity product as it can only be put into pulp production.

I have just given snippets of what I believe and on that note, we must reject the IGA process and have industry work with a proactive government that will undo the handcuffs. Work with us to rebuild our industry for the future of our kids and for the states future.

Thank you for taking the time to read my submission.

Yours faithfully

Michael Kelly