



# **PARLIAMENT OF TASMANIA**

## **TRANSCRIPT**

### **HOUSE OF ASSEMBLY**

### **GOVERNMENT BUSINESSES SCRUTINY COMMITTEE**

**Sustainable Timber Tasmania**

**Wednesday 4 December 2024**

#### **MEMBERS**

Mr Street (Chair);  
Mr Behrakis MP (Deputy Chair);  
Mr O'Byrne MP;  
Mr Willie MP;  
Mr Winter MP; and  
Dr Woodruff MP

#### **OTHER PARTICIPATING MEMBERS**

Mr Shelton MP;  
Mrs Pentland MP;  
Mr Garland MP;  
Dr Broad MP; and  
Mr Jenner MP;



## **WITNESSES IN ATTENDANCE**

**Hon. Eric Abetz MP**, Minister for Business, Industry and Resources, Minister for Transport

**Rob de Fégely**, Chair, Sustainable Timber Tasmania

**Steve Whiteley**, Chief Executive Officer, Sustainable Timber Tasmania

**Suzette Weeding**, General Manager Conservation and Land Management, Sustainable Timber Tasmania

**Chris Brookwell**, General Manager Corporate Services, Sustainable Timber Tasmania



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**The committee met at 8.31 a.m.**

**CHAIR** (Mr Street) - I welcome the minister, chair and CEO to the committee today. I also welcome the other members of the committee. The time schedule for the scrutiny of Sustainable Timber Tasmania is three hours. As is the practise of the committee, the time taken up for any breaks will not be added to the time for scrutiny, so I don't intend to take a dedicated break during these three hours. Members and witnesses are welcome to help themselves to tea and coffee throughout the day and take any other appropriate breaks as necessary. Members would be familiar with the practice of seeking additional information, which must be agreed to be taken by either the minister or the Chair and then provided in writing to the secretary.

I invite the minister to introduce any other persons at the table, including names and positions, and then make a brief opening statement.

**Mr ABETZ** - Thank you very much, Chair. If I may, from the left-hand side, Suzette Weeding, general manager, Conservation and Land Management; Steve Whiteley, chief executive officer; Robert de Fégely on my right, who is the chair; and Chris Brookwell, general manager, Corporate Services.

In a brief opening statement, wood is the ultimate renewable resource. We need timber for the construction of more housing, to make furniture and manufacture wood products, including those essential for the phase-out of single use plastics. Collectively, forestry contributes more than \$1.2 billion to our economy and provides jobs for some 5700.

Unfortunately, there's some uninformed, ecologically perverse pushers to ban sustainable native forest harvesting, as has already occurred in states like Victoria and Western Australia, as Sustainable Timber Tasmania continues to operate profitably in 2023-24, making seven consecutive years of financial sustainability since its restructuring in 2017.

During the most recent financial year, it paid \$139 million to 621 Tasmanian goods and service providers. Importantly, \$65.5 million was paid to harvesting and transport contractors for their work to produce 1.2 million tonnes of forest products for processing in Tasmania. Each year the business harvests around 6000 hectares of native and plantation forests, which is less than 1 per cent of the total area that Sustainable Timbers manages.

Apart from its forestry operations, it supports firefighting activities and plays a critical role in fire management, works collaboratively with apiarists, tourism businesses and recreational users of our forests, and manages a network of forestry roads to support and facilitate access to hive sites and tourism attractions. Let's open for questions, Chair. Thank you.

**Dr BROAD** - Minister, during the election campaign, the policy from the Liberal government was to ensure they would make changes to the ministerial charter to ensure the organisation remains focused on on-island processing and locally grown wood. Can you describe what changes were actually made to the STT ministerial charter?

**Mr ABETZ** - The ministerial charter is on the public record, so people can do the compare and contrast for themselves. Some of the things I thought should be included were consideration of some of our cultural aspects, just for one, which was for our woodchopping

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friends. What I can do, Chair, should Dr Broad wish, is I can table the ministerial charter, which was signed on 3 September and allow people to analyse it as much as they would like.

**Dr BROAD** - What changes have STT been required to implement in practice to ensure that obligation is met, the obligation being to ensure the organisation remains focused on on-island processing of locally grown wood?

**Mr ABETZ** - With the processing of wood on island, that has been, to the credit of STT, part and parcel of its focus in its contracts, in its wood supply. Then it's for government to assist on occasions with island processing and we have the grants to assist in that regard. There are, if you like - it's a holistic approach to the issue of -

**Dr BROAD** - Yes, but what changes have STT been required to implement?

**Mr ABETZ** - Bear with me.

**Mr de FEGELY** - Possibly, Dr Broad, I can make a comment, if you're happy.

**Mr ABETZ** - All right, thanks.

**Mr de FEGELY** - The thrust of STT has always been to sell locally, from high-quality sawlogs down. The challenge for us has always been in lower quality wood which has been sold to local processors for export. We sell pulp wood to Artec. We have a thinning operation on the east coast and in the Derwent with Midway, and that is chipped and sold into the export market. But, essentially, where we can, our cat 1s cat 3s, cat 8s are all sold to local businesses. And we've never changed that policy.

Some of our customers have sold unprocessed logs at times during different market positions. We have been in tough markets where people have requested us to buy wood. The CEO can give you a little bit more detail on that. Generally speaking, our philosophy is always to sell to local businesses to process locally.

**Dr BROAD** - But what changes have been made? That's been my question. It doesn't appear that there have been any changes following the state election, where the government policy was to change the ministerial charter to ensure the organisation remains focused on on-island processing of locally grown wood. The question is what changes has STT been required to implement, or is it status quo?

**Mr ABETZ** - All sawlogs are provided to domestic customers now, to Tasmanian customers and I understand that is what is occurring.

**Mr de FEGELY** - There was also the addition of the clause on carbon credits. It wasn't clear whether we could or couldn't sell carbon credits from some of our plantations. The original charter was silent. We went to the Treasury and asked the government whether this was possible. We'd had some inquiries to purchase those credits. The government asked us to hold off, they've changed the charter. That is one of the major changes.

**Dr WOODRUFF** - Minister, regarding the 39,000 hectares of forests that ought to be protected for their biodiversity and high conservation value as that is incredible forest, we asked you in Question Time on 1 August:

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Will you release the maps that show where these parcels of land are and tell Tasmanians how much public land you're planning to log and burn?

You said you'd take that on notice and table the maps if they existed. You never tabled them. Yesterday, an RTI emerged that showed that they did exist back in August this year. In fact, we now know they existed on 4 March 2022. Did you know?

**Mr ABETZ** - Well, first of all, the premise of your question, the 39,000 hectares to which you refer, was agreed to by a number of organisations, including those that present themselves as conservation organisations, as being land to be set aside for future consideration. To say that it was set aside for conservation values is not to represent the truth of the matter. The truth of the matter is that those 39,000 hectares were set aside for future consideration.

**Dr WOODRUFF** - Chair, to the question.

**Mr ABETZ** - No, you cannot -

**Dr WOODRUFF** - To the question, Standing Order 45, relevance. I asked you a question.

**Mr ABETZ** - You cannot give a huge introduction -

**CHAIR** - I'm sorry, minister. Dr Woodruff, it's not Question Time. You get to ask the question. You don't get to interject in here, or it's going to be a very long three hours. You're going to get plenty of opportunities to ask plenty of questions, as you did yesterday. The Greens had more than their fair share of questions yesterday. I will make sure that you get enough questions today. Allow the minister to answer the question.

**Dr WOODRUFF** - Thank you, Chair.

**Mr ABETZ** - The 39,000 hectares which you reference has been misdescribed either ignorantly or wilfully, and I'll let listeners determine that. I won't make a judgement call on that. Suffice to say that, on becoming minister, I inherited a policy and I am now taking a staged approach to taking Future Potential Production Forest (FPPF) parcels before the parliament before the consideration should we come to that position. I'm awaiting advice from the Department of State Growth in relation to this and there will be an opportunity for all to scrutinise this through the parliamentary process. Any land suggested or proposed for harvesting will have to go through the parliamentary process.

**Dr WOODRUFF** - We know the locations and the details were known to the Department of State Growth on 4 March 2022. When we asked you where those 27 parcels were, did you know then?

**Mr ABETZ** - The question that was being proposed in relation to what I may or may not be doing, the answer remains the same: that I'm taking advice and seeking advice in relation to certain parcels. Until I have that advice, I'm not in a position to say whether a particular parcel should or should not be advanced. At the time I make such a determination, that is when the parliament will have its say as well.

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**Dr WOODRUFF** - We asked you in parliament whether you would release the maps that show where those parcels were. You said you'd take it on notice and table the maps if they existed. You never tabled them. We have the evidence that they existed in 2022 because we've identified the coupes - the maps - ourselves from the RTI information. Why didn't you table them? Did you mislead parliament?

**Mr ABETZ** - No, but you didn't identify them. You were told what they were back in 2022. It's not a requirement or a claim that you can make that you personally identified them. You sought information from the department and the information was obtained.

**Dr WOODRUFF** - Hold on. This is your department's information; you're the minister. We asked you to table the maps. You said you'd take it on notice. You didn't table them. You said you would take it on notice if the maps existed. We have the evidence that the maps existed. You didn't table them. Did you mislead parliament?

**Mr ABETZ** - No, I didn't.

**Dr WOODRUFF** - Did you know that the maps existed?

**Mr ABETZ** - I was aware that there was some proposals put forward for the election but from my perspective, I was going to have a look through each and every suggestion and before I was willing to commit to any area, I wanted to go through - and look, there's a legislative process that, as minister, I am required to go through should I come to a determination that I want to propose an area to the parliament.

**Dr WOODRUFF** - You were the third minister -

**CHAIR** - I am going to move on.

**Mr SHELTON** - Forestry, as you indicated in your opening statement, only uses 1 per cent of available land and it's all about sustainability as far as forestry and the balance there goes. I'm interested in what STT is doing as far as regrowing forested areas. Particularly in Lyons, there's huge forestry activity over the years and some of that forestry activity is now in the World Heritage Area. I'm interested in what STT is doing to regrow and build the forest industry.

**Mr ABETZ** - Sustainable Timbers Tasmania is called Sustainable Timbers Tasmania for a reason. That is that when it harvests an area it regrows it according to the best possible ecological science that is available. If you needed proof of how good it is, a lot of the regrowth forests are now being claimed as pristine forests worthy of preservation by certain Green groups within our community. That should tell everybody the very sustainable way in which our forests are harvested by Sustainable Timbers Tasmania. When I rhetorically ask from time to time, 'Show me a country that does forestry better than Tasmania', I'm left with uncharacteristic silence in the Chamber. I think this also answers for us the way that forestry is done: that people find it exceptionally difficult, if not impossible, to point to a place where they do forestry better than we do it in Tasmania.

Sustainable Timbers takes great care in regrowing forests following harvesting. The process includes seed cultivation, collection, storage and management, forest establishment, site preparation, sowing, planting, quality standards, monitoring and remedial treatments,



including weed management and the surveillance of diseases and animal pests. In 2023-24, STT actively prepared over 5000 hectares for regrowing and planted 149 million seeds to sustainably regrow forests. I did ask, somewhat tongue in cheek, who counted the seeds, but I understand that they are not individually counted. One assumes they are weighed. Nevertheless, in anybody's language. 149 million seeds is a huge amount and indicative of the work that STT does. STT plant vastly more seeds in Tasmania than any other organisation.

In fact, the commitment to maintain an extensive and permanent native forest estate has been a key commitment of Tasmania's Regional Forest Agreement with the most recent Australian State of the Forest report showing that Tasmanian native forest cover has increased over the past two decades. Can I repeat that? The forest estate has increased over the past two decades.

STT is also actively involved with education. In 2024, over 2000 Tasmanian students explored the wonders of our forests through the STT School Tree Day program. I was pleased to attend a school in your electorate, Mr Shelton, Bothwell District School, for such an occasion.

It is wonderful work that STT do, we get wonderful job opportunities arising from our forests and STT manage our forests exceptionally well.

**Mrs PENTLAND** - My question is about special species timber being provided to our wonderful craftspeople and boat builders. According to the annual report, on table 22, only three cubic metres of celery top pine millable sawlog and two cubic metres of blackheart -

**Mr ABETZ** - Sorry, Mrs Pentland, what page were you referring to again?

**Mrs PENTLAND** - Table 22. Only three cubic metres of celery top pine millable sawlog and two cubic metres of blackheart sassafras millable sawlogs was harvested last year. Can you advise how many trees of each species this would be?

**Mr ABETZ** - That would be a difficult question. Does anybody do a tree count on that?

**Mr WHITELEY** - We would have a record of that. We sell individual logs so we can infer the number of trees based on the length of the logs. That's not something we normally report in the annual report. If there were three cubic metres, it's likely to be more than three trees and less than six.

**Mrs PENTLAND** - More than three and less than six.

**Mr WHITELEY** - Likely to be, that's an estimate, but again, we keep a record of all individual logs that are sold and they're high-value product. They're sold to a miller in the north-west.

**Mrs PENTLAND** - Two cubic metres would be?

**Mr de FEGELY** - A cubic metre is about a ton, roughly, and we sell by volume or weight. We don't tend to sell by tree. It's not a common methodology that we use because of the variation in tree size, quite obviously, so a more uniform way of doing it is by ton or volume.

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We do occasionally sample the number and the size of the trees, but it's not a common unit that we keep.

**Mr ABETZ** - I can provide you with some information in relation to celery top pine - 11 cubic metres was harvested in 2023-24.

**Mr de FEGELY** - In total.

**Mr ABETZ** - Yes, in total. The tree numbers I can't provide, but cubic metres I can.

**Mrs PENTLAND** - Looking at that, would this be a good result as far as production?

**Mr WHITELEY** - It's a good result to the extent that we make sure we sell all of the celery top pine that's available to us within the areas we've scheduled for harvest. Really, it's about making sure we utilise all of these things. Again, the mechanism we use is we've got a miller who's got a contract up in the north-west and we've got a small business in southern Tasmania, Island Specialty Timbers. We bring logs into that business and they can be craftwood-style logs or shorter logs as well as the sawlogs - the important sawlogs. Success for us is really to the extent that we can sell all of the celery top pine that's of sufficient quality and is able to be delivered into the supply chain for Tasmanian businesses that appreciate the very limited supply we have at the moment.

**Dr BROAD** - Minister, during the state election, commitments were made by the Premier that sawlog supply contracts for existing customers would be extended out to 2040. Exactly what steps have been taken by STT to secure this outcome?

**Mr WHITELEY** - I'm happy to talk to that. We have a range of customers, as you say, contracted to 2027, and there was an announcement that the policy view of the contracts would be extended to 2040. One of the actions we have taken since that announcement is to do some rework of some preliminary analysis we had. We'd done some detailed modelling to 2035 previously, so we've had a look at the other resource that may contribute to contracts to 2040. Beyond that time, we've contacted all of our existing contract holders and for most of those we've provided a draft term sheet outlining the nature of the available resource from now rather than just after 2027, but from now right through to 2035 or 2040.

The difference between 2035 and 2040 is that's when a lot of our silvicultural regeneration from the 1970s will contribute to sawlog supply. It'll be quite different from the resource that's available under existing contracts, which is about half mature and half regrowth at present. Over time that will change. We've sought to give all of our customers a view of the nature of the resource.

The other thing we've done is provide some advice to them around options for the rate at which we supply during that period. We've provided information about the pool of available resource. Some businesses are interested in other sources of wood, including hardware plantation, but also some are looking at private forest resource and they are discussing with us at the moment the viability of some of the options they might have to continue at the same rate as their current contract, or alternatively reduce and change the mix based on acquiring some hardwood plantation or private logs.

**Dr BROAD** - What would you say the status of these contracts are at the moment?

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**Mr WHITELEY** - The contracts are firm contracts to, in most cases, July 2027, and in one case to December 2027.

**Dr BROAD** - That negotiation for the new contracts, what would you say their status is?

**Mr WHITELEY** - We've provided a draft term sheet, the instrument - that's probably the best description - which is an outline of the available volumes and characteristics of the wood and have invited some of our customers to discuss with us what their preferences may be. Some have done that and others haven't.

**Dr BROAD** - What has been the response from the processes that you're in negotiation with?

**Mr WHITELEY** - Quite variable, ranging from some would simply prefer to continue with current arrangements right through to others considering different options for their sawmilling business and particularly the other value-adding opportunities. The other one with sawmills is it's not just about high-quality sawlog, it's about the other grades of logs. The category 2 and category 8 eucalypt logs we also supply on a trial basis and hardwood plantation logs at the moment. Some sawmills are looking at lower grade logs. They're not classified as sawlogs, but effectively they go into other products like pallets. The range of responses is very broad, very wide, quite different and quite distinct. I'd say no two businesses, based on our business-to-business discussions, are the same. They are concerned about the decrease after 2027 and they're looking to try to understand what the opportunities might be to sustain or perhaps grow or modify their businesses based on potentially available resources beyond their current contracts.

**Dr WOODRUFF** - Guy Barnett was Resources minister in 2021 and he wrote to Forestry Tasmania in December of that year asking them - actually it was Kim Evans, the secretary, who wrote; Guy Barnett wrote earlier in the year. Kim Evans wrote asking to provide advice on their strategic land interests with specific information about FPPF land parcels or subparcels that you would seek to manage within your estate, with information for each parcel or subparcel about land size and area required. It should include preliminary information on known land values and lands potential contribution. There was a response on 4 March 2022 that said they would like 27 parcels of FPPF land totalling over 39,000 hectares that will be suitable to be managed as production forests.

Minister, the RTI also shows deliberative material was prepared for Cabinet. Your government announced 27 parcels of high conservation value forests would be given to the forest industry in March this year at the election, exactly the same number and hectareage that Forestry Tasmania requested in 2022. Why did you not provide that information to parliament and did you deceive parliament when you said you didn't know anything about this?

**Mr ABETZ** - Chair, if I may, I have been burnt far too often, taking at face value assertions made by the Greens. I would want to see the documentation and the actual *Hansard* -

**Dr WOODRUFF** - It's online. It's available.

**CHAIR** - Dr Woodruff.

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**Dr WOODRUFF** - You are the minister.

**CHAIR** - Dr Woodruff.

**Mr ABETZ** - I know that it's available, but I don't have it presently in front of me.

What I have unfortunately learned, as with the introduction to the first question - it was misleading by the assertion that this land had been set aside for whatever values and not that it was also set aside for future consideration for wood production.

I have been too often burnt, and I have realised that the Greens in the questioning have introductions and assertions that don't match with the actual record or with the actual facts. Until such time I have the full information in front of me, I won't be able to answer the specific question. Suffice to say, of course I did not mislead the parliament.

**Dr WOODRUFF** - Well then, I ask the question, are you the minister of Forestry Tasmania, or aren't you? How could you -

**Mr ABETZ** - No. I am the minister for Sustainable Timber Tasmania.

**Dr WOODRUFF** - Hold on. Chair, could I ask the question?

**CHAIR** - You asked the question.

**Dr WOODRUFF** - The question is, are you the minister or not? Because if you are the minister, how is it believable that after five months of being the minister, when this information was sitting in your department - your own department secretary had instigated this; it had been worked on for two-and-a-half years at that point by your own department. How is it believable that you didn't know?

**Mr ABETZ** - As I think the record will show, I entered the parliament in March of this year. I was made a minister for this area in April of this year -

**Dr WOODRUFF** - Four months.

**CHAIR** - Dr Woodruff, one more time and you'll be officially warned.

**Mr ABETZ** - As I understand it, I look after Sustainable Timber Tasmania, Chair, and not forestry, as Dr Woodruff continually refers to it. I would have thought just common decency and practise would require a member to refer to the organisation by its proper name.

**Dr WOODRUFF** - Will you answer the question? Did you mislead parliament on 1 August when we asked you to table the maps of the 27 parcels of land and any other information, for which the evidence is shown from the right to information document that was released yesterday by the Ombudsman because your own department has been fighting tooth and nail since earlier this year to make sure this information wasn't released to communities. Did you mislead parliament? The evidence is that the information was there and has been there for two-and-a-half years now.

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**Mr ABETZ** - You can ask a sixth, seventh or eighth time and it won't surprise you to learn that I categorically deny that I misled the parliament.

**Dr WOODRUFF** - Will you release the maps today? Table the maps now, because we know they exist.

**CHAIR** - I'll move on. You've had three questions in this rotation, Dr Woodruff. I'll go back to Mr Shelton.

**Mr SHELTON** - Minister, most of us understand that every industry in Tasmania contributes to our overall economy. The forest industry and our STT contribute to our economy. I'm interested in the actual numbers that you mentioned in your introduction and how STT contributes to the broader economy and, of course, local businesses and local jobs.

**Mr ABETZ** - This is very important, especially for the electorate of Lyons, and also in my own home electorate of Franklin down south in the Huon area. Sustainable Timber Tasmania is a key employer in many regional areas and employs directly and indirectly over 5000 people. As I indicated earlier, \$65.5 million was paid by STT to harvesting and haulage contractors, \$139 million worth to over 620 Tasmanian providers. STT achieved a total 'buy local' rate of 97 per cent for the year. The expenditures, as was implied in your question, reverberate throughout the Tasmanian economy, especially in our regional areas.

STT proudly supported forest education and training in Tasmania to a value of \$338,000. It supports the production of \$4.3 million worth of honey based on current wholesale prices. There are benefits from STT's activities, and indeed the other day I was on a forestry road having a look at a coupe, and that forestry road was in fact employed by many a person to drive along to get to see, beyond the coupe, the wonderful scenery of the Tasmanian coastline.

There are huge benefits that are not fully taken into account in relation to the work that STT does. On Sunday a week ago, I think it was, I was in your electorate at the Derwent Valley Beekeepers Association field day, and it was recognised by many of the beekeepers there that they wouldn't get access to leatherwood honey but for the forestry roads and the forestry operations. Having a good relationship for our iconic leatherwood honey is just another one of those examples of great benefits to our Tasmanian economy through our operations through STT.

**Mrs PENTLAND** - Minister, still on the volume of specialty species timber being provided to the industry, the amount of celery top pine and blackheart sassafras was discussed before. Is that enough to meet demand?

**Mr ABETZ** - I would suspect not, but the specialty timbers have a - I'm just trying to find where I was looking at before. Sorry, Mrs Pentland, I might be given some assistance.

**Mr WHITELEY** - It's 9.3.

**Mr ABETZ** - Thank you very much. We are looking at other ways, and one thing we're looking at, and made some money available for, was heli-harvesting, so helicopter harvesting of special timbers. We are looking at that opportunity to see whether we can assist, because specialty timbers are a great value adder for our craftsmen in particular, the furniture making. That's why we also have the wooden boat plank bank.

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**Mr de FEGELY** - Wooden Boat Board Bank. It's a tongue twister.

**Mr ABETZ** - Right. Board instead of planks, but yes. We are looking at that area and are very interested to ensure that we get the very best value for our specialty timbers.

**Mrs PENTLAND** - Given there is a high demand, and assuming the resources are available on the PTPZ land, why isn't STT meeting the demand of the industry by harvesting more of this timber in those zones?

**Mr WHITELEY** - As I said before in the answer, we've got a customer at Smithton. We talked to them about their demands - really that's the feedback we get. Two years ago, we had a specific request for blackheart sassafras that was to go into a high-value veneer product. It's now in the ceilings of the Tasman. If you stand at the traffic lights and glance up there, that was a really important project, and we supported our customer in sourcing the logs for that.

We've also been in discussion with them around celery top pine. Really, it's about them making an assessment of what customers they've got. We've identified some areas that are available to them to take their contractor to harvest celery top pine. We're well aware that if there is demand, we need to make available suitable areas for harvest. That is in the northwest, particularly.

In the south, as I said, we have our sort of retail business, Island Speciality Timbers. I have a note here around the activity in sales for last year. Unsurprisingly, the majority of the wood sold through our tenders, which are available. There was nearly 70 cubic metres of blackheart sassafras sold at an average price per cubic metre of \$991. It is a high-quality resource that's really important for local artisans and furniture makers. A small amount of blackwood was also sold. It's not so prevalent in the south of the state, and as you mentioned, small quantities of celery top pine. There was just under four cubic metres offered for tender and that was at an average of \$620 a cubic metre. These high-value products are being sold to the market.

**Mrs PENTLAND** - That's just one customer. Have you spoken to other clients in that sector?

**Mr WHITELEY** - No, this is our retail business.

**Mrs PENTLAND** - Right.

**Mr WHITELEY** - They put out a public tender. Have a look at our website, we publish the activity there, all of the lots we're offering, and we also publish the prices we get to help inform the market. What we're looking to do is help inform the market. Our manager down there takes orders. There are some other millers as well; some logs come from private land and other sources.

If people are interested, really the two practical places to go would be Britton Timbers at Smithton if you've got orders for traditionally milled logs and Island Speciality Timbers. A lot of this is the businesses being aware that there is a demand so they've got a chance to -

**Mrs PENTLAND** - Sorry, are they the only two?

**CHAIR** - Sorry, I need to move on in the rotation and come back to you, Mrs Pentland.

**Mr WHITELEY** - I am happy to provide more information.

**Dr BROAD** - Getting back to the election commitment to extend customer contracts out to 2040, when do you expect that this contracting process will be finalised?

**Mr WHITELEY** - Across the hardwood sector, we're running some concurrent processes. As you've indicated and we've discussed previously, we've got existing customers who have contracts to 2027. We're engaged with those customers on the native contracts. The feedback we're getting, as I said, is quite broad. People are interested, potentially both into simply continuing their business or, as you know, there's a prospective hardware plantation log offering as well and our customers are very interested in that. I'd expect some combination of continuation at some level of the logs they're currently purchasing.

Some are considering logs from private forests now. I think we've all noticed that after many years of not a lot of activity on private forests there's quite a bit of activity now. There's significant potential for additional logs to be sold for on-island processing to local businesses. Many of our customers are interested in acquiring those logs along with the plantation logs. With the two components that we deal with, the hardwood plantation logs and obviously what we're currently supplying, we'd expect to bring those two together in a new long-term contract for each of our customers, so when we're able to negotiate with them on all of the material that we are able to sell them that they're interested in, we'd look to complete a contract with each of them.

**Dr BROAD** - You didn't really answer the question, though. When do you expect these contracts to be finalised and in place? Are we talking weeks, months, years?

**Mr WHITELEY** - I would hope before the end of 2025, but it could be much earlier than that if customers are clear about their preferences for log types.

**Dr BROAD** - I'll direct it through the minister - the CEO answered that there was a discussion about a decrease in volumes, specifically of native sawlog after 2027, but isn't it fair to say there's been a significant decrease already?

**Mr WHITELEY** - I'm happy to take that. If you look at the results, this year it's actually higher than last year. We've settled at a particular level which is really based on the demand of our current contracted businesses.

**Dr BROAD** - Which is not 137,000 cubic metres?

**Mr WHITELEY** - No. It may well be lower again this year and that is a reflection of demand. It is not a reflection of supply. We publish a sustainable yield, as you know. There's a pool of wood there available. Effectively what we need to do to manage the supply chain is make sure we've got sufficient orders to support sufficient contract capacity and try to maintain stability within that. We don't deal so much in softwood, but in hardwood and softwood, there's been a decline in demand probably from about the third quarter of last financial year, the first quarter of the current calendar year. There's a general slowness in demand across all timber products nationally. We're experiencing the same slowdown in demand at the moment for

hardwood. We'd expect when we come back and discuss this next year, it may well be lower than the current year by some degree if the trend continues, and that's simply a reflection of demand, not supply.

**Dr BROAD** - The most recent sustainable yield report shows that you won't be able to deliver the 137,000 cubic metres of high-quality native sawlog, so there's already been a decrease.

**Mr WHITELEY** - It doesn't show that. There was some modelling done that reflected within the model simply the sum of the existing contracts. It shouldn't be interpreted as a limit to capacity.

**CHAIR** - On a technicality, the questions need to be directed through the Chair or the minister and then they can pass to the CEO. You can't directly question the CEO. I pointed it out yesterday and I'll point it out again today. I'll move to Dr Woodruff.

**Dr WOODRUFF** - Thank you. Minister, the right to information that was released by the Ombudsman - he finished his report on 28 November - was at least publicly discussed yesterday. You were asked questions by the media, so it does beggar belief that you wouldn't have taken advice about the contents of the RTI. The only reason that has been kept secret for so long was to hide from the communities the actual land that will be logged and burned if Forestry Tasmania has its way and gets access to these areas. Will you make all of that information available and table the maps and the locations of these areas of high-conservation forests?

**Mr ABETZ** - Chair, as I've already indicated, the questioning by the Greens member has all the descriptors to try to grab a headline but does not necessarily represent the truth. They talk about hiding information to log and burn 27 areas. Assessments have to be made in relation to each and every proposed area and until such time as I have information, and as a relatively new minister in this area, I'm not going to put areas out into the public domain which on assessment might come back to us as not being appropriate or uneconomic. As I understand it, under the legislative requirements there has to be a whole host of considerations taken into account and that is what I will do. I'm currently getting information and being given guidance in relation to areas and until such time as a determination is made, there's no real inclination by myself to talk about areas in hypothetical circumstances.

**Dr WOODRUFF** - Through you, minister, to the CEO, Mr Whiteley, you wrote a letter on 4 March 2022 and said that Forestry Tasmania has identified 27 parcels of FPPF land totalling just over 39,000 hectares suitable to be managed.

**Mr WHITELEY** - Was that an actual quote of what I wrote?

**Dr WOODRUFF** - It says:

The assessment found that there are 27 parcels of FPPF land totalling just over 39,000 hectares that are suitable to be managed as PTPZ (Permanent Timber Production Zone) land.



## PUBLIC

Those are your words - well, at least you signed the letter.

The letter goes on to identify 27 lots, which has been redacted. Will you release the details of those 27 lots and the map numbers of what Forestry Tasmania was looking at in 2022?

**Mr WHITELEY** - I think that was the information at that time and, as the minister's indicated, he'll be seeking some contemporary advice.

**Dr WOODRUFF** - Through you, minister, I'm speaking to you, though, as the CEO of the forestry -

**CHAIR** - Just to be clear, you actually can't direct questions directly to the CEO. You can only ask the questions to the chair or the minister and they can choose whether to then direct them to the CEO.

**Dr WOODRUFF** - Thank you. Through you minister, to the chair, recognising that was information in March 2022, will you table the information of the 27 lots referred to in the letter of March 2022?

**Mr ABETZ** - The technicality is that you can't just say, 'Through the chair to' or 'Through the minister to'. You have to ask me and then it is for me -

**Dr WOODRUFF** - For clarification, I understand this is a GBE and that this is the scrutiny of the GBE, and I do not have to get the permission of the minister to ask the chair -

**Mr ABETZ** - You are correct.

**Dr WOODRUFF** - of a government business board a question. Is that correct?

**CHAIR** - That is correct, yeah.

**Dr WOODRUFF** - So, I do not have to go through you and you are time-wasting. I've asked the chair: will you table the contents of the 27 lots referred to in the 2022 letter?

**Mr de FEGELY** - I'll pass that to our CEO.

**Dr WOODRUFF** - Thank you.

**Mr WHITELEY** - I'm aware of the information that's been provided through the Ombudsman and we're satisfied that's sufficiently complete at present.

**Dr WOODRUFF** - Hold on, that's not an answer to my question. I'm a member of parliament; you're a government business. I'm asking you to table the letter that you sent to the government in March 2022.

**CHAIR** - Again, Dr Woodruff, you're asking a question directly at the CEO, which I've asked you not to do.

## PUBLIC

**Dr WOODRUFF** - I beg your pardon? Chair, I'm asking this question as a member of parliament. I have a right to ask this question and we have a right to expect transparency from Forestry Tasmania. Will you please table the letter to the committee?

**Mr de FEGELY** - Sorry, point of order, Chair. We are, which I did remind you last year - please refer to us as Sustainable Timber Tasmania, not Forestry Tasmania. We have discussed this before. So, I would expect you can ask your question again.

**Dr WOODRUFF** - Thank you. I did seek advice again, as I did last year, because we had this waste of time last year. You are registered under the Australian Securities and Investment Commission. Your business name is Sustainable Timbers Tasmania. Your holder name is Forestry Tasmania. That is your incorporated entity. You are incorporated as Forestry Tasmania and trading as Sustainable Timbers Tasmania. This is a government business entity. I will refer to you as the business, Forestry Tasmania, trading as Sustainable Timbers Tasmania, for future, which is correct.

**Mr ABETZ** - We could then refer to you as Rosalie Ellen Woodruff on all occasions because that is your full name on the electoral roll.

**Dr WOODRUFF** - Fine by me.

**Mr ABETZ** - Courtesy suggests that I should simply call you by your given name, namely Rosalie Woodruff or Dr Woodruff. I would ask you to extend the same courtesy to with Sustainable Timbers Tasmania.

**Mr de FEGELY** - Thank you, minister.

**Dr WOODRUFF** - I've asked the question and we're still waiting for an answer. Will you table the letter, please?

**Mr de FEGELY** - This hasn't come before the board so I'll ask the CEO to answer this.

**Mr WHITELEY** - Perhaps, I think we're aware that you've requested a right to information so perhaps an update on that. So -

**Dr WOODRUFF** - Excuse me, Chair, I'm not requesting a right to information. There was a letter written by Forestry Tasmania, trading as Sustainable Timbers Tasmania, to the minister on 4 March 2022. I would like you to table a copy of that letter to this parliamentary committee, please.

**Mr ABETZ** - Was that advice to the minister, or -

**Mr de FEGELY** - No.

**Dr WOODRUFF** - No, it was not advice. It was to the secretary. It purposely avoided a minister.

**Mr WHITELEY** - I understand you already have that information.

## PUBLIC

**Dr WOODRUFF** - No, I don't. That's why I'd like you to table it, please. What I have is redacted information through right to information, which is not what I'm asking for. I'm not asking for a right to information process of the government. I'm asking a process for you as a government business entity. You are a business, you are constituted by parliament and I'm asking you to table to parliament a copy of the letter you wrote on 4 March, 2022 to the secretary of State Growth. Table it today, please.

**Mr ABETZ** - Bear with me.

**Dr WOODRUFF** - It's not the minister. It's to the chair. I'd like it tabled today, please.

**Mr de FEGELY** - No, I'm sorry. As I said, our board hasn't seen that -

**Dr WOODRUFF** - It's not a board matter, with respect.

**Mr de FEGELY** - No, I'm sorry, but you're asking me -

**Dr WOODRUFF** - You've referred it to the CEO.

**Mr ABETZ** - As I understand the situation, the letter has been released in redacted form -

**Dr WOODRUFF** - Excuse me, I asked a question of the chair, not of the minister.

**CHAIR** - The chair can refer the question to the minister as well.

**Mr de FEGELY** - And I've referred to the minister, thank you.

**Mr ABETZ** - The letter has been, and I was thinking this was the case - but the letter has been provided in a redacted form, courtesy of the Ombudsman, to whom you so strongly referred to. The Ombudsman, in releasing a redacted letter, one assumes was of a view that certain sections of it should be redacted. I'm not aware of the detail of that which was and was not redacted, but the RTI provided you with the letter, albeit parts of it redacted, if I am correct, and I stand to be corrected.

What you are now seeking to do is get the whole letter to bypass the Ombudsman's determination that certain sections should be redacted.

**Dr WOODRUFF** - The Ombudsman is about a *Right to Information Act* to do with government businesses and I'm -

**CHAIR** - Dr Woodruff, I'm moving on to Mrs Pentland.

**Dr WOODRUFF** - This is such an abuse of parliament.

**CHAIR** - Dr Woodruff.

**Mrs PENTLAND** - Leaving aside the STT-owned Island Specialty Timbers (IST) and apart from Britton Timbers, how many businesses in the special species sector do you have contracts to supply special species logs to?

## PUBLIC

**Mr de FEGELY** - Thank you, Mrs Pentland - I'll transfer to probably our general manager, Conservation and Land Management.

**Ms WEEDING** - We don't have any specific contracts to any other customers in relation to special timbers. We do supply through IST, as the CEO previously indicated.

**Mrs PENTLAND** - You don't supply to anyone else?

**Ms WEEDING** - It usually goes through IST or through Britton Timbers. Those are the specific contracts, or the specific avenues by which we supply timber to market and to those customers.

**Mrs PENTLAND** - Given that there's a significant unmet demand in the sector, is there any operational or business reason that would prevent STT entering into a supply contract for special species timber? For example, if a small sawmill was after 200 cubic metres of blackwood on an ongoing contract, could they be supplied on the same terms as Britton's? And if not, why?

**Mr de FEGELY** - Thank you. I'll ask the CEO.

**Mr WHITELEY** - At present, based on our contractual arrangement with Britton Timbers, they have first rights to that timber. Unless there was a change where they agreed to relinquish some of their contractual right, they are our contracted counterparty.

**Mrs PENTLAND** - They're the only ones that would -

**Mr WHITELEY** - Other than, as I said, through Island Speciality Timbers, that's the vehicle we use for all other potential customers, for logs or for other products. Sometimes we turn some of the logs into other forms, slabs, some other forms that are more available to people who wish to use the timber. But in terms of logs, as I said, we tender the logs. All other businesses are welcome to put in a bid for those.

Beyond the logs that we tender, there's some other logs that maybe aren't the very top logs but, nevertheless, they're good-quality special timbers. We hold stocks of those at Island Speciality Timbers. We're aware of some small sawmillers. We really direct them to have a look at the log stocks that are available at Island Speciality Timbers in the first instance.

**Dr BROAD** - The CEO, in his response to my previous question, talked about a period of slow demand which is happening for whatever reason. I'm aware that there are a number of contractors holding high stockpiles on their landings which are losing value, in effect. Is there any consideration to something along the lines of a fixed-cost payment so that those businesses can maintain employees, loans and statutory payments so that they don't run into cash flow problems?

**Mr de FEGELY** - Ask the CEO.

**Mr WHITELEY** - We are in regular contact with all of our customers, and from time to time we do enter into other arrangements to assist them in managing their cash flow.

## PUBLIC

**Dr BROAD** - I mean, are there currently issues that we have contractors holding high stockpiles on their landings?

**Mr WHITELEY** - We have been in contact - our customers are aware of available resource and they are aware that if they are willing to take delivery of those, we are willing to negotiate around that. It's normal business. Normal business would be to the extent that there are willing buyers and sellers around those sorts of things, then we engage with our customers to make the supply chain work effectively.

**Dr BROAD** - But it appears that the current slowdown is outside what is the normal circumstance?

**Mr de FEGELY** - Dr Broad, you made a comment about slowdown for some reason. The slowdown is due to two things. Firstly, the slowdown in housing starts - 80 per cent of Australian sawn timber ends up in housing in some form. The other slowdown is in the export market, particularly China. This is due to the fact that the construction sector in China has slowed considerably. The timber that is grown domestically in China, which would normally go into the plywood and construction sector in that country, is now going to the pulp mills. The pulp mills that require our chips - their demand has come off as well.

That means you have a double slowdown. The challenge for us, always, is to try to find coupes where we can meet demand - either higher saw logs, lower saw logs; higher pulp, lower pulp. I really commend our general managers for how they manage that. It is always really difficult. We do from time to time talk to contractors; some have been able to manage it easier than others. In cases we have to make forward payments to contractors or payments before time, if you like. We might pay them weekly instead of monthly to assist them through these difficult times.

It is across the board. It is not just in Tasmania, it is across eastern Australia. If you ask the softwood sector, they are in exactly the same position. If you take a drive up to the north-west and have a look at Britton sawmill, you'll see significant log stockpiles in their yard. It is a challenge, but that's the challenge we meet every year. At the moment with this double slowdown in both the export market and the domestic market - obviously everyone wants to increase housing stocks. When that turns again, that will increase demand and that pressure will come off a bit.

**Dr BROAD** - Thank you. Getting back to contracting, given that sawlogs have been sold under a series of contracts to customers over many decades through a negotiated allocation model, why has STT unilaterally decided to move to a tender-based process?

**Mr de FEGELY** - I will pass to the CEO, but essentially the resource is changing significantly, Dr Broad, from what was basically a mature, older growth, larger log resource into a regrowth/plantation mix. There is a different product. Not all of our customers have expressed interest in it, or they have expressed interest at different levels.

We want to take this product through as an expression of interest. We have been offering trial loads to customers over the past four or five years, for as long as I can remember, so that they can test these plantations which were established back in the early 1990s. They are coming to maturity. We have resource or regrowth that came from harvesting in the 1970s. It is also

being thinned. It is a different resource mix. Bringing it to a tender process is the fairest and most equitable way we can do that. CEO?

**Mr WHITELEY** - That's a pretty good overview. Is there anything else specific you were -

**Dr BROAD** - Moving to a different process also increases the instability and also risk for existing processes. Are you willing to make a comment on that? It is absolutely a different process. We're going through an industry transition. How can somebody invest to take into account what is a changing resource if the contracting process is more unstable?

**Mr WHITELEY** - Specifically, and perhaps for the other members as well, the reference here is not around the traditional native products. They are well prescribed in legislation. There's a standard for category one, category three, two and eight, and that will continue. We're not seeking to run any different, market-based processes for that.

What we do have is hardwood plantations, which are a new product. Last year, we sold pruned logs to three customers, we sold unpruned logs to four customers. It doesn't represent the whole range of customers at the moment. The government's made it very clear to us that they wish to have us engage with large and small businesses. It's simply not some of the more sophisticated larger businesses who clearly are very interested in that resource, but also make it a level playing field in terms of smaller businesses that also may be interested in plantation logs.

Plantation logs aren't specified in the same way, and they've certainly got very different characteristics from native forest saw logs. At the moment, a category-3 or 4 saw log - a category-4, high-quality saw log has a minimum specification of around 2.4 metres in length and 30 centimetres small diameter. As we all know, most logs are well above that. Plantation logs are quite different. Most of them will actually be about that size.

The nature of the resource is very different. Individual customers will need to have a look at the distribution of logs in the hardwood plantation resource, so they're not specified in the same way; they are simply described. They're either pruned logs or unpruned logs of a certain length and certain diameter, and opening up all of that to the market is important.

The other one for us is we need to sell all the logs from these plantations. It isn't simply just about the high-quality saw log. We need to make sure all the wood - there's around 125,000 cubic metres of logs that could be milled, and there's going to be a range of customers that have an interest in those.

**Mr SHELTON** - Minister, thank you for your answer to the last question where we talked about STT's value to the economy and what they do with their business, particularly in regional communities such as Lyons and how important it is. This question almost goes to the to the converse of that. Can you explain what would happen, in your view, if our sustainable native timber harvesting industry was ended?

**Mr ABETZ** - Well, that would be devastating on a whole range of fronts. First of all, it would be devastating to the men and women engaged in the sector, the rural regional communities, but also it would be a perverse environmental outcome. That is something that I would encourage everybody to reflect on and consider because wood products are used very

often. If they're substituted for by iron, concrete and other materials, they are huge CO2 emitters. Wood actually absorbs carbon and then is a carbon bank for that CO2 for many decades.

Because we need wood and Australia is still a net importer of wood and wood products, what that means is a stack of bunker fuel is being burnt as we ship wood product to Australia. How anybody can think it is environmentally responsible for us not to grow our own wood and provide for our own timber needs is astonishing, especially when we know that we do forestry in Tasmania at a world-class standard. Then, if you replace that, you get imports with all its consequential other pollution courtesy of bunker fuel, but also knowing that from where that wood is sourced, it is not as environmentally sourced as otherwise. I've got a funny suspicion that people like Vladimir Putin would be cheering on the sidelines because there's an indication that a lot of the timber and timber product that is being imported into Australia comes from illegally harvested areas, including in Russia. It is bad locally, bad globally, bad economically and bad environmentally. We've got to keep our sustainable native forest harvesting going for all those reasons.

**Dr WOODRUFF** - By 8 August of this year, you'd had approximately four months to get across your portfolio as Minister for Resources. You gave comments to the media yesterday about the right to information that was released by the Ombudsman and said you still maintain that you don't have the information about those 27 parcels. Which is true, that you had no idea about the detailed election policy that had been announced in March by your government and that had been discussed, including in Cabinet - we know from RTI that there was Cabinet deliberative material for at least two years - or that you misled parliament on 1 August when you said that you had no idea whether there were any maps and specific information that you could provide parliament?

**Mr ABETZ** - Is that a question or a statement? I'm not sure what that's meant to be.

**Dr WOODRUFF** - Which is true?

**Mr ABETZ** - I have indicated on numerous occasions that I have not misled parliament and the member might like to refresh her memory as to what the parliament said about this very matter, if I recall, in early August, at about the time when she sought the parliament to force the release of this information. I forget the vote, but I think it was comprehensively defeated by about 20-something votes to some other number, but was comprehensively defeated. When you come to this committee claiming parliament and all sorts of other requests, can I say your own colleagues in the House of Assembly rejected your call, if my memory serves, on 7 August - and for those who report this, I would invite them to keep that in mind as well.

**Dr WOODRUFF** - Do you usually go out to the media and make statements about important issues like this without having any idea what you're talking about? You said you didn't know there was detailed information. I have the detailed information. You'd been minister for four months when you said that it didn't exist. You didn't table it to parliament and you're still pretending that it never existed, yet here it is without the final detail of the maps. We know it's all there, it's in black and white. We know you had a copy of it because you went and spoke to the media about it, so I assume you actually had a look, or someone had told you about it, but you're still pretending that you don't know about the maps and that you can't provide them to us. Why? Are you totally incapable of doing your job?

## PUBLIC

**CHAIR** - Dr Woodruff, you've asked the question.

**Mr ABETZ** - It is all the loaded language. Most people would just dismiss a question like that - and it should be - with a sort of loaded language in it about incompetence and hiding, et cetera. The statements that I've made are clear, they're on the record and I have nothing further to add, other than to ask Dr Woodruff to reflect on her ongoing insinuations.

**Dr WOODRUFF** - To the chair, can you please tell me what we understand from the letter of 4 March 2022 from the CEO, Mr Whiteley? We understand that Forestry Tasmania, trading as Sustainable Timbers Tasmania -

... has undertaken a desktop assessment of all FPPF lands to determine those lots that are suitable to be managed by it.

It also says -

A detailed compendium describing each lot identified as suitable to be managed by STT is in Appendix 1.

And it further says -

The 22 lots of 34,564 hectares will provide up to 149,000 cubic metres of high-quality sawlogs to north-east mills from 2027 onwards and five lots of 4844 hectares will provide up to 9000 cubic metres of high-quality sawlogs in the north-west.

Can you please table for the committee the five lots in the north-west and the 22 lots in the north-east that Forestry Tasmania, trading as Sustainable Timber Tasmania, was referring to at the time in March 2022?

**Mr de FEGELY** - Personally, obviously I don't know which lots they are, because as I mentioned to you in my earlier comment, the board hasn't approved any of this process, so I'll ask the CEO to refine that.

**Mr WHITELEY** - It's on the record there. It's been appropriately redacted.

**Dr WOODRUFF** - Through you, Chair, that's not the answer to the question. I'm not asking about that, I'm asking you about what was known by Forestry Tasmania.

**CHAIR** - You've asked the questions and you have received the answers, Dr Woodruff. I am moving on to Mrs Pentland.

**Mrs PENTLAND** - To be clear that my line of questioning isn't critical of Brittons, I'm trying to get my head around things. I wanted to confirm I heard that the CEO correctly that he said that Brittons have exclusive rights through an agreement with STT to all blackwood on PTPZ land. When you say smaller mills are directed to IST, are you saying that IST can supply smaller mills seeking 200 cubic metres of special species logs at the same pricing as Brittons today and equal terms?



**Mr WHITELEY** - As I said, the nature of the activity at Island Specialty Timbers is to procure wood. Any businesses that have an interest in any special timbers can approach the manager. Part of what we do each year, if there's a process we go through and if there's a firm order, we can enter into a wood supply agreement that would be on suitable commercial terms. It would reflect the quality of the logs and would obviously reflect their cost of production, all the normal things that are used for any commercial arrangement.

**Mrs PENTLAND** - Has that happened with anyone else?

**Mr WHITELEY** - In the short term, I believe. Sometimes there's been short-term arrangements where people have had a parcel of wood they've been interested in. I believe from time to time there's been agreement reached that the timeframe, the quality of logs and the pricing has been acceptable to both parties.

**Dr BROAD** - I was talking about the change in your contracting process moving from a negotiated allocation model to a tender-based process. To be clear, will the native resource allocation going forward remain on a negotiated allocation model?

**Mr WHITELEY** - As per government policy, the government has determined that we will continue with our existing customers and would expect it to be on a negotiated basis.

**Dr BROAD** - The same existing model?

**Mr WHITELEY** - Similar. Yes, that's correct - negotiation.

**Dr BROAD** - What expert advice has been sought on using a different process for the plantation sawlog contracting process?

**Mr WHITELEY** - I think there's some misconception. We have a three-stage process, which was I think described last year by the former minister. It commences with discovery of all and any parties who may be interested in some part of the resource. That clearly ranges from the whole stem, if you like. We call that stage 1 of our process. We completed that early in 2024, just prior to the caretaker period of government. The next phase is what we are seeking to pursue, which is really a discovery phase based on all of those interested parties being provided information about the resource for them to evaluate and express preference for the quantity of material they might like, the timing they might like, the price they are offering. Then, really, stage 3 is then a negotiation. We will end up having a negotiation around those things. It'll be based on criteria that have been set. There will be a mix of both commercial and socio-economic considerations.

**Dr BROAD** - But it's a tendering process?

**Mr WHITELEY** - Initially. That is the way we are seeking a response from people. Even with talking to our existing customers about their interest in native forest logs, we've put out draft term sheets. We haven't had responses from most. We need to get all of our interested parties to put forward a clear view of what their preference would be, a value proposition, including now we will be considering socio-economic outcomes, the viability of various businesses. In order to do that, we just need a systematic view of people putting forward a business proposal to us about how they would seek to contribute to the value of on-island processing in Tasmania.

**Mr SHELTON** - We are coming into summer and fire season. Could you outline how Sustainable Timbers Tasmania use planned burns to protect Tasmanian communities?

**Mr ABETZ** - Thank you for that. That is one of the often unrecognised benefits of STT to our community. What they seek to do is to fuel reduction burns to reduce the intensity and spread of fires, minimise damage caused by fires and provide firefighters with safer opportunities to contain and extinguish bushfires. It is a cost-effective mitigation activity. It can reduce the fuel load and, therefore, bushfire risk in large areas.

The majority of Sustainable Timber Tasmania's planned burning is undertaken during autumn and spring, as weather and fuel conditions at those times of year enable fire behaviour to be safely managed to match operational objectives. Fuel reduction burns are carried out to protect our communities' assets, maintain the health of fire-dependent vegetation communities and to reduce fuel levels.

During 2023-24, Sustainable Timber Tasmania conducted 80 forest regeneration burns, covering 1858 hectares and 29 additional burns of [inaudible word 9:53] and landings where the total coupe area was approximately 1937 hectares. They also conducted eight fuel reduction burns on 1063 hectares of PTPZ land and supported 16 Tasmanian fuel reduction program operations completed by other organisations. I could go on, Chair, but that gives you a good snapshot, I trust, of the work that STT does to try to keep our communities as safe as possible in the event of a bushfire.

**Mr JENNER** - Given STT's history of financial losses and reliance on government subsidies, how do you justify the continuation of native forest logging, particularly when it contributes minimal to employment and high-value timber products?

**Mr ABETZ** - Mr Jenner, I must take issue with some of the assertions -

**Mr JENNER** - I didn't expect you not to.

**Mr ABETZ** - Good. Of the assertions in your question. Earlier on, I was able to indicate how much money was spent within the community: 97 per cent of STT's contracts are local, which about 620 businesses share. Was it 130 something?

**Ms WEEDING** - 139.

**Mr ABETZ** - Yes, \$139 million worth of expenditure. Our forest contractors get about \$65 million, and STT has huge community service obligations. It has also, for the past seven years since its restructure, returned a dividend - or, not a dividend, but a profit to Tasmania. I don't know if the CEO has specific figures or can point me to them. Or the chair?

**Mr de FEGELY** - Thank you for your question. I'll ask - our gentlemen at Corporate Services can give you an overview of that. We did - sorry, and apologies, we covered this earlier.

**Mr JENNER** - Sorry, my bad. I wasn't here.

## PUBLIC

**Mr de FEGELY** - That's fine. We had significant deficits in my first year in financial year 2016 and financial year 2017. We've restructured the business. Since then, we have been in a profit position.

STT is an extraordinarily difficult business to run because we are not a not-for-profit, but we're not a 'for-a-huge-profit' either. We do, as the minister has said - it's really important under our charter that we are commercial, however you want to define 'commercial'. We define it by making a profit. We've made a dividend. That dividend has varied over the years in amount.

We also contribute to a range of industry schemes which the government has asked us to contribute to, which is designed around improving processing and production here on-island in Tasmania, which we've done. We've also run a number of projects at different times to assist processors to analyse the potential for different businesses, such as utilisation of biomass or lower grade logs, for which we've funded that research.

We do get paid community service obligations but, in my opinion as the chair, they are perfectly valid payments for land management. Last year, for instance, we contributed to the construction of bridges on the Mersey Road, which is not a road that we would normally use for production systems, but it's one that gets people to the Walls of Jerusalem. We're happy to do that. As you'd be aware, we have mountain bike trails.

We're at the moment struggling a bit with the Tahune Airwalk in the south, which is our asset. Since the fires, we've spent a significant amount of money, I think \$8.5 million to rebuild it post the fires. Most of that was insurance payment, thankfully, although we'd struggle to get insurance today. The visitor numbers are really down since then but it's a major attraction for the other businesses in the Huon Valley. Without the Tahune Airwalk there, we've been told by various local government authorities it's very important for them, but it's essentially not making any money for us.

We carry a number of those costs across the business as a multiple land use manager. Chris, would you like to make a comment?

**CHAIR** - Very briefly.

**Mr BROOKWELL** - We've made profits in each of the seven years since the restructure.

**Mr JENNER** - Okay, brilliant.

**Mr BROOKWELL** - We've provided a special dividend to the government in that year. Since then, we've recommended and paid an ordinary dividend in each of the years.

In addition to that, we provided an equity contribution of \$5 million to TasRail and we're, I think, in year 3 of five of paying an annual payment of \$1.17 million to support the government's forest growth initiatives.

**Dr WOODRUFF** - I refer to a question that Dr Broad asked earlier. On a number of occasions, the Greens, Labor and independents have asked what will happen when your current contracts, when Forestry Tasmania's, trading as Sustainable Timber Tasmania, current contracts with sawmillers expire in 2027. Dr Broad asked this question last year in the committee and your answer indicated that they would be fulfilled using plantation forests.

The information in the RTI that was available yesterday makes it clear that Forestry Tasmania's intention since 2022 has been to fulfil sawlog requirements beyond 2027 with timber from 39,000-plus hectares of Future Potential Production Forests. Was there a reason you didn't share that information with the committee when it was asked last year?

**Mr ABETZ** - If it was asked last year, I wasn't around.

**Dr WOODRUFF** - Was there a reason the minister didn't do that?

**Mr ABETZ** - No, no, no. Let's look at your question. This is why I said earlier on, you have to be exceptionally careful with every single question you ask, because it must have been to your knowledge. Weren't you aware that I wasn't in the state parliament last year, Dr Woodruff? I could then make all the accusations that you've been throwing across the table at me this morning.

You know, I know and everybody else knows, I was not in this parliament last year, so to assert that I had somehow answered a question last year is just to defy all logic, all facts, but of course we have come to expect that of the Greens in the Parliament. What may or may not be in the mind of somebody else, believe it or not, is not within my purview.

**Dr WOODRUFF** - Of the total 39,408 hectares of land that Forestry Tasmania, trading as STT, has identified in the north-east and the north-west, 6364 hectares have been described by them as old growth, ecologically mature forest with 'negligible past disturbance'.

STT has also raised the potential of making just over 18,000 hectares available for designated logging coupes, 88 per cent of which is forest more than 80 years of age. It's no wonder that you've been hiding this information so hard and it still won't be tabled before us today.

**Mr ABETZ** - I've been hiding it since last year?

**Dr WOODRUFF** - Minister, will you rule out today the logging of old growth forest on FPPF land, or PTPZ land for that matter, or the rezoning of that land?

**Mr ABETZ** - As I've indicated on a number of occasions, there are specific requirements that I have to go through under the legislation, and I will consider all those matters carefully. I will be advised by DSG, by STT, et cetera, and when and if there is something to report to the parliament, that is what I will do, because at the end of the day, the parliament will have to either approve or disapprove of any recommendation that might be made.

I'm not going to engage in any hypotheticals, other than to say that if something is put forward to the parliament, it will be done balancing all the needs and considerations that most people would expect a responsible government to consider. We know that the agenda of the Greens has been 'Stop old growth', then 'Stop native', and we're starting to get condemnation of monocultures as well, which are plantations. I don't know where people think we're going to get our timber from in the future, but we know what the Greens strategy is. I'm not going to engage in your game of hypotheticals to help the Bob Brown Foundation raise money on a basis that is purely hypothetical.

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**Dr BROAD** - Getting back to my question when I talked about the change in process from a negotiated allocation model to a tendering process, what expert advice was sought on this change?

**Mr WHITELEY** - As part of our process, we engaged a sale advisor who's worked with us on relevant matters, again with the clear aim of delivering resource in the long term for on-island processing in Tasmania. That's the outcome that we're all seeking; it's consistent with the terms of the contracts. We're looking to simply run a process that delivers the aspirations of the state to effectively maximise on-island processing in Tasmania, along with taking careful consideration of the socio-economic impacts of the opportunity that's provided by the hardwood plantations that have now been grown for the better part of 30 years.

**Dr BROAD** - What was the advice that was received?

**Mr WHITELEY** - It's simply around process. As I've described, there's a different range of products there. It's a new product. We don't have market experience in the same way we do with, as you say, many decades of native forest contracts that operate differently. Again, the other parties there, we would hope there would be some innovation for some parts of the resource to the extent possible to really capture the value within Tasmania.

**Dr BROAD** - What is a sales advisor? Is that a legal advisor, a governance advisor or somebody experienced in selling product? I'm not exactly sure what a sales advisor is.

**Mr WHITELEY** - There's a range of advice we've received. Legal advice is clearly part of that. There's a range of advisors, but that was simply the reference to your question. We've also sort of expert advice on resource modelling and inventory. We've had to undertake significant measurements of the hardwood plantations to understand what log types can be made available to industry.

There's been a range of external advice. This is something that STT, through its restructure, was effectively set up to run operations for the organisation, and when it comes to these significant, infrequent commercial operations, we as appropriate take advice from specialists to assist us in coming up with a sales process, coming up with relevant information that will help our customers or potential customers understand the resource, and also provide information about relevant research to again enable them to put forward proposals that can be evaluated.

**Dr BROAD** - Is this in your professional service and consultancies list?

**Mr WHITELEY** - Yes.

**Dr BROAD** - Who is the sales advisor?

**Mr de FEGELY** - If I may make a comment, in this process, Dr Broad, you are aware, in broad principles, that we don't have enough volume out of our natural forests to meet the current contractual amount of 137,000 cubic metres. We are needing to move to a new forest type, so the forest mix will be different. However, I'm well aware that when I first became chair eight-and-a-half years ago, a number of larger private growers did suggest to me that they felt somehow they'd been left out of processes between or sales between the government and industry, and that they would like to participate.

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The process that we've elected to take is designed around opening the market up to create an opportunity for the private sector to participate, to grow the sector and to grow supply, because there's a considerable amount of underutilised wood that's currently going either offshore as export logs or interstate, which I'm sure you're aware of. We would love to see that here as part of that process, and I've been talking with Private Forests Tasmania about their interests and their keenness to be part of the future supply going forward.

We're setting up a process that is transparent, fair and market-based so that there's an opportunity for people to be part of the supply to on-island processing. So we grow the supply and we grow the on-island processing, and we need a process to do that. This process, we believe, is the best one that we've seen.

**Dr BROAD** - Who on that list -

**CHAIR** - Last question and then -

**Dr BROAD** - That was the question.

**CHAIR** - Sorry?

**Dr BROAD** - That was the question, I'm just reminding them what the question actually was.

**Mr WHITELEY** - In terms of the list, SBA law for contract development and Fifth Estate consultancy. They are the two key external providers.

**Mrs PENTLAND** - What is the total income earned by STT from the sale of special species timber in the past year?

**Mr WHITELEY** - I think we've possibly got that. Chris has some financial information.

**Mr de FEGELY** - We have two southern tenders and a northern tender, plus our sale to [inaudible] for blackwood. There's a Geeveston tender and a Strahan tender, so they vary, obviously. Part of the special species is they're arising. They're not fixed volumes that we sell each year; they can fluctuate, and it fluctuates on supply and demand.

**Mr WHITELEY** - There's some specific information around Island Specialty Timber. This is part of the answer.

**Mrs PENTLAND** - That wasn't going to be another question in regard to the sales revenue and net profit for Island Specialty Timbers in the past year, but if I could just get the sale of special species timbers in the past year as a separate figure and then maybe that as a follow-up?

**Mr BROOKWELL** - We have income through Island Specialty Timbers of \$173,000 for the year. That covers both Geeveston and Strahan.

**Mrs PENTLAND** - And income earned by STT for the sale of special species timbers in the past year?

**Mr WHITELEY** - I think we just need to be careful about that because it relates to a limited customer base.

**Mrs PENTLAND** - Is it just the one customer?

**Mr WHITELEY** - Largely.

**Mrs PENTLAND** - Is that a problem?

**Mr WHITELEY** - It's a reality. Through various consolidations over the years that business has been very successful.

**Mrs PENTLAND** - Is that good business practice? It sounds like someone has the monopoly on our special species timber.

**CHAIR** - Last question, then we'll go to Mr Shelton.

**Mr WHITELEY** - They're two different questions, perhaps, but I'm wary from a commercial-in-confidence point of view of providing that information in that form because we do have a dominant business. If there was another form we could provide it in we'd be very happy to, as long as we respect that business.

**Dr WOODRUFF** - More secrets.

**Mr ABETZ** - To clarify - I was wanting to make sure - what's happened is that one business has bought out other businesses with existing contracts and therefore that is why it is now a large amount of money for the one business that has occurred as a result of acquisitions which include the existing contracts. That is where the CEO is in the difficulty now of explaining. Allow me to take that on notice to see if there is anything else we can provide without prejudicing anybody's commercial operations.

**Mr SHELTON** - Minister, when we talk about what STT do to help protect communities as far as fire goes, unfortunately we live in a state with plenty of hot summer weather coming our way. There's always some fuel on the ground. One burn that has happened in the past was the Bradys Lake bushfire and I'm interested if you could inform the committee on STT's work to support the Bradys Lake bushfire recovery process.

**Mr ABETZ** - I can. Bradys Lake is smack-bang in the middle of the great electorate of Lyons, so it is no wonder you would ask this question and seek to find information about that. In February 2024, as you'd know, 5600 hectares of forest near Bradys Lake in the Central Highlands, including over 4000 hectares of public production forest, were burnt or impacted. The effort in combating the initial fire was significant, with a dozen aircraft and 27 ground crews involved. I take this opportunity to thank all those involved in the various agencies in responding to the fire.

Since the fire, Sustainable Timber Tasmania has engaged in an extensive effort to restore the area to its pre-fire condition. They've fast-tracked natural rehabilitation by using aerial observations from helicopters, spatial data mapping and ground surveys to assess the damage and identify restoration needs. STT partnered with local business Tasmanian Helicopters to

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carry out the aerial sowing operation across 250 hectares of bushfire-affected forest. This involved dispersing around 15 million seeds to support regeneration of the area, including gum top, stringy bark and mountain white gum varieties that are native to the region. The success of the operation exceeded expectations with around 600,000 new trees providing a turbo-boost to the natural recovery of the forest. These efforts are built on the learning from previous recovery efforts, including those following the 2019 Lake Echo bushfires.

**Dr WOODRUFF** - Minister, you are the minister now and Dr Broad asked you just before how the contracts were going to be fulfilled beyond 2027. You didn't mention FPPF land wood. Are they still on the table as part of those contracts?

**Mr WHITELEY** - Our contracts are purely for wood sourced from PTPZ land. We do not consider any other contracts at all, full stop.

**Dr WOODRUFF** - Can I reclarify that question, then, maybe to the CEO if that is appropriate? When I say FPPF land I'm talking about the 39,408 hectares that have been discussed previously today that would be converted to PTPZ land. Are those lands being considered as part of those contracts and the wood supply for 2027?

**Mr WHITELEY** - No. We will only contract from PTPZ land. It would take a decision of parliament, which it may do from time to time about determining what the extent and nature of PTPZ land is. We will simply, at that time and after that occurs, consider what appropriate contracts can be provided.

**Dr WOODRUFF** - Through you, Chair - I think you are purposely misunderstanding my question. It's quite clear.

**Mr ABETZ** - Chair, that is a reflection on the witness to say purposefully doing that. A bit of civility around the table would go a long way. I would encourage the member to rephrase her question.

**Dr WOODRUFF** - Thank you, I will rephrase it so it is very clear. Understanding that for Forestry Tasmania, trading as Sustainable Timbers Tasmania, to access any wood, any lands would need to be converted by parliament to PTPZ. The FPPF current lands, the 39,408 hectares that have been discussed today that have been considered to be transferred to Forestry Tasmania and transformed through to PTPZ, is wood supply from those lands in the north-east and north-west part of the consideration for what will be made available to sawmillers in their negotiating of the 2027 contract?

**Mr WHITELEY** - To be clear, no.

**Dr WOODRUFF** - That was one question and that was how long it took to get the answer. I have a follow-up question, Chair.

**DEPUTY CHAIR** - You can have last question, you have asked three questions.

**Dr WOODRUFF** - Minister, from some sleuthing by my very talented staff, we have managed to identify from these 27 parcels in the RTI land that has been identified by Forestry Tasmania as having Aboriginal heritage values. This might be appropriate for the chair or the



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CEO. Has the Aboriginal community been informed that you would like to log and burn their heritage?

**Mr ABETZ** - Log and burn - it is this loaded language that the member just cannot help herself -

**Dr WOODRUFF** - That is the work of Forestry Tasmania, to log trees and then burn it up.

**Mr de FEGELY** - Objection, Chair.

**DEPUTY CHAIR** - Order. Dr Woodruff, you have asked the question. Can you let the answer be heard?

**Mr ABETZ** - She cannot help herself. Sustainable Timber Tasmania and the people who work for it are deserving of protection from that sort of commentary. There is a statutory process that needs to be gone through and that will be gone through in the event that any parcel is identified for further progressing and everything that is required.

**Dr WOODRUFF** - My question was to the chair, minister.

**Mr de FEGELY** - Sorry, Dr Woodruff, but I take objection to your language that we are about log and burn. That is incorrect. We do harvesting but we also do a lot of other things as well. I explained to Mr Jenner that we put in things for recreation, for mountain biking. We have Tahune. You, maybe, were not here - you did leave at one stage - so you may not have listened to that answer, but we are a multiple use forest manager. We manage land, we manage forests, some of which, less than half, is available for harvesting. That's all documented. We also - look, people who want to go fishing -

**Dr WOODRUFF** - I'm not going to sanitise my language to make you feel comfortable.

**Mr de FEGELY** - I'm sorry, but I'm offended by the way you refer to us.

**Dr WOODRUFF** - You do regeneration burns and you log trees. They're both true facts.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - Your objectionable language has to be curtailed, Dr Woodruff. The world does not revolve around you.

**Dr BROAD** - 'Logging and burning Aboriginal heritage'. That was -

**DEPUTY CHAIR** - Dr Broad.

**Dr WOODRUFF** - My question is, have you talked to the community?

**DEPUTY CHAIR** - Sorry. Dr Broad, you have the call.

**Mr de FEGELY** - We're not operating there.

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**DEPUTY CHAIR** - Order.

**Dr WOODRUFF** - You're not talking to the community, the Aboriginal community about it.

**Dr BROAD** - I'll just try to bring the temperature down here, but I will talk about fire.

**Dr WOODRUFF** - Regeneration burns, there're a lot of temperatures in that.

**Dr BROAD** - Mr Shelton asked a question about fire. We know that there are plantation grower companies that are worried about this fire season due to not being able to access TasGRN. Chair, what is STT's view on allowing plantation companies access to the government's new digital radio network?

**Mr de FEGELY** - Thank you Dr Broad. It's a good question. CEO?

**Mr WHITELEY** - We've actually been approached and been in discussion with representatives from the industry association. Broadly, from a forest manager point of view, we're very supportive of building capacity, engaging with volunteers, farmers, foresters, to contribute to the state's effort in both fuel reduction burning and in fighting fires. We're very supportive of increasing capacity.

**Dr BROAD** - Would it help if plantation companies were allowed access to the government's new digital radio network?

**Mr WHITELEY** - I think it would assist in their operations. There's no doubt about that.

**Dr BROAD** - The Premier, during the election campaign, promised to halt the sawlog tendering process. Was that stopped, because it appears that it hasn't?

**Mr de FEGELY** - I think the word was 'pause', Dr Broad. I'm happy for you to comment on where we're at at the moment.

**Mr ABETZ** - I'll have a look at the exact language. Yes, it was 'pause'. That was part of the 100-day plan. Consultations have occurred.

**Dr BROAD** - You mean it was paused for 100 days and now it's not paused? I just want to be clear on -

**Mr de FEGELY** - I think it was paused, Dr Broad, for people who were concerned about how the process would run. Both the CEO and myself have been in detailed discussions, more myself, with the chair of the Tasmanian Forest Products Association about, this is a new approach. That's understandable that people are concerned. As I mentioned earlier, I have been talking with private forest growers as well to try and provide increased supply.

I think the benefit of that pause is to create more opportunities for people to talk and to understand the process. The CEO might like to outline a little bit more. These discussions, Dr Broad, are live. In other words, they're occurring every week. But we are making progress, I believe, with people beginning to understand and get much more comfortable with what's happening and the opportunities that are out there.

**Dr BROAD** - I just thought that you're talking about shifting the question, but that's okay.

Minister, can you categorically rule out STT selling sawlogs, whether native or plantation, to mainland businesses?

**Mr de FEGELY** - That's a great question, Dr Broad, but it's a tricky one because we have some customers at the moment who are actually based on the mainland. Neville Smith, for instance, their owner, James Neville Smith, lives in Melbourne. The Porter family, which has just been sold to Borg, by the way, and Borg's are based in New South Wales. We've been selling logs to that Borg-Porter business for decades.

We will not sell logs that will be exported from the island. All logs, as part of our process, will be processed here in Tasmania. It's very difficult for us to determine exactly where businesses are based, but obviously we have a huge preference for Tasmanian-based businesses and it will be a requirement that the logs are processed here in Tasmania.

**Dr BROAD** - In terms of guaranteeing that logs are processed in Tasmania, has an application been made to the Australian Competition and Consumer Commission (ACCC) for an exemption to allow the allocation of plantation-grown sawlogs to existing customers, I imagine, to be processed in Tasmania?

**Mr de FEGELY** - Not as far as I'm aware, no.

**Mr ABETZ** - That was mentioned during the campaign. That's been discussed at a roundtable with industry and it was, I think, the considered view, CEO, that that not be proceeded with at this time.

**Mr de FEGELY** - At this time, yes.

**Dr BROAD** - The ACCC request not be proceeded with?

**Mr ABETZ** - Yeah, at this time.

**Mr GARLAND** - My question concerns STT's approach to right to information requests. Last year in the Ombudsman Tasmania annual report on right to information requests, the Ombudsman singled out Sustainable Timbers Tasmania and was particularly critical about:

The unhelpful approach taken by Sustainable Timber Tasmania, which the Ombudsman found highly disappointing and not in keeping with the intention of the RTI Act. Sustainable Timber Tasmania refused to assess the RTI request made by the applicant known as C under section 19 as it claimed that to do so would be an unreasonable diversion of its resources.

Do you still believe that RTI requests are an unreasonable diversion of your resources?

**Mr de FEGELY** - Thank you for the question, Mr Garland. I will ask the CEO to answer that.

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**Mr WHITELEY** - There may be some specific circumstance there. Again, we clearly understand our role in RTI from time to time. Resourcing is an issue if we're overwhelmed by a number of requests which we're going to simply need to moderate within our resources. Perhaps Suzette can add to that.

**Ms WEEDING** - We absolutely do not consider RTI to be an unreasonable diversion of resources. When we receive an RTI request, there is a process that we go through to assess that RTI, to look at what information we might hold. And there is provision under the act in terms of how much time it might take to obtain that information.

In relation to that specific request, the information was actually quite old. It was contained within archives. In terms of, I guess, that provision of the act and the initial consideration by both the principal officer and upon review of that RTI that came into the organisation - and I guess that's a request for an additional review. Our position at that point in time was that that was an unreasonable diversion of our resources to go find that information and to make it available. The Ombudsman clearly had a different view, in which case we took on board that request from the Ombudsman and worked through that RTI request.

**Mr GARLAND** - Thank you. You might need to take this on notice, but could you provide the committee with a breakdown of the number of RTI requests received for the past financial year, the range of times taken to respond to those requests, how many requests were refused, how many approved and how many appealed to the Ombudsman for review?

**Ms WEEDING** - In terms of our RTIs, we had eight RTI requests last year, of which we had seven that we accepted as part of that process. We had a number that we released information outside the RTI process as well.

**Mr SHELTON** - Minister, can you please outline how STT is supporting the restoration of some of Tasmania's historic landmarks through the use of native forest timber?

**Mr ABETZ** - In 2023-24, STT used locally sourced native timber to restore the historic Ceres Cottage near Oatlands, in the electorate of Lyons. The cottage showcases the craftsmanship of Tasmanian settlers of the 19th century. Tasmanian native timber, carefully selected for its durability and aesthetic qualities, was used to replace weathered elements, preserving the building's heritage for future generations.

Other sites that STT provided high-quality native Tasmanian timber to support the restoration of the church tower of the Port Arthur Historic Site and the Tunbridge Bridge, both of which, yet again, are in Lyons. Sustainably sourced Tasmanian native timber is a durable, hard-wearing product that will stand the test of time, and it's a credit to STT that they are supporting these important restoration works.

**Mr SHELTON** - It is much welcomed and I saw it coming down yesterday. It's under reconstruction at the moment after being closed for a number of years.

**Dr WOODRUFF** - To the chair: Forestry Tasmania, trading as Sustainable Timber Tasmania, has been trying to get FSC certification for more than a decade. Last year in GBE scrutiny, you or the CEO said that you're working through the complex process of closing out the non-conformities from the failed 2019 FSC audit, and that the auditors would be brought back out when that was complete. Those major non-conformities were due to Forestry

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Tasmania continuing to log in swift parrot nesting and foraging habitat against the advice of experts. Have you closed out the major non-conformities and, if so, when will Forestry Tasmania be audited by the FSC?

**Mr de FEGELY** - Thank you, Dr Woodruff. I'll pass through to the CEO and the general manager, Conservation Land Management.

**Mr WHITELEY** - We've been continuing to work through some of the things we described last year. There was a significant body of work we needed to undertake to do some operational trials to prove up costs and benefits of changing some of our operating methods. Suzette can provide an update of where we're at.

**Ms WEEDING** - We're still working through the process in terms of those operational trials. The key aspects are around improving habitat retention in particular coupes, so looking at retaining individual trees and the habitat on the particular coupe itself. We're still working through those trials in terms of the outcomes, and getting that information together. We've undertaken the trial in 18 coupes to date, and what we're waiting on at the moment is the outcomes of the regeneration activities to see survival of the trees themselves and what additional management actions might be required in those particular coupes in order to continue or potentially continue this work.

For swift parrot we've undertaken a whole range of additional work, as I think we've mentioned in previous years, and we continue to do that. The non-conformance wasn't specifically about harvesting in swift parrot habitat, it was about implementing a management approach to the swift parrot, and we've been working on that for a number of years now.

**Mr ABETZ** - Ongoing improvement.

**Ms WEEDING** - Correct.

**Mr ABETZ** - Which is hard when you're at a very high level.

**Ms WEEDING** - Correct. Part of our operational management and our strategic management has involved pre-season surveys around areas where swift parrots are likely to come and nest during the year. As you're aware, they utilise forests all the way up the east coast of Tasmania, and on offshore islands are threatened by a range of processes including sugar glider predation. Our pre-season work involves doing bud surveys to look at where trees might flower during the year as the key foraging resource for the species. Subsequent to that we go out and do specific on-site assessments, including placing acoustic monitors in the field to determine where the birds might be, which can allow us to tailor our management activities in those particular forests and hopefully identify any nest sites in and around our operations that we can protect and manage as part of those activities.

**Dr WOODRUFF** - Thank you. Through you, Chair, possibly to Ms Weeding if appropriate, a statement is that the State of the Environment report and the Federal State Recovery Plan for the Swift Parrot have both identified logging as the key threatening process for the swift parrot. One of the FSC's key recommendations from the failed attempt in 2019 was for Forestry Tasmania to develop a swift parrot management plan. You've just talked about that. You've been talking about this now ever since I became a councillor in 2009 and then member of parliament. When will Forestry Tasmania be producing their parrot management

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plan? Every single day you continue to cut the trees down, so it's obviously you that is the reason that the swift parrot has been driven to extinction.

**Mr ABETZ** - That is false.

**Dr WOODRUFF** - That is what both of these reports show. All three bodies show this.

**Mr ABETZ** - That is false.

**Dr WOODRUFF** - The recovery plan, the State of the Environment report and the FSC all say it is Forestry Tasmania's destruction of habitat, nesting and feeding that is driving the swift parrot to extinction.

**DEPUTY CHAIR** - Order. Is there a question from you, Dr Woodruff?

**Dr WOODRUFF** - When are you going to deliver the plan? That's the question.

**Mr de FEGELY** - We have established that if you wish to call us Forestry Tasmania, you must add 'trading as Sustainable Timber Tasmania'. You agreed to do that. Now you are calling us Forestry Tasmania.

**Dr WOODRUFF** - No, I didn't. You just wanted me to, but I don't have to if I don't want to because you are actually registered as Forestry Tasmania Incorporated. We can have that fight if that is the fight you want to have. I am here to fight for communities, and you're destroying forests.

**DEPUTY CHAIR** - Order.

**Mr de FEGELY** - Excuse me, no.

**Dr WOODRUFF** - I want to know when you are going to have a plan to protect a critically endangered bird.

**Dr BROAD** - Stick to that bit instead of the other stuff.

**Mr de FEGELY** - Yes. Thank you, Dr Broad.

**Dr WOODRUFF** - That was my question.

**DEPUTY CHAIR** - Order. To the question.

**Mr de FEGELY** - A little bit of respect would be great. Our staff take offence at the attitude that you have taken to that. I am sorry, but I will ask for a ruling from the Speaker as to whether or not we stay in this chamber, if that's what you are going to do, because it's bullying and harassment to refer to somebody by a name they do not wish to be referred to. My first name is Andrew and I take offence at being called Andrew. I am Rob. I think your colleague, Mr Vica Bayley, his proper name is Michael. I would never call him Michael because I know and respect him and I will call him Vica. Can we please desist from this? This is a game.

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**Mr ABETZ** - And a childish one at that.

**Mr de FÉGELY** - Thank you.

**Dr WOODRUFF** - This is not about how I am referring to the chair.

**Mr ABETZ** - It's your demeanour.

**Dr WOODRUFF** - This is not about persons. That is totally inappropriate and it's an abuse of parliament's time. I am here to ask a question. I have asked a question and the chair is not answering.

**DEPUTY CHAIR** - Order. If Dr Woodruff can ask the questions in a respectful manner and we can stick to the questions at hand -

**Dr WOODRUFF** - Yes.

**DEPUTY CHAIR** - This is a time to ask questions and seek answers, not a time to make statements. That is for the parliament.

**Dr BROAD** - I agree.

**Mr de FEGELY** - Thank you, Chair.

**Dr WOODRUFF** - Can you please answer the question?

**DEPUTY CHAIR** - To the question.

**Mr de FEGELY** - Would you mind please rephrasing it?

**Dr WOODRUFF** - When are you going to deliver the swift parrot management plan? When?

**Mr de FEGELY** - I will refer to our General Manager, Conservation and Land Management. Thank you, Suzette.

**Ms WEEDING** - We have developed and are implementing a swift parrot management plan. That plan has three key areas of focus, which is managing and protecting swift parrot breeding habitats -

**Dr WOODRUFF** - Excuse me, Chair. Excuse me, Ms Weeding. Can you just please give me a date?

**DEPUTY CHAIR** - Dr Woodruff, you have asked the question. Can you -

**Ms WEEDING** - We have developed the plan; we are working on it. We are implementing it at the moment.

**Dr WOODRUFF** - Where is it? When are you going to stop logging swift parrot habitat?

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**Mr ABETZ** - Stop native forestry - here we go. That is the bottom line in all of it.

**Dr BROAD** - You don't want a management plan. You want a cessation.

**Dr WOODRUFF** - This is what is happening. You are continuing to log it. Are you actually trying to get FSC because you are continuing to log swift parrot and masked owl and Tasmanian devil - critically endangered species - habitat? Are you going to go into FPPF, which is replete with swift parrot, masked owl, grey goshawk and giant lobster?

**Mr ABETZ** - Here we go. Can somebody remove the soap box?

**Dr WOODRUFF** - Can you just let Tasmanians know you've let go of trying to get FSC? Just be honest about it. Is that true?

**Mr ABETZ** - These loaded questions that suggest -

**Dr WOODRUFF** - Through the Chair, has Forestry Tasmania, trading as Sustainable Timber Tasmania, actually stopped trying to get FSC?

**DEPUTY CHAIR** - Order. Dr Woodruff. You asked a question and the answer is barely a sentence in and we're interjecting. You have the right to ask a question without being interjected on, and answers have the right to answer your question without being interjected on. As I have done whenever I am in the chair, I am allowing some flexibility with people asking follow-up questions, but if interjections are going to continue, then I am happy to start counting interjections towards people's question allocation too.

We need to keep some semblance of order to this so that people can get answers to questions and so the Hansard staff are able to discern who is saying what. This is the last question, then we will go to Dr Broad.

**Dr WOODRUFF** - Can I get clarification? Thank you for your ruling, Chair. Will you please also call the minister to account, because he is interjecting while I am trying to ask a question of the chair.

**Mr ABETZ** - Chair, I was raising a point of order.

**Dr WOODRUFF** - There is no point of order.

**DEPUTY CHAIR** - Dr Woodruff.

**Mr ABETZ** - Until you've heard it, how would you know whether there is a point of order?

**Dr WOODRUFF** - What is it?

**Mr ABETZ** - Really, the mindset of Dr Woodruff does amaze.

**Dr WOODRUFF** - There is no point of order in the committee.



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**Mr ABETZ** - My point of order, Chair, is that for order to be maintained in this committee, having loaded questions suggesting that the chair is being less than honest is a reflection on the witness and should not be countenanced. The question should be rephrased to treat the witness with the respect that, in this case, the chair deserves.

**DEPUTY CHAIR** - Dr Woodruff, in clarifying your question, can we make sure questions are asked in an appropriately respectful manner? Ask your question, we'll get an answer and then we'll move on to Dr Broad.

**Mr de FEGELY** - It is a very complex process to develop a plan for the swift parrot. They move around the state depending on flowering of *Eucalyptus globulus* and *Eucalyptus brookeriana* and a couple of other specialist species. What is often missing in this issue around the debate about how we manage swift parrots is the problem of predation by sugar gliders, an exotic arboreal mammal imported from the mainland and not native to Tasmania, which predated on young chicks of swift parrots and nesting females, which is a real challenge. We've proven that swift parrots do breed well on Bruny Island where we don't harvest and there are no sugar gliders on Bruny Island that we are aware of.

This year, I think - and correct me if I'm wrong, Suzette - we surveyed in excess of 1200 trees looking at flower buds to work out where these species might be flowering, which would be an indicator of where the swift parrot will nest. Those are the areas we will aim to avoid harvesting in. That's been our process all along. We can't define that at the moment because we're still working out the process. Suzette, would you like to add any detail to that?

**Ms WEEDING** - I think you've covered it there, Rob.

**Dr BROAD** - Just to be clear, the government committed to pausing the STT tender process for plantation products. Can you confirm that that process has resumed?

**Mr de FEGELY** - No, not yet. We're still consulting, but hopefully we're getting close to resuming it, Dr Broad.

**Dr BROAD** - Do you have a timeline?

**Mr de FEGELY** - Early in the new year would be my hope.

**Dr BROAD** - Minister, who is proposed to be sitting on the selection panel for the log tender evaluation process?

**Mr de FÉGELY** - I can probably answer that, Dr Broad. It's a good question. The board hasn't approved anybody as yet because we haven't started the process. We would expect management to bring forward that panel as part of the recommencement of the process early in the year.

**Dr BROAD** - Is the minister aware of the confidentiality deeds that STT are requiring potential participants to sign as a condition of access to STT's data room so that they can participate in the plantation tender process? It prohibits a signatory from discussing anything obtained within that data room with elected members of parliament, other industry participants, lobbyists, et cetera.

**Mr ABETZ** - Yes, I am aware of that document.

**Dr BROAD** - Does the government support such a requirement, and if not, what steps are being taken to resolve this issue?

**Mr ABETZ** - That is a matter for STT management to determine what should and should not be in the documentation. I'll leave it at that.

**Dr BROAD** - You don't have any concerns about confidentiality agreements?

**Mr de FEGELY** - Dr Broad, it's very common to run a process with confidentiality agreed. I've been in the industry, sort of consulting for the last 34 years and nearly every sale I've been associated with has confidentiality agreements with them around the details to ensure that there is a probity of process and we have probity advice. This ensures that everybody gets the same information and to ensure that there is a process that both yourself and the minister and others can say was a fair process to everyone.

**Dr BROAD** - I can understand that in terms of being able to discuss with competitors or people who may get a commercial advantage from knowing the information from the data room, but it is a bit of a concern that members of parliament, for example, are excluded as well from any information that may be received. For example, if there's something that the public should be aware of or indeed a member of parliament should be aware of, the confidentiality agreement means that they can't be discussed with a member of parliament.

**Mr de FEGELY** - I can't think of anything where that would be a requirement, but CEO, do you have a view?

**Mr WHITELEY** - Perhaps separating? We've got a process, we've got a number of participants, they'll register and as the chair said, part of our remit is to treat them equally. They're large and small businesses. Some of them aren't used to doing those things. In fact, most of the businesses aren't used to doing this. We simply want to put in place a mechanism that is fair and consistent for all of them to put their best foot forward to explain what value they want to do and share the aspiration of their business. I think if there were specific matters that were of interest to the minister, we could provide those to the minister separately.

**Mr JENNER** - Just a point of clarification if I could. Earlier, Mrs Pentland spoke about the special woods and you said they're now down to a specific person, almost. Doesn't that come under sort of monopolies? We now can't ask questions because they're all down to one person or very few. It's difficult for us to seek that information now because only one person is still in it.

**Mr ABETZ** - That is why I indicated in relation to that I would take it on notice to ascertain what can be supplied.

**Mr JENNER** - That's fine; I just wanted to ask that. Once again, this is not a witch hunt. I'm asking questions because I really want to find out -

**Mr ABETZ** - It was an amalgamation, if I might say, of a number of different buyers of the timber, but the contracts continue on. There is one business holding a number of those contracts.

**Mr JENNER** - We've got other states at the moment phasing out native forest logging due to economic and environmental concerns. Does STT have any sort of transition period themselves to move out of it, or is that not being considered? Once again, it's not a loaded question, I'm just asking for information.

**Mr ABETZ** - Mr Jenner, can I say you have been exceptionally kind to the states that are phasing out native forestry. It's got to do with green preferences in inner-city seats. There is no environmental or economic argument for what they're doing. I still remember, and it was one of those moments in life that I will never forget, a huge area in former deputy prime minister John Anderson's electorate, which was a forest production area and it got rezoned as koala habitat to protect the koala. As high and mighty as that may have sounded, the foresters would always ensure that before they logged a tree there were no koalas in it. It was locked away. I then drove through it for about half an hour and it was charred both sides of the road. We stopped the car. There was not a noise or voice of a single bird, grasshopper, frog, nothing. It was dead and every single koala in that so-called koala habitat had either been burnt to smithereens or sort of evaporated in the extreme heat.

**Dr WOODRUFF** - That's what happens in regeneration burns in Tasmania. We've seen photos of charred Tasmanian devils.

**CHAIR** - Dr Woodruff.

**Mr ABETZ** - That is an example of where stopping native forest harvesting is bad environmentally. The forest workers, men and women on the ground, as soon as they see a puff of smoke, if they're actively engaged in a forest area, they'll go to it to put it out. Absent the forest workers, that puff of smoke is not observed, becomes a raging fire, and when it is observed often it is too late. I would say to those who are pursuing green preferences in inner-city seats in Melbourne and Sydney, and now it appears in Western Australia, please be genuine in your concern because we need wood. It's a good product, it is renewable, it is a carbon sink. If you don't use wood, you use cement or concrete and steel which emit huge amounts of CO<sub>2</sub> in its production. If you do use wood, you then have to import it, which sees bunker fuel being belched out of the ship's funnels as it brings the wood to Australia, so it makes no environmental sense, no economic sense and it devastates the rural regional areas in those areas very similar to your own electorate of Lyons.

**Mr SHELTON** - Minister, the activities that STT have outside of forestry have been mentioned a couple of times, and particularly I might mention tourism within Lyons and the maintenance of roads and so on. The chair mentioned Tahune, of course, which is the only time I mentioned something outside of Lyons, but I'm really interested to get an understanding of what STT do as a land manager to support tourism in Tasmania.

**Mr ABETZ** - Tourism is a very important part of the electorate of Lyons but it's nice to hear the member for Lyons acknowledge that there is a world outside the boundary of Lyons. There is Franklin as well. I better get that on the record.

STT is a big land manager, with 167 staff managing approximately 812,000 hectares of public forest. As committee members would be aware, world-class tourism and forestry can and do successfully coexist. Tahune Air Walk, Hollybank and Derby are located on or adjacent

to forestry land and have been in existence over a number of years and been proven as very valuable tourist assets.

STT provides a wide range of services providing access to PTPZ land for multiple uses including recreation, bike trails, bushwalking, fishing and, importantly, access for small Tasmanian tourism businesses. STT actively manages and maintains over 3100 kilometres of roads across the state and this plays a major role for Tasmanians and tourists accessing various parts of our state, including the Styx Valley and Eastern Tiers. The forestry and tourism industries have worked collaboratively together over a long period of time, fostering positive outcomes for both sectors, and long may that continue.

**Dr WOODRUFF** - Chair, through you possibly to Ms Weeding, Ms Weeding said before that Forestry Tasmania, trading as Sustainable Timber Tasmania, is implementing the swift parrot management plan. This is required for the forest estate by the Forest Stewardship Council certification. Can you please table a copy of that?

**Ms WEEDING** - Yes, we can.

**Dr WOODRUFF** - Good, thank you. Minister, recently a logging contractor was found guilty of assault after they cut the rope of a forest defender residing in a tree sit who was protesting the destruction of swift parrot habitat by Forestry Tasmania, trading as Sustainable Timber Tasmania. It's clear peaceful protesters are not safe on Forestry Tasmania land. Will you condemn this behaviour?

**Mr ABETZ** - I condemn every assault, as I condemn every act of vandalism. That is why I was willing to condemn the act of vandalism on the War Memorial in Canberra, which I note the federal Leader of the Greens wasn't willing to condemn, and one thing I think you'll find is that just because it's in one tribe, I won't condemn or condone it. There are fundamental principles at stake. Any assault is wrong, any vandalism is wrong, and I would welcome the day when the Greens accept that standard across the board. Just because you believe in a cause does not give you licence, and there are things such as trespass, there are also such things as safe workplaces and that occasions difficulties so I would encourage people in the community to consider how they protest and behave. That said, in opposition to that behaviour, there is no excuse for assault.

**Dr WOODRUFF** - I'm pleased to hear that you condemn the Forestry Tasmania's contractor's behaviour, and through you, Chair -

**Mr ABETZ** - No.

**Dr WOODRUFF** - I am speaking to the chair, minister.

**DEPUTY CHAIR** - Order.

**Mr ABETZ** - Dr Woodruff made a ridiculous assertion to me, trying to put words into my mouth, and it is vitally important that the record is corrected. At no stage did I suggest or in any way, shape or form indicate that the assault that occurred was related to Forestry Tasmania, trading as Sustainable Timber Tasmania. If there is a green demonstrator or somebody else or a Greens staffer who might be convicted of a particular offence, that of necessity does not then reflect on every single parliamentarian.

**Dr WOODRUFF** - Chair, I think we have already heard this answer. I think the minister is just wasting time at this point and I have a question for the chair.

**DEPUTY CHAIR** - If you have a question, ask the question. I will remind everybody at the table that the proceedings for today's sessions, as per the Standing Orders that were agreed to by the parliament, are that members ask questions and answers are given. It's not a place to make statements. If you have a question, ask a question.

**Dr WOODRUFF** - The question to the chair is do you condemn the behaviour of this Forestry Tasmania contractor and what are the consequences for Forestry Tasmania, trading as Sustainable Timber Tasmania -

**Mr ABETZ** - Stop pointing. It's so rude.

**Dr WOODRUFF** - for operators that breach your company's safety protocols?

**Mr de FEGELY** - We condemn any assault and we aim to have a very safe workplace for everyone. Safety is the first thing the board looks at in all of our board reports and that's for staff, contractors and people who use our forests. Safety is number one. We are concerned and I don't know the details about what happened and where but I'm happy to ask the CEO or any of the others of our general managers here at the table to provide a comment if you so wish, but as an entity and a GBE, safety is one of our number-one priorities and we continue to work on that. We're concerned about trucks on Tasmanian roads, about how they're loaded, what happens in processing facilities where people process our logs. It's something that we work on daily and we do not approve of any assault anywhere.

**Dr WOODRUFF** - Thank you.

**Mr DEPUTY CHAIR** - Last question and then we will go to Dr Broad.

**Dr WOODRUFF** - It is the same question. Are there any consequences for operators that breach Forestry Tasmania, trading as Sustainable Timbers Tasmania, safety protocols?

**Mr WHITELEY** - No, we don't discriminate. We expect safety, as the chair said, to be universally adopted in all of the ways we operate, so we're agnostic around who people work for. To the extent that people have breached our standards, there will be procedural consequences.

**Dr BROAD** - From what I understand, action is needed to revise the forest management regulations to include a plantation sawlog specification. Why hasn't this regulatory change been undertaken?

**Mr de FEGELY** - Thank you, Dr Broad. I'll let the CEO explain the good reasons behind it.

**Mr WHITELEY** - It's a matter of timing. We equally recognise that under the regulations at the moment it actually flows back to the *Forest Management Act*, the 137,000 is prescribed and then it falls down into various stands. Even though we're producing various grades of plantation logs at present, none of those legally can be identified as contributing

towards our statutory requirement to make available 137,000 of high-quality sawlog. In terms of our sequence, what we intend to do is once we understand who the contract holders are, the directly interested parties who hold various log types, we'd look to work with them and the state government to simply put in place the regulations that describe which log types are agreed to contribute to high-quality sawlog.

**Dr BROAD** - You don't need a contract to be able to do a sawlog specification?

**Mr WHITELEY** - No, it's to do with the people, the participants. Really, the intent of the legislation is around production policy. It's about making available resource. In the end it does come down to the counterparties who are our contract holders. We think they should be, as key stakeholders, contributing to any work that's done from a policy and regulatory point of view.

**Dr BROAD** - What is STT's plan or policy on plantations post-harvest? In terms of the future, are they going to be replanted, and if so, what with? Is there work being done along those lines?

**Mr WHITELEY** - Our broad intention is - our business is effectively hardwood plantations. We'll seek to replant hardwood plantations where it's practically feasible to do so. We've had some plantations that haven't been very productive, but, broadly, on all of the productive sites, our core business is supplying hardwood logs as per our legislation and the government's policy around on-island processing. We intend to fully re-establish hardwood plantations.

**Dr BROAD** - Any more detail? It sounds like you're not considering a shift to pine.

**Mr WHITELEY** - No.

**Dr BROAD** - It sounds like you're not considering regeneration of plantations. In terms of species and -

**Mr WHITELEY** - If it's impractical, we reserve the right to make sure we've got a healthy forest. Absolutely, our intent is to support on-island processing in Tasmania with the hardwood resource.

**Mr de FEGELY** - If I could make an additional comment, hopefully this will assist Dr Broad. Part of the reason why we're stepping back and having this expression of interest is, as you'd be aware, processing of wood products has changed dramatically over the last decade-and-a half, from what we would have regarded as traditional sawmilling, we're now doing a lot more in what we call engineered wood products.

We have two new businesses in Tasmania that are doing that. One of which - I'm sure you're aware of it - is Cusp at Ulverstone, or south of Ulverstone.

**Dr BROAD** - No, Wynyard.

**Mr de FÉGELY** - Wynyard, sorry. Thank you. Geography there.

**Dr BROAD** - Specifically south of Ulverstone, I know very well.

**Mr de FÉGELY** - My sincere apologies. The work that they've been doing, even to me - I've seen a lot in the industry - has been really impressive.

I think the idea of sort of cat-1, cat-3 sawlogs and things - the sawlog specifications I think will change depending on particular entities and what they want to do with it. Rather than try and dictate how people should define, the resource will sell trees and logs and people can work out what's the best way to process that. That's why we want to go through this next stage to understand what people want and how they would like it so that they can process it.

Our aim is to process and utilise as much of the tree as possible. We're not quite sure what new innovations and processes we'll come to. We're keen to talk to them about how that will be done. That's one of the reasons why we haven't defined it.

**Mrs PENTLAND** - Minister, I understand that the government is currently undertaking a socio-economic supply chain analysis study for the special species sector. Can you advise when this work will be completed and when the report will be released?

**Ms WEEDING** - That work's been commissioned. It's part of a special species working group, which is convened by the Department of State Growth. Work's being undertaken by Martin Farley. It's essentially an update of previous work that's been done.

A draft report has been received by the working group. The working group's yet to determine feedback as part of that process and a timeline for a release. I'd anticipate it would be released sometime in the new year.

**Mrs PENTLAND** - Okay, great. Can I just follow up on a few other questions - you did answer the question about the IST earnings being \$173,000, but you didn't answer about the net profit. Do you know what the net profit was for IST on special species timber?

**Mr BROOKWELL** - The loss for the year was \$104,000.

**Mrs PENTLAND** - It was \$173,000 in sales and a \$104,000 loss?

**Mr BROOKWELL** - In terms of the revenue, I think you asked for special species. IST has some other forms of sales as well to balance all sales and things like that. The net loss for the operation is \$104,000.

**Mrs PENTLAND** - One other question - I just wanted to confirm that I heard the CEO correctly. Did you say that Britton has exclusive rights through an agreement with STT to all blackwood on PTPZ land?

**Mr WHITELEY** - No, within their catchment. Really their business - they've been around for more than 100 years and they originally had their sawmill out west of Smithton in the blackwood swamps - the Britton swamps. They've diversified their business in recent times and they're now increasingly cutting eucalypt timbers, but broadly their family heritage has been blackwood.

They held a right to some of the blackwood swamps along with another party, and when that party through family reasons chose to sell their business, Brittons was a willing buyer.

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They haven't taken over other businesses. They were simply the business that chose to purchase the veneer plant in Somerset, who also held rights for blackwood.

There was a particular mill that used to be based St Helen's that used to take some of the wood out of the north-east. They closed down there, and again, Brittons agreed to take on whatever logs were supplied out of the north-east at that time. At that time, there probably weren't any other interested parties, so we were very pleased to have a very capable business with a long experience in blackwood.

**Mrs PENTLAND** - So, there is capacity -

**CHAIR** - The call is to Dr Woodruff.

**Dr WOODRUFF** - Thank you. My question is to the chair. Chair, does Forestry Tasmania, trading as Sustainable Timber Tasmania, have an established protocol for the management of protesters? What are the provisions of that protocol? Will you table it in full for the committee if there is one?

**Mr de FEGELY** - We do have a process. Thank you, Dr Woodruff. I'll refer to the CEO.

**Mr WHITELEY** - We have an operational process, which has really got two parts. One is keeping people safe. We make sure we brief contractors on protocols to stop work and do those sorts of things. There are a whole lot of other legal requirements related to the way they manage their site under workplace safety. There are a lot of regulatory things - we effectively operationalise the workplace regulations that they are required to put in place.

The other part is from a legal point of view. We have authorised officers who through, particularly the police, are required to deal with people occupying a workplace. There's a standard statement that an authorised officer needs to inform those people that they're in a workplace.

**Dr WOODRUFF** - Thank you. Can you please table the protocols that you referred to?

**Ms WEEDING** - It's an internal procedure that we don't make public.

**Dr WOODRUFF** - If it's not made public, how do you provide that information to the operators, the contractors and the people that are working for you? How do you provide that information to them?

**Ms WEEDING** - We go through an induction process for the contractors in terms of their obligations. They've got obligations under their existing contracts, and those safety requirements are embedded, and how we deal with various aspects are embedded within the contracts themselves. Then we induct operators onto particular operations and into our procedures from that side of things.

**Dr WOODRUFF** - Can you table that? This is not a workplace safety issue.

**CHAIR** - Dr Woodruff, the call is with Dr Broad.



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**Dr BROAD** - Thank you. During the election campaign, there was a promise around special species heli-logging. Where is that promise at? What stage would you describe that at?

**Mr de FÉGELY** - It's DSG's. That's not with us.

**Mr ABETZ** - It's a question for Estimates. I'm sorry, Dr Broad. I wish I had up-to-date information, but I think it's quite an innovative, unique way of dealing with some harvesting which potentially includes, as I understand it, a sort of charred Huon pine that is no longer alive but still wonderful, wonderful timber that could potentially be used. If they can be heli-harvested along with other specialty timbers, that would be great. That's being looked at.

**Dr BROAD** - Just talking about the CSO funding, I had this discussion, I think it was last year, about the community service obligation. There's approximately \$1 million a year to be expended on special species management. Can you advise the amount spent on special species management out of this \$1 million?

**Mr de FEGELY** - Thank you, Dr Broad. I am happy to pass to the CEO.

**Mr WHITELEY** - If you would like to refer to last year's *Hansard*, otherwise I will just read out again to you. That provides the answer to that question.

**Dr BROAD** - I will put it back on the record again then.

**Mr WHITELEY** - This goes to the question about CSO and funding. There has been some confusion about it and I'd like to read a statement out to clear up that confusion, if I may:

STT received an administered direction under the GBE Act on 30 June 2017 to perform community service obligations. The direction revoked all previous directions in relation to CSOs. At a higher level, the direction requires STT to undertake various fire activities, and those were largely unchanged. In addition, the direction required STT to ensure the Permanent Timber Production Zone land continues to be managed, accessible and available for multiple uses.

**Dr BROAD** - At last year's GBE hearings, the CEO advised there were 500 cubic metres of Huon pine sawlog available in the stockpile. Yet, in August this year, apparently there was only 320 cubic metres available in the stockpile. What is the actual current volume of sawlog in the stockpile?

**Ms WEEDING** - It is in the order of the 300 cubic metres of category 4 and utility logs in that stockpile. What's happened subsequent to, I guess, provision of that initial figure is it's been properly assessed. We have gone out, our team has gone out and measured and quality-assessed those logs, and has determined, I guess, the exact quantity. We've still got some additional work to do on the Lynchford stockpile. The stockpile is located in two locations, part at Lynchford, part at Strahan itself. We've got some additional work to do over summer when it dries out - the yard's quite wet - in measuring and, again, further categorising that material located in that stockpile.

**Mr GARLAND** - I believe you are planning to log at Dial Range pretty soon. The social licence aspect of logging in such close proximity to a large community - and I might add it is

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not Greens predominantly that are protesting about that. I was there recently. You had motorbike riders, bushwalkers, joggers, old ladies. The whole community has a connection to that place. With the contentious sort of nature of logging and forestry at the moment, wouldn't it be prudent to accept the community's best wishes, retain the integrity of that place and go elsewhere? I don't think there is any social licence.

I was also wondering about the return? Do you do an assessment as far as sawlogs, woodchips, the return that you get from? Pardon my ignorance. I am just wondering, what with the cost to the community and the impact on the community, and what it means to them and what we are making out of it, you've sort of got to balance things, I believe. The mayors, the councils, I have met with all of them. I just -

**DEPUTY CHAIR** - I need to pull you up there, Mr Garland.

**Mr GARLAND** - I would ask you to please not log that area, respect the wishes of the community and go elsewhere.

**Mr ABETZ** - That is a statement, I think, is that right, rather than a question?

**Mr GARLAND** - You will have to forgive me, Eric, I had a late night last night. I got my first vote in the Golden Font Media Award and had a bit of a celebration.

**Dr BROAD** - I don't think that is relevant to the committee.

**Mr ABETZ** - If you just want that on the record, so be it.

**Mr GARLAND** - Yeah, a balanced approach and respect the community.

**Mrs PENTLAND** - There was a question about the feasibility. We could do an analysis on the return on investment with logging there. I'd be interested to hear that.

**Mr WHITELEY** - We take that into account broadly across things. Again, this relates to some of the consideration we'll have in extending our native forest contracts out to 2040. We're aware that there's various economics. Part of it, as you say, it really depends on how much high-value product is there, the cost of planning, what we need to pay the contractors to provide access, how far we need to cart the wood. They are the range of things that determine the relative economics of each of these areas and we take that into account when we're going through our planning process.

**Mr SHELTON** - Can you inform the committee regarding some of the issues with the wilderness society's pamphlet, *Vanishing Wildlife*, by Dr Jenny Sagger?

**Dr WOODRUFF** - Sanger.

**Mr SHELTON** - Sanger.

**Mr ABETZ** - Yes, I -

**Dr BROAD** - Dr Sanger.

**Dr WOODRUFF** - Dr Jennifer Sanger.

**Mr ABETZ** - I know that some of her work had to be retracted when certain deficiencies were found in it. She is somebody that contributes to the promotional material of the Bob Brown Foundation, but *Vanishing Wildlife* should have been entitled 'Vanishing Truth' or 'Vanishing Facts' because it is more about hyperbole and fundraising activities for the Bob Brown Foundation, rather than putting actual information on the record.

It's like when she was questioned on the issue of roadkill in relation to log trucks. It was a figure that has no genuine scientific basis. A lot of the report contains deep methodological flaws which are the product of an extreme ideological position to native forestry in Tasmania. I'm advised that the estimates in the report have been generated through the misuse of a World Wildlife Fund (WWF) study of the number of animals impacted by extreme bushfire events that have been used to extrapolate estimates on the impact of native forest logging.

The example I provided previously of the extreme fire in the previous deputy prime minister's electorate and the consequences of that, compared to a logging situation where most of the animals can move out of the coupe and then, prior to a fire or with fire, can move away from it because it is contained in a specified area, as opposed to a raging wildfire. To extrapolate and try to compare that with the other is disingenuous, to say the least, scientifically exceptionally flawed. The report provides no evidence that the impact of extreme bushfire events on animal life is akin to the best-practice approach to native forestry.

I'm advised other estimates in the report, such as the number of animals estimated to be killed by logging trucks or from the burning of coupes are simply numbers that are made up. As such, the estimates provided in the report are meaningless and, one can only assume, deliberately constructed to align with the wilderness society's anti forestry mindset.

Notably, the report also fails to undertake any comparison of Tasmania's best-practice and sustainable approach to forestry management compared to the approach in those alternative wood supply jurisdictions which would replace our domestic production. Of course -

**CHAIR** - I ask you to wind up, minister.

**Mr ABETZ** - I will leave it at that. Suffice to say that the *Vanishing Wildlife* report is a waste of the paper it's written on.

**Dr BROAD** - In the most recent ministerial charter the explicit requirement for STT to pursue Forestry Stewardship Council (FSC) certification has been removed. Rather, it requires STT to:

Achieve and maintain independently ordered and internationally recognised certification consistent with the requirements of its customers in end markets.

Can the minister advise if STT will continue to pursue FSC certification?

**Mr ABETZ** - That's a matter for -

**Mr de FÉGELY** - Thank you, Dr Broad. Obviously, we continue to review everything we do from time to time. We maintain certification under what is commonly called PEFC or

Responsible Wood. We used to have certification under ISO 14000, the old environmental standard. We ended that a couple of years ago because it was unnecessary and we thought it was a double-up. We're continuing to work through FSC at the moment. That's continuing our plan. That's our policy within the organisation and we've made no decision to change that. As we've discussed earlier, there are challenges around a number of the things that we'll need to do, but it'd be a process for us probably to visit sometime next year.

**Dr BROAD** - If FSC certification wasn't pursued anymore, would there be any impact on the supply of special species timber by STT?

**Mr de FEGELY** - Personally, I don't think so. Certification is a really important thing and the world is changing and continuing to change on its view around certification. The predominant certification system in the Australian market is PEFC in Responsible Wood. The challenge with FSC is that it has so little volume certified that markets are beginning to say they can't get the volume according to that and so they're looking to Responsible Wood. For us, part of managing two systems will be something that the general manager of conservation land management may or may not make a recommendation on to the board, but at this stage we're continuing to do it.

**Dr BROAD** - Is FSC required if the environmental groups go ahead with their proposal to campaign against all native timber, because the environmental groups help underpin the FSC certification process and if they're campaigning against all native forestry, does that mean that FSC is no longer relevant in the Australian context?

**Mr ABETZ** - That is a conclusion that many a person would come to, Dr Broad, that if the organisations that are supposed to provide some independent assessment are on the other hand campaigning against anything native forestry, you can come to the conclusion that they will not provide the support that might be given elsewhere. It's one of the unfortunate things with FSC that they demand continual improvement, so if you start from a completely low base it's very easy to show improvement. If you're already at the world's best practice and then a demand is made that you show even further improvement, it becomes difficult. I'm also aware that with FSC previously, I remember a certain area in Australia was not provided with FSC certification, whereas it was in Papua New Guinea at a particular time.

**Dr BROAD** - It was West Papua.

**Mr ABETZ** - Yes, West Papua; thank you for the correction. It is alleged or suggested that certain funds were paid to the organisation and that is what makes me doubt the genuineness and robustness of FSC. If it can be obtained sensibly then of course it's another good thing, another little tick, if you like, but responsible wood seems to be the certification that the market is looking for and is the major certifier these days and Sustainable Timber Tasmania has that.

**Dr WOODRUFF** - Chair, we've established from Ms Weeding earlier that your company - or Mr Whiteley, I think - does have a protocol for the management of protesters. It is in part related to ensuring that Forestry Tasmania, Sustainable Timber Tasmania, works within the law. Can you please table that protocol?

**Mr de FEGELY** - I'll refer that. It's an operational matter, not a board matter. I'm happy for the CEO to respond but I think he's answered that question.

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**Dr WOODRUFF** - No, Ms Weeding said it was an internal process, but we would like it to be external because it relates to matters pertaining to the work and the directions of how Forestry Tasmania manages peaceful protesters. We want that to be public. That's entirely reasonable. My question is not to you, minister, but through you, chair, to the CEO. Will you table it?

**Mr ABETZ** - But the chair can refer to the minister should he so wish.

**CHAIR** - I'm sorry, Dr Woodruff, but you can't direct the chair to direct something to the CEO. It's his decision.

**Dr WOODRUFF** - No, it was back to the chair.

**CHAIR** - So the question is to the chair.

**Dr WOODRUFF** - You can all chat amongst yourselves to make sure Tasmanians don't get this information.

**CHAIR** - Dr Woodruff.

**Dr WOODRUFF** - Well, that's what's going on here.

**CHAIR** - Dr Woodruff, please.

**Mr ABETZ** - The bad behaviour exhibited here is undoubtedly part and parcel of the bad behaviour that is so often on display at the forest protests. I just wish the protocols for those protesters would be on public display where they have a number of convictions against their name. The Bob Brown Foundation still embraces them and allows them to carry the Bob Brown Foundation name. What is being sought here from Sustainable Timber Tasmania is the way that internally they handle protesters. Should the Bob Brown Foundation be armed with those protocols, they will undoubtedly use them to try to assist them in their misinformation campaigns and their protest campaigns which disrupt the work of men and women who gain a living from our forests. That is an internal document and will remain so.

**Dr WOODRUFF** - Chair, the US ambassador, Caroline Kennedy, climbed to the top of the giant tree with the help of The Tree Projects. The Valley of the Giants was part of Forestry Tasmania's three-year plan. It was taken off the plan after she did that because she saw the inestimable world value of those trees, but it's not actually being protected. You can suspend logging in that area, just like you suspended logging on Bruny Island to protect swift parrot habitat. Will you commit your company to protecting those globally significant trees and permanently suspending or logging operations in the Valley of the Giants?

**Mr de FEGELY** - I think we've had this discussion. Thank you, Dr Woodruff. Suzette, would you like to answer that question?

**Ms WEEDING** - The operation you're referring to is called Denison 7B -

**Dr WOODRUFF** - It's called the Valley of the Giants.

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**CHAIR** - Dr Woodruff.

**Ms WEEDING** - and it's taken off our three-year wood production plan. It's still part of permanent production zone land and is considered as such. That said, the area itself contains a number of trees which would qualify either as giant trees or large trees under our protocols. Giant trees under our giant tree policy requires them to be protected, and our large trees under our internal procedure in relation to large trees, which are trees over 2.5 metres diameter at breast height. In consideration of those factors, it's probably unlikely that that area will come back on to our plan but it's still within our production forest area and potentially available. It's something we'd need to consider in due course at some point in the future.

**Mr JENNER** - A couple of points of clarification if possible, and I ask this as a question once again. Is it true that less than 10 per cent of harvest biomass from native forest is being used for high-value products? If so, is there any strategy to improve it for commercial purposes?

**Mr ABETZ** - Look, I hear what you're saying. You could make the same analogy when a prime beast goes to the abattoir. There's only a small part that is rib eye. The vast majority of it is offal, the head, the hooves, et cetera, and you could then make the argument that you are growing a beast simply for one or two per cent of its body weight and what a waste that is. But of course what happens with a beast, and the same with wood production, is that there's the high quality but there are the lower quality items such as blood and bone, from which you can get a financial return, which makes the whole -

**Dr WOODRUFF** - It is 53 per cent wood chips.

**CHAIR** - Dr Woodruff.

**Mr ABETZ** - which makes the whole production valuable. In relation to timber as well, from a tree the high-quality sawlog element is usually limited, but I will allow experts more expert in the field than myself to answer further.

**CHAIR** - It now being 11.31 a.m., the time allocated for scrutiny has expired. We started one minute late for a lack of quorum, but I've added that one minute. Thank you all for your attendance.

**The witnesses withdrew.**