

Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 |



Secretariat
Senate Committee
Email: tfes.sen@aph.gov.au

29 November 2024

Please find enclosed my responses to Questions on Notice from Senator Nick McKim to myself, as the Minister for Transport, at and following the public hearing of the Select Committee on the Tasmanian Freight Equalisation Scheme (TFES) on 13 November 2024.

In his unparliamentary and hostile commentary at the hearing Senator McKim accused Tasmanian native forest harvesters of 'rorting' the TFES, 'aided and abetted' by myself and Sustainable Timber Tasmania (STT).

On behalf of the sustainable, renewable Tasmanian native forestry sector I reject Senator McKim's allegations as false and without basis. Senator McKim should withdraw his comments and apologise.

I also note that Senator McKim has requested additional detailed information in relation to STT and its contracts that was not raised on the day. STT has undertaken its best efforts to provide a timely response on these matters, noting that in some cases the level of detail requested is so burdensome and unrelated to the TFES that it is unreasonable to expect a fully detailed response.

Reason for Sustainable Timber Tasmania's non-appearance at public hearing?

I am advised by STT that they declined an invitation to the public hearing on the basis that STT does not utilise the TFES. Unfortunately, while this message was sent earlier in the day it was not relayed to members of the committee in advance of the scheduled hearing.

Senator McKim implied through his questioning at the hearing that STT's non-appearance may have been as a result of a request from either myself or my office. This was not the case and I reject the premise of the question that I would seek to interfere with the workings of the Committee.

Whether whole logs from Sustainable Timber Tasmania are going across Bass Strait?

As Senator McKim would be well aware, the export of logs from Tasmania to Victoria is a direct result of the foolhardy decision of the Victorian Labor Government to ban native timber harvesting in Victorian state forests. The eminently foreseeable result of this ban was not a reduction in Victoria's use of timber, but that Victoria now imports from Tasmania and from overseas the timber that it used to supply out of its own forests.

Rather than learn the lessons of this appalling policy failure, Senator McKim and the Greens continue to advocate for Tasmania to adopt the same bad policy. They would seek to shut down Tasmania's renewable and sustainable native forestry sector, overseen by our independent Forest Practices Authority, in favour of imported timber from South and North America.

The Greens advocacy for sustainable forestry bans is all the more bizarre given that every recent global strategy for climate-change mitigation proposes the increased use of wood as a substitute for materials with high embedded carbon emissions including concrete, steel and aluminium.

The adoption of sustainably managed forests as part of climate change mitigation strategies is built on solid and long-standing science and supported by the policies and recommendations of the Intergovernmental Panel on Climate Change, the Food and Agriculture Organization of the United Nations, and others.

If Senator McKim has a problem with the legitimate use of the TFES to support the supply of sustainably harvested whole logs from Tasmanian forests to Victorian mills, then he should take this up with the Victorian Government. They could easily address this situation by reopening Victorian state native forests to harvesting and allowing Victorian mills to again source the timber Victoria needs locally as they have historically done.

STT does not utilise the TFES and does not directly export whole logs to Victoria. Decisions on whether to process whole logs on-island or ship via Bass Strait are a matter for the particular customer. STT has been advised by Western Junction that all STT timber delivered to their mill undergoes further on-island processing.

TT-Line

How many log trucks have travelled between Tasmania and Victoria on a Spirit of Tasmania ferry since 2019?

Please break down by:

a. quarterly reporting;

Logs are classified by TT-Line as a timber commodity which includes timber packs, building materials, trusses etc rather than separately classified. Given the relatively low numbers of log carrying vehicles transported compared to other freight types and commodities TT-Line does not retain quarterly information on this freight.

The annual estimated numbers of log specific trailers carried are:

2019 - 18 Trailers

2020 - 23 Trailers

2021 - 60 Trailers

2022 - 60 Trailers

2023 - 96 Trailers

2024 - 96 Trailers

Total - 353 Trailers

b. northward and southward passage;

All of these vehicles carry logs northbound. TT-Line does not generally carry trailers bringing logs southbound into Tasmania; the Log Jinkers return empty and folded.

c. type of log truck (e.g. Class 1/semi-trailer, Class 2/b-double); and

Log Jinker Trailer

d. *business the log truck was registered to.*

Logs are shipped through TT-Line's freight forwarding client, BWT Tasmania. TT-Line does not deal directly with individual truck owners.

Sustainable Timber Tasmania

1. *Does Sustainable Timber Tasmania have any contracts for sawlog supply from the public estate in place with any of the following TFES claimants? (Senator McKim)*

BR & KF Muskett & Sons Pty Ltd

Britton Brothers P/L

Britton Timbers International Pty Limited

Fenning Timbers

G L & V N Barber P/L

JNS S'wood TST & RNS S'wood TST T/A NSFP Southwood

Karanja Timbers P/L

Kelly Gang Timbers P/L

McKay Investments P/L T/A McKay Timber

Mon-Allied Natural Wood Enterprises Pty Ltd

Neville Smith Forest Products Pty Ltd

Pentarch Forest Products Pty Ltd

Ricky Eastley TA Eastley Sawmilling

Ta Ann Tasmania Pty Ltd

Torenius Timber Pty Ltd

Western Junction Sawmill Pty Ltd

Will Trade Tasmania Pty Ltd

BR & KF Muskett & Sons Pty Ltd – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Britton Brothers P/L - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Britton Timbers International Pty Limited – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Fenning Timbers – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

G L & V N Barber P/L - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

JNS S'wood TST & RNS S'wood TST T/A NSFP Southwood - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with

this TFES claimant.

Karanja Timbers P/L - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Kelly Gang Timbers P/L - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

McKay Investments P/L T/A McKay Timber - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Mon-Allied Natural Wood Enterprises Pty Ltd - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Neville Smith Forest Products Pty Ltd – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Pentarch Forest Products Pty Ltd – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Ricky Eastley TA Eastley Sawmilling – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Ta Ann Tasmania Pty Ltd - Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant, however, does hold a contract for the supply of peeler logs.

Torenius Timber Pty Ltd - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Western Junction Sawmill Pty Ltd - Sustainable Timber Tasmania does have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

Will Trade Tasmania Pty Ltd – Sustainable Timber Tasmania does not have a contract for sawlog supply from Permanent Timber Production Zone land with this TFES claimant.

a. If so, are these contracts for 'on-island processing' only?

Sustainable Timber Tasmania's existing contracts for sawlogs require that supply is made at the nominated Delivery Site. The Delivery Site for each existing contract is a location wholly within Tasmania. All Delivery Sites are at mill locations where customers have timber processing facilities.

i. If not, which contracts are for in-island processing, and which ones provide/allow for off-island processing?

Sustainable Timber Tasmania's existing contracts for sawlogs require that supply is made at the nominated Delivery Site. The Delivery Site for each existing contract is a location wholly within Tasmania.

ii. What due diligence/auditing is done to ensure sawlogs provided for contracted on-island processing are processed on-island?

Each sawlog delivery must be accompanied by a log delivery docket. A mandatory field on the log delivery docket is the location of each Delivery Site. The Delivery Site for each customer is a location wholly within Tasmania.

b. What are the contracted volumes per year for each contract?

Information on contract volumes is 'commercial in confidence' and, in accordance with the confidentiality clauses in the relevant contracts.

i. From which coupes, under what tenures, have contracted volumes been harvested from for each contract?

Sustainable Timber Tasmania delivers timber to Tasmanian mills to enable on-island processing. Sustainable Timber Tasmania does not claim TFES.

This request for detailed information on the supply of timber to Tasmanian mills is therefore unlikely to provide information that would be useful to the workings of the Committee and it is unreasonable to expect Sustainable Timber Tasmania to undertake a costly and time-consuming search for this information given that individual customers may have taken supply from potentially hundreds of different coupes since the commencement of the relevant contracts.

c. Does Sustainable Timber Tasmania have a legal definition of 'processed wood'?

No.

i. If so, what is the definition, and from which legislative instrument is it provided?

Note above answer 7.

I trust this information is of assistance to the Committee.

Yours sincerely

Eric Abetz MP
Minister for Transport