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**Productivity Commission Submission  
Tasmania's Shipping and Freight**

**Submission by Forestry Tasmania**

Over the last several years, the forest industry in Tasmania, particularly the native forest industry, has been shut out of two strategic port facilities; Burnie in the North West, and Triabunna in the South East. These export operations were shut to all native forest products, both pulpwood and sawmill residues, with Gunns Ltd's decision to exit the native forest industry in 2010. The facilities were the only ones in their respective region capable of processing and exporting woodchips. This has left Bell Bay as the only option for non-Gunns Ltd pulp logs.

Consequently there has been a significant impact on private forest owners, sawmillers and Forestry Tasmania operations that traditionally sold into the Burnie and Triabunna facilities and massive flow-on effects in regional communities and industries that supported the forest operations.

These facilities were both under the private ownership of Gunns Ltd, with Triabunna being sold in mid-2011 to private investors. The new owners of Triabunna are currently progressing with plans to turn the facility into a tourism site. This leaves the South of the State without a viable regional facility for woodchip exports, despite the need remaining undiminished. The only remaining option is at Bell Bay, adding about 240 km cartage, at significant cost, to any plantation or native pulpwood from the south.

The Burnie facility has also been shut to native forest products since 2010, again leaving Bell Bay, an additional 145 kms distant, the only option for native forest pulpwood and sawmill residue. As the market has come back, this facility has begun to purchase third party plantation pulpwood over the last year, but native forest products have not been so lucky.

Availability of strategic export facilities for export logs and woodchips in the South and North West is critical for the whole forest industry. For the industry to work to its potential, access to efficient regional export facilities needs to be available on commercial terms to all exporters. This would go a long way to assisting the forest industry to get back on its feet.

Regarding the Tasmanian Freight Equalization program and the loss of regular international shipping, Forestry Tasmania has been impacted by the loss of international freight in the State. We have been exporting logs in containers to Asia to undertake tests to make advanced wood products which we hope to produce here in Tasmania. The impact on timing and cost as a result of containerized wood products being sent via Melbourne or elsewhere and the lengthy turnaround time has made our plans for innovation more costly and less efficient.

Steve Whiteley  
Chief Executive Officer

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