



28 July 2017

Guy Barnett, Minister for Resources

Improving Bottom-Line for Sustainable Timber Tasmania

The Hodgman Liberal Government's commitment to rebuilding Tasmania's forest industry is about growing investment, creating jobs and ending the public subsidies.

The restructure of Forestry Tasmania into Sustainable Timber Tasmania (STT), along with its increased commercial focus, is on track to deliver a \$30 million improvement to its bottom-line over the next four years.

This is an important result for the viability of the Government Business Enterprise and the wider industry, and will be a great outcome for taxpayers.

We have said we want the business to operate on a commercial basis because public monies should be invested in our hospitals, our schools and our police.

The decisive action we have taken to restructure the business and put it onto a commercial footing is delivering for the Tasmanian community.

The projected improvement in STT's bottom-line are a result of an organisational restructure; achieving better returns for forest products; and savings on office costs, particularly the move of the Hobart office.

While STT is in a much better financial position, there is still more to do.

The fact remains that STT continues to be in a situation where a significant proportion of the timber it harvests is being sold at a loss.

That's why we want to unlock production forests to make more timber available on a commercial basis for all sectors of the industry – a sensible plan that was blocked by Labor and that we will take to the Tasmanian people at the next election.

I can also announce today that STT has selected a preferred bidder for its hardwood plantations and is in the final stages of formalising that sale.

I look forward to announcing the successful purchaser and the details of the sale in the very near future.

The sale proceeds will provide another boost to STT's bottom-line.