



25 October 2016

Guy Barnett, Minister for Resources

Forestry Tasmania Advice Highlights Need for Action to Protect Jobs, Growth

Forestry Tasmania is losing money on more than a quarter of the trees harvested from production forests each year, costing taxpayers and threatening as many as 700 jobs.

This is a direct result of the Labor-Green government's disastrous Tasmanian Forest Agreement, which locked up the best forests and pushed Forestry Tasmania (FT) into more marginal country.

Today, I tabled both Forestry Tasmania's annual report and the advice received from the Board showing that – despite all the improvements to date – the business is not operating profitably and will be unable to do so under the current business model.

The advice makes clear that FT cannot deliver agreed production levels in a commercially sustainable way.

Consequently, FT has proposed that one option is to reduce the legislated supply of sawlog from 1 July 2017, which would result in a 25 per cent cut in the size of the native forest industry.

This would mean the loss of around 700 direct and indirect jobs, devastating regional communities that are still recovering from the effects of the forest deal, which wiped out two out of three forest industry jobs.

The Hodgman Liberal Government will not be supporting this position.

Our number one priority is jobs, and we are absolutely committed to backing our resurgent forest industry to grow and create more employment, not less.

However, we also remain committed to putting Forestry Tasmania on a sustainable footing; not dependant on taxpayers' dollars that should be used for our frontline services – our hospitals, schools, police and supporting vulnerable people.

The choices are simple:

1. The Greens' plan – shut down the industry and throw thousands more Tasmanians out of work;
2. Labor's plan – keep tipping in hundreds of millions of taxpayers' dollars to cover up the obvious failures of its TFA sell-out;
3. The Government's plan – keep the industry on its current growth trajectory by strengthening resource security.

This is why we are considering opening up the Future Potential Production Forest “land bank” set aside by this Government for precisely the purposes raised by this FT advice.

While today I have tabled both the FT annual report and the Board’s advice on its operating model to outline challenges that we face, tomorrow I will have more to say on the Government’s response.

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