

## SOUTH EAST FORESTRY INDUSTRY ROUNDTABLE

**Chair:**

Trevor Smith

**Members:**

Mark Braes  
Matthew Brookes  
Chris Peterson  
Phillip Lloyd  
Ian McDonnell  
Bradley Coates  
Richard Sage

2nd March 2012

The Hon Jack Snelling MP  
Treasurer  
GPO Box 2264  
Adelaide SA 5001

Dear Treasurer,

I refer to your correspondence dated 27th February 2012 in response to the Roundtables letter of 30th January 2012.

In the first instance I wish to acknowledge the positive responses you provided to the majority of the issues that we have raised which in many instances have been matters of concern shared by Industry, Industry stakeholders, the South-East Community and diverse community and political representatives. It is timely therefore to reiterate that the Roundtable looks forward to all matters raised, discussed and agreed to emanating out of your responses dated 6th October 2011, 21st December 2011 and 27th February being incorporated within the Divestment documents and Conditions of Sale respectively.

Whilst the Roundtable unanimously recognised the positive elements of your latest response, (teleconference held 29<sup>th</sup> February 2012) there are three matters that we would like to further comment upon.

In respect to the prospect of the Rotation length of 32 to 35 years potentially changing after 32 years for any of the reasons you have outlined, the Roundtable is of the view that any proposed change should only occur following an obligatory consultative process. Such process could be directly with Industry or facilitated by Government.

The second matter is a reaffirmation of the replanting obligations required which shall be no less than the current ForestrySA standards which would ensure the ongoing Integrity of the plantation estate. This issue was first raised in our correspondence of 29th August 2011, as follows:

**"(iv) The purchaser shall maintain , rotation, silviculture and replanting regimes of the plantation estate consistent with the current ForestrySA practises to ensure the current and future Industry resource requirements are achieved".**

Your response of 6th October 2011 in part was as follows:

**"The Government has committed to selling the cutting rights only to a reputable organisation. In addition to the replanting obligations, the government will ensure the purchaser meets the forest standards proposed by the Roundtable or an equivalent standard or level of accreditation."**

**Trevor Smith**

Mobile: 0418 815 947  
Phone: 08 8346 3470  
08 8226 2466  
Fax: 08 8340 9712  
tsmith@aceservices.net.au  
Address:  
10 Wentworth Place  
Brompton SA 5007

**Executive Officer**

Des Pearson  
Ph: 8226 2458  
des.pearson@sa.gov.au

**Administrative Officer**

Simone McDonnell  
Ph: 8226 2467.  
simone.mcdonnell2@sa.gov.au

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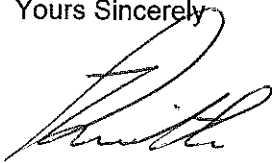
There are numerous references in our exchanges of correspondence that refer to the Plantation estate only being used for Forestry, this assurance is encouraging but does not ensure that the extent of the replanting required is going to be carried out, accordingly a reaffirmation of replanting obligations to certain standards is sought.

The last matter of clarification is the reference on page 4 (2nd para) to a "key obligation will be for the new purchaser to agree to match ForestrySA's current level of planned viable domestic supply as a minimum". We would seek clarity as to what level is actually being referred to, you may recall that I have raised on a number of occasions of what the progress of the Request for Proposals is and whether this matter is going to be resolved prior to the sale being finalised, we would appreciate a clear understanding of this issue.

The SEFIR will continue to make a contribution where necessary in the progress of this process, in particular, on behalf of the Roundtable, I look forward to discussing the timing of review and input into the draft Conditions of Sale with your Department of Treasury and Finance officers. The Roundtable is adamant that all agreed and supported recommendations between the Roundtable and yourself be clearly drafted and represented accurately in the appropriate Documentation and Conditions of Sale as well as now conveyed publicly in the manner you have undertaken to do.

I look forward to our ongoing role in ensuring the future of a long term viable and sustainable Forest & Forest Products Industry supported by a community confident of its future.

Yours Sincerely



**Trevor Smith**  
Chair SEFIR