

**Chair:**

*Trevor Smith*

**Members:**

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The Hon. Jack Snelling MP  
Treasurer  
GPO Box 2264  
ADELAIDE SA 5001

The Hon. Michael O'Brien MP  
Minister for Forests  
GPO Box 668  
ADELAIDE SA 5001

August 29, 2011

Dear Ministers,

On behalf of the South East Forest Industry Roundtable (SEFIR) I wish to submit for your consideration, the current issues and criteria that we believe are imperative to be incorporated within the intended Conditions of Sale of the South East plantation resource.

Whilst there are other issues that are under discussion of the SEFIR, the following matters represent the issues that the Roundtable believes should be in Treasury's initial drafting and dialogue in advancing the abovementioned Conditions of Sale.

**Purchaser's Obligations to comply with Industry Requirements**

The Purchasers obligations to comply with the Industry's requirements set out hereunder shall be read in conjunction with all other acts and legislation of which compliance is required:-

- i) The purchaser shall ensure that the plantations are managed for commercial production using best practise standards for harvesting operations, environmental and land management. The Purchaser shall be strongly committed to the economic, environmental and social aspects of sustainable forest best management practise.
- ii) The purchaser shall undertake where appropriate, cooperative forestry related research for the long term benefit of the Industry and the Community.
- iii) A prime objective of the purchaser shall be to foster and support the growth of an internationally competitive South East Forest and Wood Products Industry and an expansion of the plantation estate.
- iv) The purchaser shall maintain the growth, rotation, silviculture and replanting regimes of the plantation estate consistent with the current Forestry SA practises to ensure the current and future Industry resource requirements are achieved.
- v) The Purchaser shall prioritise the provision of resource security to the South East of South Australia Forest and Wood Products Industry having regard to the current Industry's requirements. The purchaser will be responsive to the South East Industry's requirements should the landscape of the Industry change as a result of new technology, new products, processing, scientific or innovation initiatives undertaken.

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## SOUTH EAST FORESTRY INDUSTRY ROUNDTABLE

- vi) The purchaser may only review its rotation, growth, replanting and harvesting practises, to respond to any significant changes to the current requirements of the Industry.
- vii) The purchaser shall maintain a Forest Management System certified to the internationally recognised Australian Forestry Standard (AS4708 as well as ISO 14001)
- viii) The purchaser shall comply with an Export Policy which will have as it's basis the requirement to provide resource in the first instance to the requirements of the domestic Industry, only short term (1yr) contracts shall be offered to International customers, clear export records of timber (including quantity and quality) shall be kept and available for access by a designated authority, the purchaser shall be able to provide evidence to the appropriate authority of domestic Industry's inability to process or sell to the domestic market.
- ix) The purchaser shall provide Forestry SA with a Fire Fighting Strategic Plan which shall incorporate a training programme, machinery, equipment and vehicles available for Fire Fighting responsibilities, the purchaser shall also be responsible for all costs associated with the prevention and/or protection of the forest resource from fire.
- x) The Purchaser shall apply all legal entitlements including award or agreement conditions as determined by the relevant jurisdiction to it's workforce which shall include employees, contractual employees and contractors.
- xi) The Purchaser shall comply with all Occupational Health & Safety requirements and have as an objective to provide the best practise health and safety work environment and shall apply such level of training required to achieve such an objective
- xii) All existing resource supply contracts (quantity, quality, pricing & other contractual terms & conditions) shall be honoured by the Purchaser with renewable contract periods up to twenty years being made available to accommodate Industry development, new products, processing or innovative initiatives that seek to sustain a long-term viable South East Forest and Wood Products Industry

The requirements of the Purchaser to comply with the Industry Objectives set out above shall be complimented by the application of financial and/or other forms of penalties, should there be non-compliance.

The SEFIR shall continue to progress a draft Forest and Wood Products Policy which will contain significant other domestic, national and international matters that impact on the Forest and Wood Products Industry, for your consideration. The SEFIR is in the preparatory stages with PIRSA, of developing a long-term blueprint of the Forest and Wood Industry, for your consideration. I am also looking forward to being advised of the meeting date on water allocation that was proposed by the Minister Of Forests in order that this significant issue may be able to be resolved.

As SEFIR progresses these initiatives it is expected that other matters associated with the conditions of sale may be identified and therefore will be raised with you.

Should you require any of the aforementioned matters to be elaborated upon or discussed further, please contact me at the earliest opportunity.

Yours sincerely,



Trevor Smith  
Chair, SEFIR