

8th April , 2013

Committee Secretary

Senate Standing Committees on Rural and Regional Affairs and Transport

PO Box 6100

Parliament House

Canberra ACT 2600

Re: Submission for the Senate Inquiry into Forest Contractor Exit Packages

This submission is directly related to the findings of the Audit Office Report (2013)

As Gunns Ltd contractors who were assessed as not eligible for the Forest Contractor Exit Package and Australian residents and tax payers, we would appreciate an explanation of how grant money was paid to applicants who did not supply necessary information or were not deemed as eligible under the guidelines.

- **10 applicants (16 per cent) had been offered grant funding totalling \$3 595 863 despite not providing the required documentation to demonstrate eligibility, including financial information, evidence of ongoing arrangements and/or evidence of activity in public native forestry. (p 32 audit Summary)**
- **The lack of documentation raised questions about whether equitable access was provided to the program. (p 32 Audit Summary)**

This document has clearly demonstrated that the grant process was not administered fairly and equitably to all applicants.

Wiggins & Dean Logging Pty Ltd is a Tasmanian family business run by Ian and Marion Wiggins. Ian has been involved in the Forestry Industry for thirty eight years, thirty three as a logging contractor employing locals. In April 2011, Gunns exited the Native Forest Sector leaving us with no job, no income and no chance of a future in the industry, however, we still hold a contract with Gunns Ltd that runs until July 2014. Ian was inducted into the Australian Forest Contractors Association Hall of Fame in 2010 for his long service to the

Tasmanian Timber Industry. He has not worked in the logging industry since being stood down in 2011.

As a Gunns contractor we were relieved when the Heads of Agreement stated on 24th July 2011 that *“a package of immediate assistance will be provided to workers and contractors who are losing their jobs as a result of current changes in the industry, namely the exit of Gunns Ltd from the Native Forest Sector”*.

- Applying for the exit package in November 2011 was not a decision of whether to apply or not, our situation left us with no choice as we were without a job, no immediate income and no future job prospects.
- Many successfully funded contractors formed part of Forestry Tasmania's (and others) past operating force and had the ability to make a choice in this process.
- Forestry contractors (and others) were able to continue work whilst the Exit Package process was taking place, ensuring income and job security whilst Gunns contractors were without any form of work or income.
- We applied for this assistance as a matter of urgency for our livelihood, only to find that the word 'public native forest' had appeared in the application paperwork. As a contractor in South East Tasmania, the majority of our work (as requested by Gunns Ltd) was in Private Native Forest, leaving us ineligible due to not meeting Criterion C (more than fifty percent of the native forest operations of a business must be in public native forest in at least one of four financial years).
- Due to the responsible performance of our logging practices, much of our private native allocation was due to land owners requesting our company specifically to log their properties. This was the determining factor in our ineligibility to receive assistance.
- We received supporting letters from Timber Communities Australia, Gunns Ltd, Tasmanian Forest Contractors Association and Australian Forest Contractors Association which were lodged with our application. *“Under the Statement of Principles and the consequent Signatories Agreement, it was always the intention that all directly impacted contractors be assisted to exit the industry with dignity. It is now apparent there are a very small number of Gunns contractors, with current contracts, but no future prospects in this industry who will not be accorded this respect.”* (Tasmanian Forest Contractors Association letter to Assessment Panel, 18.11.2011. All necessary paperwork and documentation was included.
- 10.5.12 – Letter was sent to Commonwealth Ombudsman requesting a review of our case.
- 5.6.12 – Investigation Officer contacted DAFF for more information regarding our case.
- 10.10.12 – Investigation Officer from the Commonwealth Ombudsman notified us that the finding was “not unreasonable”.

We appreciate the opportunity to finally receive some answers, particularly when the Exit Package Audit Summary clearly demonstrates the process was flawed and questioned whether “equitable access was provided to the program.”

What we deserve to learn from this Inquiry:

- How are Wiggins & Dean Logging less worthy of exit package assistance than any other contractor considering we were Gunns contractors and had our livelihood ripped from us in a matter of weeks?
- Who is accountable for the decision making and what action will the Senate Inquiry take after the Audit Report findings?
- Although the department has agreed with the recommendations made by the Auditor, sending staff and external assessors for grants management training and guidance gives us little confidence that we have been fairly treated. The past two years of our lives have been 'gut wrenching' and have left us feeling worthless and unsupported. The stress placed upon us both financially and emotionally cannot be erased.

Thank you for hearing our voice through this process. Please endeavour to right the wrongs so we can at least regain confidence in the Government and the processes in which it is responsible for administering.

Yours sincerely

Marion & Ian Wiggins

Wiggins & Dean Logging Pty Ltd