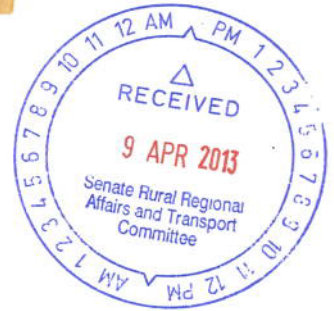


The Dept themselves asked for additional information!!!



Australian Government
Department of Agriculture, Fisheries and Forestry

First Review and Response.



Reference: IGACEP092

Mr Dennis Iles
DM & SJ Iles Pty Ltd as Trustee for The Dennis Iles Family Trust

Dear Mr Iles

On 21 March 2012, on your behalf, Mr Dallas Frost, requested a review of the decision by the Tasmanian Forests Intergovernmental Agreement Contractors Voluntary Exit Grants Program (IGACEP) delegate, who determined that DM & SJ Iles Pty Ltd be offered \$571 792.20 (GST exclusive) under the program.

The objective of the program is to assist the Tasmanian public native forest industry to adjust to industry downturn and to the reduced scale of native forest harvesting, through voluntary exit assistance to eligible harvest, haulage and silvicultural contracting businesses. The program does not seek to provide for the individual circumstances of every person or enterprise affected by the need for industry adjustment but seeks to assist transition by supporting voluntary exits.

An independent officer from the department was appointed to undertake a review of the decision on your application and to provide recommendations to an independent decision maker. The review was undertaken in accordance with the IGACEP Review Process published on the program's website (www.daff.gov.au/forestry/national/aus-govt-tas-forests/igacep). The process does not allow review of the program guidelines, **only decisions made under those guidelines, and does not consider any information supplied in addition to that submitted with your application.**

The review officer assessed your claims against:

- a. The IGACEP program guidelines
- b. Original documentation submitted in your application
- c. The Advisory Panel's assessment report and supporting documentation
- d. The delegate's decision.

Overall the review found that the original assessment of your application and subsequent funding offer were in accordance with the program guidelines, consistent with the assessment process and within the parameters of the program objectives.

In reviewing the application and assessment documentation, it was noted that the IGACEP Advisory Panel made a number of determinations when considering the merit of applications and making funding recommendations to the program decision maker. The panel applied these determinations to eligible harvest and haulage applications under the program to ensure fairness and consistency in the assessment process; to best meet the program's objectives; and to ensure value for money for the Commonwealth.

To ensure fairness and consistency, for all the eligible applicants, the original assessment process and review considered the nominated amount, verified actual harvest and haulage tonnage in public native forest and the rate per tonne against Tasmanian forest industry information, business financial information and independent financial assessment of the application. Based on the information provided, the panel considered your nominated rate per tonne as too high. The program guidelines state that the panel may recommend a lower amount than the applicant's nominated amount. Answers to your specific questions are at Attachment A.

I have determined to uphold the delegate's decision on DM & SJ Iles Pty Ltd's funding offer of \$571 792.20 (GST exclusive).

If you still have concerns with the decision taken on your application to the IGACEP you can seek further review of the decision by the department, however no new information can be considered. Alternatively you can apply for an external review by the Commonwealth Ombudsman by calling or by email:

If you have any questions on this matter, please contact the program secretariat

Yours sincerely

Jeremy Cook
Decision Maker for the IGACEP review requests
Agricultural Productivity Division

JC May 2012

cc Mr Dallas Frost

F.T. contractors do not have a definitive amount of public native forest to be harvested written in their contracts either!!!

Attachment A

Below are the answers to your specific questions:

1. *Has the amount offered been calculated only on the basis of either harvest or haul contract tonnes in error and not the total harvest and haul tonnes of 90 000?*

The offer was calculated using the actual tonnage for both harvest and haulage in public native forest in 2009-10. This is in line with Advisory Panel's determination which aligned with the program guidelines. A decision was made to use 2009-10 actual tonnage as public native forest contracted amounts could not be provided by Gunns Limited contractors, as Gunns Limited contracts do not differentiate between private and public native forests. To ensure fairness, actual tonnage was used to determine offers to all eligible contractors.

2. *Has the amount been calculated using the correct percentage of lost volume from public native forest in 2010/11 for criteria 1?*

The Advisory Panel made a determination to use actual tonnages for 2009-10 for the purposes of calculation of merit criterion 1 and 2. The program guidelines allowed for this if annual contracted public native forest tonnage could not be supplied.

3. *Has the correct contract amount of 90 000 tonne been used to calculate the value per tonne requested to exit for criteria 2?*

The Advisory Panel made a determination to use actual tonnages for 2009-10 for the purposes of calculation of merit criterion 1 and 2 for the reasons outlined above. As per Gunns Limited letter of 29 October 2011, your total actual harvest and haulage tonnage for 2009-10 was 16 336.92 tonnes.

4. *Has the support from Gunns Limited for the client to exit been fully recognised?*

Yes, support was recognised in calculating your merit score.

5. *If all of the above have been calculated correctly, how has the sum been specifically calculated with any reference to the information so provided?*

The assessment process and review considered your nominated amount, actual harvest and haulage tonnage and the rate per tonne against the Tasmanian forestry industry information, your business financial information and independent financial assessment of your application. The program guidelines do state that the Advisory Panel may recommend a lower amount than the applicant's nominated.

12 June 2012

Tasmanian Forests Intergovernmental Agreement
Contractors Voluntary Exit Grants Program
Forestry Branch
Climate Change Division
Department of Agriculture, Fisheries & Forestry
GPO Box 858
CANBERRA ACT 2601

Dear Sir / Madam

IGACEP MILESTONE 1 AND 2 DOCUMENTATION

I refer to recent communication, both written and verbal, wherein my company has been offered a sum to exit the Tasmanian Public Native Forest Sector.

As your files should indicate, I have previously requested a review of the offer sum and this was completed late in May 2012.

I have complied with your request to submit the signed Funding Deed, Deed of undertaking and Milestone 2 Deed.

I advise given the short notice to provide the supporting documentation, I am still in the process of collating the same and will forward to you as soon as possible.

I provide the enclosed documents as above on the proviso that the department undertake a further review.

Based on the information provided to me by the department, I feel that the methodology chosen by the review panel has unfairly prejudiced my company's application. Although I do not dispute the department has applied the methodology evenly, I expect that it has produced an unfair outcome in my circumstance as distinct from other successful applicants.

I am still seeking input in reflecting upon the answers provided to my questions on the first review and will detail the items I wish further clarification on in the near future.

I trust this will meet with the department's understanding.

Yours sincerely,

Dennis Iles