

ND JACKMAN PTY LTD

CIVIL CONTRACTORS & EARTHMOVING

ABN: 47 009 523 951

8th April 2013

To the Committee Secretary Senate Standing Committees on Rural and Regional Affairs and Transport.

RE: Tasmanian Forest Intergovernmental Agreement Contractors Voluntary Exit Grants Program
7th of August 2011.

Firstly, we would like to take this opportunity in thanking you for your interest in dealing with the disaster bought by the Forest Contractors Exit Package.

We totally believe ther should be a Royal Commission into Forestry Tasmania and Southern Forest Management (SFM).

We would like to point out some of the issues that surround this.

- With the Exit Agreement into the date structure for the Contractors to apply, there was certainly not enough effort put into that by the decision makers before they made the deal with Gunns to exit Native Forests. Agreement dated 7th of August 2011.
- This agreement started out in 2008, Gunns terminated one of our contracts which still had 40 months to run. It was terminated because of the contract price to Harvest and Haul, and also the lack of sales. Our No 1 job finished in March 2010 - Our second job was to run until December 2009 but terminated in October 2005.
- Forestry Tasmania and SFM are employing Contractors who received Federal Government funding to exit the industry, when Forestry Tasmania and SFM contractors should not have been eligible because they still had an income, with no zero quota-Page 4 of the Agreement.

I believe as much as \$35 million was paid to contractors out of the two exit packages provided by the Federal Government, who are now back working in Tasmanian Public Forest for Forestry Tasmania and SFM in some shape or form. This is not acceptable under the terms of the exit package, 7th of August 2011.

Harvest and Haulage contractors that received Federal Government funding to exit the industry are selling their equipment to other contractors, and who are currently working for Forestry Tasmania or SFM. This equipment was not to be used, hired, sold or engaged in activities in Tasmanian Native Forests.

Guidelines to the Federal Government Exit Package offered, say that contractors that were in liquidation or Bankruptcy were not eligible for the Exit Packages, 80% of the contractors who received the Exit Package were trading insolvent.

Forestry Tasmania are still employing contractors and continue to issue new contracts, where contractors are expected to Harvest and Haul below cost. They are paying contractors no premium to cut Sawlogs and \$15 per tonne for pulp wood.

Under the program offered by the Federal Government and DAFF, if we were found to be eligible, we would have been entitled to \$3.5 Million, based on the level of quota we had at the time in Harvest and Haulage equipment. We still have this capability today.

We ND Jackman Pty Ltd have been involved in the Tasmanian Harvest and Haulage industry since 1966, well before wood chipping started. Our company was not eligible for any compensation what so ever when the above packages were on offer, nor have we received any assistance in the past for our Forestry businesses that have made a valuable contribution to the Tasmanian Forest Industry with regard to product segregation and environmental standards has been beyond reproach.

Ourselves and Five other contractors were working for Gunns in 2009. Gunns wanted to assign our contracts to Forestry Tasmania, three of the five contractors not including ourselves were accepted. The other three contractors were cheaper, these rates have proved not viable. We still have the paperwork for this assignment.

For our company to have spent their working lifetime in this industry, totally in Native Crown Land Forest, to finish up with nothing and no superannuation, as we have used all this up to survive, is very disappointing and frustrating.

Again, we would like to thankyou formally for this investigation into the Exit program, it is our view that Tasmania needs leadership on the above issues and we trust our concerns outlined in this letter will give you and understanding and insight into some of the problems facing the Tasmanian Forest Industry

Kind Regards

Noel and Andrea Jackman
ND Jackman Pty Ltd