

Robbie Iles

From: sandra iles
Sent: Friday, 8 June 2012 3:03 PM
To: Robbie Iles
Subject: Fwd: IGACEP092 query re Gunns exit and ongoing arrangements
[SEC=UNCLASSIFIED]



Sent from my iPad

Begin forwarded message:

From: Ed Vincent
Date: 8 June 2012 2:21:38 PM AEST
To: Dallas Frost
Cc: sandra iles
Subject: Re: IGACEP092 query re Gunns exit and ongoing arrangements
[SEC=UNCLASSIFIED]

Hi All,

I agree with these comments. I also understand that part of the collection of contracts includes a portion that was for thinnings, for which there was no tonnage harvested during the 2009/10 year. A question is this specified as public native forest? Public or private plantation or something else.

As there is no exit offer based on tonnage under that contract, it must be consistent and it be treated as ongoing private native and/or plantation. DAFF have not recognized it as a public native contract eligible for exit assistance. As Dallas states, they can't have it both ways!

Ed Vincent cahri.

On 08/06/2012, at 13:55, "Dallas Frost"

wrote:

Hi All,

My expectation of this is as follows:-

1. The recent review decision by DAFF was based on its assertion that you had an ongoing private and public native forest operation that still has tenure to this day.
2. DAFF have applied a narrow view of the Gunns contract, whereby it has, at its own choosing, decided that this contract was for an in determinant amount of public native and private native logging.
3. It would therefore appear consistent with this approach, that you ought to be able to continue your private to be only native portion of said contract as this was pre-existing. Following the information in the review documentation, it seems only logical that you have been paid out for approximately 33% of you contract based on the departments findings of your public native forest operations. Accordingly, under the guidelines as described by the department, you should seek to be able to continue.

The department can't have it both ways - you either had a contract for 50 odd thousand tonnes that should be paid out OR you have been offered the sum of \$576k

IGACEP092 Milestone 1 tax invoice [SEC=UNCLASSIFIED]

From: **IGACEP**

Sent: Wednesday, 20 June 2012 5:18:29 PM

To: **sandra iles**

Dear Dennis,

Thanks for your phone call today. I understand you will forward the two tax invoices for Milestone 1 and 2 and your Milestone 2 annexures shortly.

In terms of evidence for your exit strategy with regard to proving you will not be working on your ongoing Gunns contracts in public native forest, the following letter would be acceptable:

The letter is to be addressed to Gunns, and include the details of all contracts held with Gunns, including business type (harvest/haulage , contract numbers, and contracts start and end dates. The letter must be signed by the nominated individuals (i.e. yourself and Sandra) and be sent to Gunns. You can provide it to us by email, and this will serve as evidence for your claim in Annexure 1.

Kind regards

Paula

Secretariat

Tasmanian Forests Intergovernmental Agreement
Contractors Voluntary Exit Grants Program

From:IGACEP

Sent: Tuesday, 19 June 2012 11:09 AM

To: 'sandra iles'

Subject: IGACEP092 Milestone 1 tax invoice [SEC=UNCLASSIFIED]

Dear Dennis and Sandra,

Thank you for your signed deeds which convey your acceptance of the funding offer made and of the terms of the funding agreement.

In order to process your payment for milestone 1, would you please provide a tax invoice according to the funding deed for the amount of the first milestone payment expressed as both GST exclusive and inclusive and addressed to the department and the IGACEP program as the "Commonwealth's contact officer". If you could email this invoice please that would be appreciated.

for the public native portion of the contract and the private native part should be acknowledged by them as being allowed to continue.

I think you need to have legal advice on the review findings. the main questions are, was it ok for the department to take the approach it did? if so, then does that acknowledge you had existing private native ops that are allowed to continue ? and, if so, can you make arrangements with Gunns to remove only the public portion (based on the 2010 benchmark levels applied by the department) removed from your contracted volume.

the sticky part will be Gunns limited, but you could work on a deal with them if that is where the matter takes you, with a potential to have the remainder assigned to another party etc.

Just some thoughts. I will send an email to Paula and highlight the review findings letter where the department commits itself to acknowledging you had a private forestry operation ongoing at the time of application. Not your words, theirs !

Regards

Dallas Frost
Principal - Business Services

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From: IGACEP
Sent: Friday, 8 June 2012 1:37 PM
To: sandra Iles; Ed Vincent; Dawson, John (DIER); Dallas Frost
Subject: RE: IGACEP092 query re Gunns exit and ongoing arrangements
[SEC=UNCLASSIFIED]

Dear Dennis

In relation to your request to ring Gunns:

As requested late yesterday the department has contacted Darren Davis from Gunns Ltd and advised him that our program requirements (as outlined in section 8 of the program guidelines) are that a business will undertake to exit from their public native forest operations in Tasmania for a period of 10 years. Further it is a program requirement that businesses provide an exit strategy which includes a letter from the principal supporting the termination of the business's existing contracts or ongoing arrangements in the Tasmanian public native forest sector. Mr Davis felt comfortable he had met the business requirements in regards to any contractors he had dealt with.

As previously advised, whether or not *DM & SJ Iles Pty Ltd as Trustee for The Dennis Iles Family Trust* chooses to accept the offer of funding and execute the Funding Deed is entirely a matter for *DM & SJ Iles Pty Ltd as Trustee for The Dennis Iles Family Trust*.