



TA ANN TASMANIA PTY. LTD.

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Background

- **Value adding.** Ta Ann Tasmania (TAT) implements the Commonwealth and State Government's value adding objectives for native forests.
- **TAT value adds to logs previously used for woodchips** by making veneer for domestic and international markets.
- **Two new rotary peel veneer mills have been built for \$79M** in 2007/8 at Huon and Smithton because of guaranteed wood supply under the RFA and 20 year Wood Supply Agreements, sustainable forest management and lack of sovereign risk.
- **TAT contributes** \$45M/yr to Tasmanian economy, provides over 160 direct jobs. TAT exports about 140,000m³ p.a. of veneer.
- **Further Regional development** is being finalised. TAT "Growing for the Future" strategy includes further domestic value adding by construction of a ply mill at Smithton involving \$17M capex and 60 jobs.

Requirements

- **Regrowth billets as plantations are not yet available.** Not old growth billets.
- **Viable mill operation.** TAT mill operations are volume, production, quality and price sensitive. Therefore specific volumes, size and quality of timber billets are required as per the 20-year Wood Supply Agreements with Forestry Tasmania and lower specification peelers are not viable.
- **Confidence about sovereign and operational risk** - honouring the Commonwealth and State resource security / sovereign risk commitments to TAT; and certainty of supply consistent with existing Wood Supply Agreements and rollover intentions of the Wood Supply Agreements beyond 2027.
- **Regional investment environment** – so as to invest in further value adding in a ply mill at Smithton as part of a Regional Hub development.
- **Certification** - Australian Forestry Standard / PEFC.
- **Use of mill residues.**
- **'Designer' plantations** with pruned plantation peeler billets of WSA quality. [TAT is yet to see evidence that plantation supply will be of the right volume; the right quality; the right size, the right price; and right location, to substitute for regrowth peelers].
- **Pathway for each mill** signed off by ENGOs, promotion of forest products by ENGO with the industry, and an alternate conflict resolution system to mill and forest blockades.

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