

Minister for Resources
Minister for Building and Construction

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22 SEP 2016

The Right Honourable the Lord Mayor of Hobart
Alderman Sue Hickey
Town Hall
Macquarie Street
HOBART TAS 7000

Dear Lord Mayor *Sue*

I write in response to your letters to the Treasurer of 6 July 2016 and 13 September 2016, regarding the potential impact on Macquarie and Davey Streets from the proposed use of Macquarie Wharf to export wood fibre residue from Southern forest operations.

Forestry Tasmania has finalised contracts for Southern residue solutions identified through the Government's Expression of Interest (EOI) process. The successful bidders are:

- Majestic Timbers Australia, which will take up to 180 000 tonnes annually for export in containers from Macquarie Wharf to markets in South-East Asia; and
- Les Walkden Enterprises, which will transport up to another 150 000 tonnes of residues a year to Bell Bay for processing and export for paper production.

Consistent with the Government's prior commitments, there will be no woodchip pile on Macquarie Wharf.

While the specific details of each proposal are commercial-in-confidence, the residues covered by the EOI process originate from both the Derwent and Huon Valleys. It is expected that residues from the Derwent Valley will generally not be exported via Macquarie Wharf and will therefore not be transported via Davey and Macquarie Streets.

Contrary to some suggestions that the Majestic Timbers Australia solution will lead to a large increase in truck movements in Hobart, advice to the Government from Forestry Tasmania is that the impact will be minimal. This is because a significant volume of these residues are already trucked through Hobart and then driven north to Brighton or Bell Bay.

Forestry Tasmania expects that on average there will be less than one additional truck movement per hour on Macquarie St and Davey Streets – with the added traffic benefit that these trucks will no longer be required to drive further north.

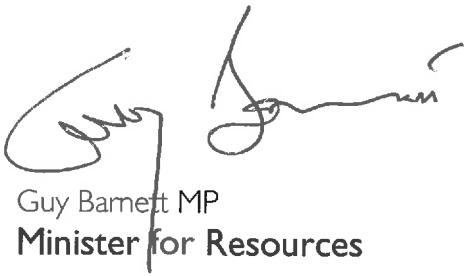
The fact that we now have commercial solutions for residues is vital for the ongoing sustainability of sawlog and peeler production and processing in the South, and the jobs that rely on these operations.

The Majestic Timbers proposal should be seen as an extension of current forest product exports through the port of Hobart, which include more than 40 000 tonnes of veneers from the peeler plant in the Huon.

The residues offered through the EOI are a by-product of our value-adding sawlog and peeler production and should be seen as an integral part of our renewable, sustainable forest industries.

Yours sincerely

regards,

A handwritten signature in black ink, appearing to read 'Guy Barnett', written over a printed name and title.

Guy Barnett MP

Minister for Resources