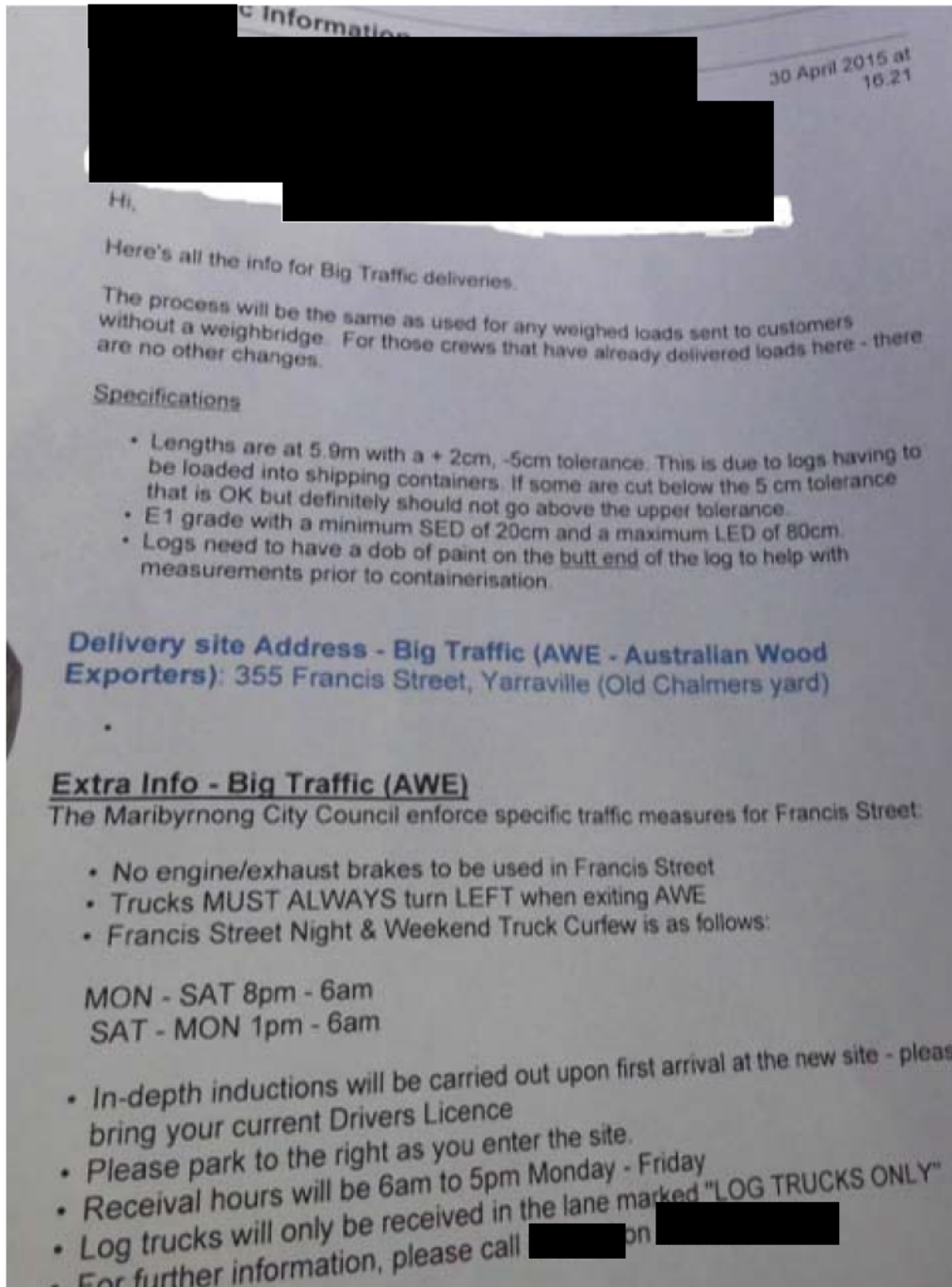


Whole Log Exports – Evidence of any occurrence where high value wood is being sold for a low value for another purpose



High quality native forest hardwood sawlogs ready for loading into shipping containers for export as whole log, from Melbourne, 2017

There is a range of other photos and videos showing whole logs being exported out of Melbourne in the folder provided.



VicForests' correspondence detailing arrangements and prescriptions for whole log exports. This documentation shows that sawlogs are cut to size specifically to fit in shipping containers.

Hansard - Minister denies whole log export contracts and misleads Parliament:

The Minister for Agriculture Jaala Pulford, denied to Parliament that Victoria was exporting logs (Wednesday 7 October, 2015 – see below).

However, according to VicForests' documentation, video and photo evidence, and accounts provided by industry (below and in folder), VicForests were at that time conducting contracts, or negotiations, for whole log exports.

The Minister stated "no contracts or negotiations have been entered into" and assured Parliament that "all domestic opportunities are explored before any export contracts are considered."

Council_Aug-Dec_2015_Daily_7_October_2015.pdf

chinese

VicForests

Ms DUNN (Eastern Metropolitan) — My question is for the Minister for Agriculture, and it refers to an Age report of 13 July stating that low-grade native timber could be shipped to China and other countries to help an ailing VicForests. The report stated that the timber industry has been lobbying government to relax local processing requirements so export can take place. Will the minister inform the house of any negotiations and contracts VicForests is conducting with Chinese companies or companies in other parts of Asia for the export of native timber to such markets and how this fits with the role of the industry task force providing leadership on — and I quote — ‘job protection’?

Ms PULFORD (Minister for Agriculture) — I thank Ms Dunn for her question. The relaxation of the requirement around domestic processing that Ms Dunn’s question is about was approved by the former coalition government last year, and indeed it has its origins in the former Labor government’s *Our Forests, Our Future* statement from 2004. It relates to the sunset of arrangements that existed to assist with transition, and specifically section 86A of the State Owned Enterprises Act 1992.

There are no contracts or other arrangements that have been entered into or that are being negotiated, so this does not actually apply to any particular thing as such at the moment. Everything that occurred before 1 July remains protected by the provisions that existed prior to the new arrangements. My department is currently investigating appropriate mechanisms to ensure that VicForests explores all options for domestic processing before any export contracts are considered. Our priority is jobs for people in Victoria, and that will continue to be the focus.

for an opinion as distinct from responding with a factual matter. The minister might bear that in mind in her answer.

Ms PULFORD (Minister for Agriculture) — I thank the member for her supplementary question. We are committed to exploring strong and effective trade relationships with China, as I am sure every member of the house is well aware. Indeed there has been a great deal of discussion in recent times about some of the opportunities that are presented to Victorian industries, not least of all our food and fibre industries, arising out of the free trade agreement, but I would reiterate the answer that I provided to the first part of Ms Dunn’s question and again state that our priority is to protect Victorian jobs. I have asked the department to provide advice to me about how we can ensure that those opportunities for Victorians are always explored first.

Bushfire preparedness

Ms WOOLDRIDGE (Eastern Metropolitan) — My question is to the Leader of the Government, representing the Premier. With regard to the planned burn in the Cobaw State Forest that was conducted last week, why was this controlled burn done late last week and allowed to continue over the weekend, given the long weekend and also the clear expectation of hot weather and high winds in the following days?

Mr JENNINGS (Special Minister of State) — I thank the member for her question. As she would understand, the management of the fuel reduction burning program is the responsibility of my colleague the Minister for Environment, Climate Change and Water, and I am certain she in the last few days has been seeking the advice of her department and the agency undertaking this work in accordance with what would be community anxiety that may have arisen subsequent to the controlled burn program in the last

VicForests' claims – ABC Gippsland:

When asked as to whether VicForests have the power to sell offcuts or residual whole logs to China, Nathan Trushell (VicForests) says there is some 'uncertainty' around that.

According to both information provided by industry and documents (see files in folder), VicForests have been selling the logs since at least April 30 2015. Well before the clause 86a 'sunsetted' on July 31.

In the radio interview, Trushell articulates that 'they have to abide by the government policy of the day'. But information shows VicForests were not. (Audio of ABC Gippsland radio interview, July 13, 2015, by Jonathon Kendall, is at <http://blogs.abc.net.au/files/click-here-to-listen-to-nathan-trushell-and-ed-hill.mp3>.)

This is not the first time VicForests have been caught selling logs in conflict with government domestic processing requirements: in 2010 VicForests were found to be delivering logs for export and were forced to rein in the contract. The then CEO of VicForests left the company that year. (See <http://www.smh.com.au/business/vicforests-investigates-timber-claim-20110610-1fwwq.html>)

Trushell claims the 'low-grade wood' being discussed for exports is otherwise felled and left to waste, but the logs in the photos are clearly high-quality sawlogs, not a 'waste' product', as Trushell infers on ABC Gippsland when prompted.

Trushell claims the system is an 'open and competitive tender system'. That being the case, it would be clear then that VicForests were aware that the company they were selling to is a Chinese owned company, given Big Traffic state that they are the commercial sole agent to Cintac (see here: <http://www.bigtrafficaustralia.com/article.php?id=9>).

An ASIC search reveals the Chinese owned Cintac are shareholders of Big Traffic (see files in folders).

The Big Traffic entities:

Big Traffic (<http://www.bigtrafficaustralia.com/article.php?id=8>) is a Chinese / Australian owned front company for a Chinese log interest Cintac (<http://www.cintactimber.com/article.php?id=8>).

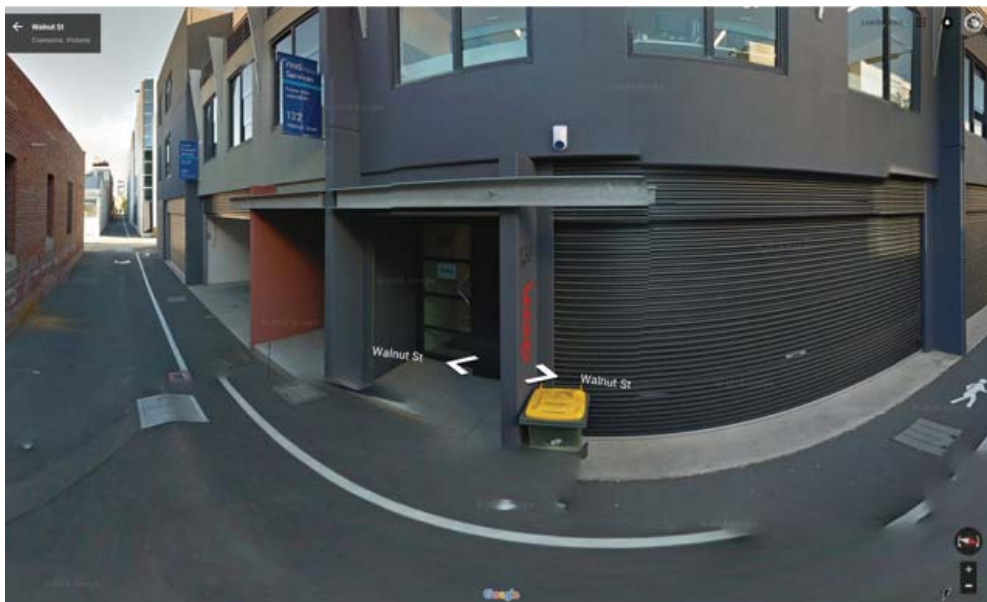
Big Traffic claims it is owned by a third party company called Loop (<http://www.loop.com.au/>) but according to ASIC records Cintac is also an owner of Big Traffic.

The Loop website says their company Big Traffic apparently won a Victorian Governor Generals award for export in 2014 (<http://www.loop.com.au/big-traffic.php>). There is no evidence of this award on the Governor Generals list of award recipients (<http://www.business.vic.gov.au/support-for-your-business/awards/governor-of-victoria-export-awards/govea-awards-previous-winners-2015>).

Big Traffic is a member of state lobby group Victorian Association of Forest Industries (<http://www.vafi.org.au/our-members/>), and is associated with national lobby group Australian Forest Products Association (AFPA).

Big Traffic appointed Cintac as its sole agent for the sale and distribution of its products (see <http://www.bigtrafficaustralia.com/article.php?id=9>).

Loop and Big Traffic and Cintac all share a single office address in Australia at 130 Walnut St Richmond.



Offices of Loop, Big Traffic and Cintac - 130 Walnut St Richmond.