

Sale of Tasmanian Native Forest Sawlogs to Victorian Sawmills

Public Report



**Sustainable
Timber
Tasmania**

Document Summary

Document name	Sale of Tasmanian Native Forest Sawlogs to Victorian Sawmills
Version	1.0
Owner	Dean Kearney, Chief Executive Officer, Sustainable Timber Tasmania
Author(s)	TBA
Release date	24/07/2026
Release status	Pending
Release approved by	CEO

Version Control

Version	Date	Author(s)	Summary of changes
1.1	22/07/2026	Lisa Jane O'Neil	Drafted
1.2	23/07/2026	Suzette Weeding	Reviewed
2.0	24/07/202	Dean Kearney	Approved

Sale of Tasmanian Native Forest Sawlogs to Victorian Sawmills

Request for Public Report

Sustainable Timber Tasmania

Sustainable Timber Tasmania is a Tasmanian Government Business Enterprise (GBE) responsible under the *Tasmanian Forest Management Act 2013* for:

- Sustainably managing approximately 800,000 hectares of public production forest (Permanent Timber Production Zone land)
- Undertaking forest operations for the production and sale of forest products from these forests

In accordance with the *Government Business Enterprise Act 1995*, a Ministerial Charter has been prepared by the Minister for Resources and the Treasurer following consultation with Sustainable Timber Tasmania. The Charter sets out the Government's broad policy expectations and requirements for Sustainable Timber Tasmania.

Background

- Sustainable Timber Tasmania supplies native sawlogs under contract to customers that operate processing facilities in Tasmania. These contracts were established in 2012 following completion of the Tasmanian Forest Agreement.
- Under the current commercial log supply contracts, Sustainable Timber Tasmania's contractual obligations are fulfilled when logs are delivered to the agreed delivery location and accepted by the contract holder in accordance with the contract terms.
- On-selling, where unprocessed logs are sold by the initial recipient to another sawmill for processing, occurs after those contractual obligations have been fulfilled and is therefore not regulated under the current contracts.
- Accordingly, any subsequent on-selling of unprocessed logs to other customers, whether within Tasmania or interstate, falls outside the scope of Sustainable Timber Tasmania's existing contractual arrangements.
- These existing contracts are due to expire in 2027.
- In new long-term wood supply contracts, which will operate until 2040, Sustainable Timber Tasmania will require all logs supplied under contract to be processed on-island in Tasmania, preventing the on-selling of unprocessed logs for processing interstate.

Information Sought

- Sustainable Timber Tasmania has sought co-operation from wood supply customers to understand the volumes of native forest unprocessed sawlogs sourced from Permanent Timber Production Zone land which have been on-sold outside Tasmania.

- The enquiry related to the sale of whole, unprocessed logs only.
- Information sought included total volumes purchased and the volumes on sold by tenure for financial years 2023/2024, 2024/2025 and 2025/2026.

Proponents

- Through a customer survey, Sustainable Timber Tasmania has been made aware of one sawmiller in Tasmania who holds a contract has sent whole native logs sourced from Permanent Timber Production Zone land to Victoria since 1 January 2024.
- The logs were sent to Powelltown sawmill in Victoria.
- The nature of the private contractual relationship between the Tasmanian sawmiller and Powelltown sawmill is not known. However, it is understood that this was a short-term arrangement derived from capacity constraints in the Tasmanian milling business where upgrades were being implemented.
- It is understood that two sawmills that hold contracts with Sustainable Timber Tasmania have on-sold logs to Victoria sourced from private forest in Tasmania.
- Further whole log exports may have occurred directly from Tasmanian private forests without any interaction with Sustainable Timber Tasmania's supply chain. Sustainable Timber Tasmania does not hold such data.

Volume

- The total volume of unprocessed logs sourced from Permanent Timber Production Zone land sold from the Tasmanian sawmiller to Victoria from 1 January 2024 to 30 June 2026 was 4,800m³.
- In context this represents 2% of annual sawlogs supplied to customers from Permanent Timber Production Zone land.
- The volume of logs indicated as sold by Sustainable Timber Tasmania customers over the period from 1 January 2024 to 30 June 2026 that were supplied from private forests was 38,680m³. STT does not hold data on the total harvest level from private forests for this period.

Mitigating factors

- Sustainable Timber Tasmania supplies native sawlogs under contract to customers that operate processing facilities in Tasmania.
- Under its existing commercial log supply contracts, Sustainable Timber Tasmania was not contractually required, nor operationally responsible, for monitoring or enforcing whether customers subsequently on sold unprocessed logs in Victoria or elsewhere after contractual delivery had occurred.
- Based on the volumes identified and the nature of the on-selling activity reported through the customer survey, Sustainable Timber Tasmania does not consider that the reported on-selling had a material impact on the sustainability of its operations or sustainable wood resource management.

- The logs that were subsequently on-sold were harvested and delivered as part of the routine fulfilment of wood supply contracts established within Tasmania's legislative and policy framework for sustainable forest management, including the Tasmanian Regional Forest Agreement, the Forest Management Act 2013, and long-term sustainable yield settings.

Proposed remedial action

- Under the new long-term wood supply contracts, logs supplied by Sustainable Timber Tasmania will be required to be processed within Tasmania.
- The new contractual arrangements will prohibit the on-selling of unprocessed Sustainable Timber Tasmania logs for processing outside Tasmania. Compliance with this requirement will form part of customers' contractual obligations and will be managed through normal contract administration processes.
- This requirement reflects Sustainable Timber Tasmania's legitimate commercial interest in supporting a strong Tasmanian timber processing sector, maximising utilisation and value-adding of harvested wood products, and securing the best possible return from logs harvested from Permanent Timber Production Zone land.
- The requirement is also consistent with the expectations set out in Sustainable Timber Tasmania's Ministerial Charter, including supporting regional employment, economic activity and benefits for the broader Tasmanian community.
- Customers will be expected to ensure their operations, supply chains and downstream processing arrangements comply with these contractual requirements from the commencement of the new contracts.
- On 11 June 2026, Sustainable Timber Tasmania's Chief Executive Officer, Dean Kearney, wrote to customers to reinforce the requirement for on-island processing under the new contractual arrangements.

Level 1, 99 Bathurst Street, Hobart, TAS 7000
GPO Box 207, Hobart, TAS 7001
03 6235 8333

 sttas.com.au


**Sustainable
Timber
Tasmania**