

TRANSCRIPT OF PROCEEDINGS

SOUTH COAST TIMBER SAWMILL

INDEPENDENT FORESTRY PANEL: MR PETER DUNCAN AM (CHAIR)

INDEPENDENT FORESTRY
PANEL SECRETARIAT: CLARE MILLER
CALLUM FIRTH

SOUTH COAST TIMBER: DAMIEN BUNTING

LOCATION: VIA VIDEOCONFERENCE

DATE: FRIDAY, 8 NOVEMBER 2024

<THE MEETING COMMENCED

5 **MR DUNCAN:** Just to clear up what our actual purpose is, what we're doing is leading and reporting on key stakeholder engagement and to provide advice to the government as the Forestry Industry Action Plan develops over the next six to 12 months, whatever that takes. So really interested in some of the things you're doing. Just by way of introduction, could you just tell us what your business is and how you come to be involved?

10 **MR BUNTING:** Yes, sure. Well, I guess I've been involved in timber for probably about 12 or 13 years. I was a bit of, I guess, a timber broker, if you will, and I guess that introduced me to the industry as such. I then – one of the mills I used to buy timber from was Blue Ridge, the old Blue Ridge Hardwoods in Eden.

15 **MR DUNCAN:** I know that well.

20 **MR BUNTING:** Yes, I'm sure. I'm sure you would and I'm sure you remember [REDACTED] pretty well too. But so I happened to be in town when they closed that mill and when he announced it and I was a little bit upset by it because I thought that the township, it was just after the fires, COVID, I thought they really needed him to stick in there and anyway, we had a bit of a barney about it, it got my back up and I decided I might have a chat to some friends and see what they thought about the potential for me to buy such a mill and one of the guys that I spoke to was [REDACTED]. I'm not sure if you know [REDACTED] Peter, but –

25 **MR DUNCAN:** [unintelligible 00:02:01].

30 **MR BUNTING:** No, he's been a contract logger there for quite a long time and anyway, he guided me through it. So I guess that was the background there was that's what led me to the mill. I guess what led me to where I am today is I was I guess unprepared for a lot of the industry. I didn't know about it. When I first bought the mill, I attended some logging sites and just thought it sort of shocked me a little bit and I thought, gee whiz, maybe we can do things a little bit differently here. And very quickly we were funnelled in towards – you know, because we didn't have a wood supply agreement, so we found ourselves largely on private native forestry. And I think that's a different ballgame obviously to commercial forestry and you're dealing with people and their land.

40 So we set about trying to come up with a way that would leave the site – initially it was just me being shocked at the residue and everything, to be honest. But then we sort of developed the idea from there and we realised that there was a value for this residue and therefore so it all sort of snowballed into this ecological sustainable forest management that we've now been sort of practising for about three years. And it really just involves us getting into – so taking on a job and going out there and looking at
45 what the forest – every forest is different, as you know. And looking there and saying, “Righto, what does this forest need to give us to survive basically, to keep it going healthy?”

MR DUNCAN: Yes.

MR BUNTING: And that's sort of where it came from.

5 **MR DUNCAN:** Damien, have you now that you've been there a while, have you had any wood supply agreements from the state at all? Have you been able to get –

10 **MR BUNTING:** Yes, certainly. Yes. Look, forestry have always sort of – we've had the odd parcel sale agreement off them in early days, often picking up the stuff that maybe other mills didn't particularly have a use for. We've got a pretty good drying system at Blue Ridge, you know, with the wood fired kilns and the reconditioning kiln, it gives us the ability to dry more timber than some other mills. So we were getting bits and pieces there but we've noticed as we've progressed and we've sort of I guess proved our bona fides, if you will, they've seen fit to give us a bit more and a bit
15 more again.

We've also shown ourselves to be very supportive in looking at species that other mills don't want because they either can't dry them or whatever. And we understand that to protect the biodiversity of our forests, we need to start looking at that. There's
20 selective logging and there's selective logging. So our selective logging, we don't look at a species, we look at the canopy. If that tree needs to come down to open the canopy up, we will take it down and we will find markets for that species. So I sent some picture through to Clare, I don't think – she may not have got a chance to show you them yet because it was very much last minute.

25 **MR DUNCAN:** She's let me know. I'll have a look at them and I'll make sure the others see them too.

30 **MS CLARE MILLER:** I've emailed them to you, Peter. Yes.

MR BUNTING: Good on you, Clare. Thank you for that. And sorry about the late notice on that one too. So we've had Forestry approach us and now start trying to work with us on some of the these trials. So we're taking a lot of peppermint off them at the moment and we just commenced milling it this week. We're excited, it looks
35 promising, it looks very much like silvertop ash once you mill it and if it dries as well as it looks, I think there's a really good potential for that species to be out in the market very soon. And again, that's a big step forward to helping Forestry with protecting the biodiversity of those forests. So we're all about helping it do that and we believe that it's viable to do that.

40 **MR DUNCAN:** Just I'd like to know a bit more about the methods and I don't know whether you're involved in the sort of continuous canopy trials or things that they're talking about on the South Coast as well?

45 **MR BUNTING:** I haven't. No, we've done most of our stuff until recently, Peter, has been just – we didn't really think it was a thing, you know. We were just trying to do best for our mill and for the landowners that we were working with and then things changed a little bit in the environment, I suppose, and it got a little bit – we realised we

had to get it out there, we had to get the message out there and that's actually when Tony Chappel came on board and I invited him out to spend a couple of days with us and he came out then. And we were just explaining this methodology to him.

5 We had Local Land Services there. They've been very supportive. We had the Eden
Aboriginal Land Council on site as well. They've been incredibly supportive. I think
because it bears some resemblance to the cultural land management that they were sort
of using for thousands of years there. So I think that appealed to them. In fact, they're
10 sort of talking to us – we're looking at a lot of their sites at the moment. They want to
employ this methodology on those sites. So look, yes, we think that it really does
work, this system.

MR DUNCAN: Yes, it sounds good. What's the scale of the business now? How
many employees do you have?

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MR BUNTING: We've got 35 at the mill.

MR DUNCAN: Okay.

20 **MR BUNTING:** Yes, we started out with – I brought back the core group, the main
guys and then we've wrapped a lot of young guys around them. So they've – probably
20 or more, I'd say more, probably more like 25 of our people are probably under 28,
so it's great, they're getting good training.

25 **MR DUNCAN:** So you do contractor or you do harvesting all the way through to the
milling and the drying, so you do the whole chain? You're not –

MR BUNTING: We don't own – sorry, we don't own any logging equipment or any
logging crews. We work very closely with them. It took a while to find people that
30 were likeminded, so now that we've got them.

MR DUNCAN: Yes. So you're in charge of it and they're subcontractors to you in
this process?

35 **MR BUNTING:** Yes. In a nutshell, yes. We asked them – we pay different rates,
Peter. I think the average rate at the moment might be say – let's just say something
around that \$■, \$■ for the fall, snig and load. We've jacked that up to about \$■,
\$■ [double] because we're asking them to go slower, to think about what they're
40 doing and they've embraced that. And so far, as far as I'm aware, it's also quite viable
for them too as contractors.

MR DUNCAN: So it's viable for you to be paying that much more? So doing it
sensitively, people would often say, "Well that's going to cost more money, we can't
do it" but you're saying you can do it?

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MR BUNTING: Well, you can do it. Look, I'm an accountant by trade, so maybe that
gives me a bit of a different perspective. So I had this out with a couple of industry
people who said, "Oh, you can't pay us double, you'll go broke." I said, "Let's look at

that. Three cubic metres of log gives you a cubic metre of board. Rule of thumb, right. So you guys now – I’m paying an extra \$ [REDACTED] a cube. Times three is \$ [REDACTED] extra now on my costs to get a cubic metre of timber.” And I said, “So think about that. You know, 6 inch board, 267 lineal metres [REDACTED], it’s not even 50 cents extra per lineal metre to do it the right way.” It’s crazy.

MR DUNCAN: That’s a really good stat, Damien. Maybe then go through and talk a little bit about the method then so we get a bit of an understanding or you’ve sent a video too, do you want to show that first or how do you want to do this?

MR BUNTING: Well, if you guys want to view that, I could talk to it. If I do it here, I’m going to lose you on screen but if you guys want to play it.

MR DUNCAN: Well, Callum will put it –

MS MILLER: Callum, yes, Callum’s going to do that.

MR CALLUM FIRTH: Yes.

MR BUNTING: All right. So basically what we’ve decided, we decided we’d turn it on its head, Peter. We said, look, for a long time now we’ve probably been saying what do we need, we’ll take it from the forest. And we decided on this, we tried to turn it on its head and say, “Righto, what does the forest need to give us to survive and what does it have to survive? Well, it’s got to survive forest fires.” And we saw recently four years ago, four and a half years ago how devastating forest fires are to all aspects of the forest, biodiversity, flora and fauna, it was devastating.

So what we set out to do was come up with a methodology that addresses the two key issues that we believe are in our forests at the moment and that is the biodiversity of the species that are there and the ability to harvest in a way that mitigates that catastrophic fire threat that we saw. So we’re trying for a mosaic pattern, we’re spreading that canopy out so you don’t get those devastating crown fires and moving through to it now, you’ll see he’s just sort of taking a bit of a wide angle there to show what the rest of the forest looks like.

This is a good insight into I guess look obviously it was still underway there. You can see that we’re collecting the residue as we go. They’re big chippers and mulchers there. The idea ultimately is and you can see there that nice spread – we were aiming for a managed woodland and as you can see from above, we’ve really opened that canopy up. You can see the sun hitting there, the regen’s coming through nicely already. It’s spectacular, we’ve been out of there about nine or 10 months now and the wildlife is just incredible. It’s just come back in droves, it’s literally –

MR DUNCAN: So while we’re here, Damien, what you’re doing is actually processing on site rather than leaving it there or burning it or –

MR BUNTING: Correct.

MR DUNCAN: – using as much off the tree as possible but doing it onsite before you even take it off.

5 **MR BUNTING:** Correct. We found that it was – look, we tried lots of different ways, Peter, but the most viable economically was to do that there. Where possible, you actually take the whole tree to the dump and process it there. So you’ve got your sawlogs, your firewood and all your branches and everything. So any wooden stuff gets chipped, any sort of smaller branches and leaves, they’re mulched. Mind you, having said that, people are concerned you’re taking seed and stuff like that, as you’d
10 be aware, by the time you get it to the dump, it’s any seed that was on it is well and truly off it, pretty much.

15 **MR DUNCAN:** And you had Tony there, so how has your record been with the regulator? Have you had any issues or –

MR BUNTING: None. No, look, that’s started at – when we were in the middle of this job, an EPA officer came out. I think they were a little bit – look, I think just they were wary of everybody logging and so what we did there was – that was when I decided I think I need to get Tony involved. I’d met him when he first took on his role.
20 So he took me up on the offer, which I was very appreciative of and he did, he spent two days out with us. That was on the second day we took him to that one.

The first site we took him to, he got out of my car and he walked over to me and he actually said, [REDACTED]
25 [REDACTED] So I handed him over to my bush manager, [REDACTED] who I have a lot of time for. He’s a man that considers the forest very deeply before he does anything and he knows it really well. So he took Tony around and explained to him what the methodology meant and
30 honestly that was probably, like I said, that 18 to 20 months after and you really could not tell that we’d done anything there.

35 The same as the footage you’ve seen now, we’ve still got a little bit of some of that stuff to take away but apart from that, like it looks the same now. And the regen we’re finding is coming back first under the tundra grass and as the tundra stuff comes back on the tracks, we’re finding the regen’s coming in under there as well. So it’s looking really promising through greater response.

40 **MR DUNCAN:** So what’s your area of the South Coast that you work on? You’ve got a wide area or you’ve got –

MR BUNTING: Yes, yes. We’ve done this – that job you just saw there was in Kybeyan. So we’ve proven that this works, we’ve done a couple of jobs like this in that Kybeyan area there up in the tablelands. We’ve also had great success with it
45 around the coastal areas. We’re finding that – I didn’t think we’d get a better result than we did up in Kybeyan but some of the work that’s been done by [REDACTED] [REDACTED] who work very closely with us around Nowra at that Narooma to Nowra area there is just – it’s spectacular.

I mean, if you guys had the time and I know you probably don't but I'd love to walk you around there and you can really feel it when you walk around it. It's like Tony said, [REDACTED]. So that's what we're aiming for. It started out, like I
5 said, private native. So if you're a landowner, that's the result you want. When the logging crews are gone, you want it looking fantastic. And then from there I think Tara Moriarty sort of picked it up. You know, we presented to her and her Chief of Staff came out with Forestry, [REDACTED] was there and [REDACTED] and it really sort of got a bit of a kickstart from there. I'd like to say –

10 **MR DUNCAN:** Do you call your work – have you got a method? What do you call it?

MR BUNTING: Yes, it's called ecological sustainable forest management. It's a bit of a mouthful but we actually got that from Local Land Services. They have been very
15 supportive and I actually put it out to them, saying, "This thing needs a name that sums up what it is, what are your thoughts?" and [REDACTED] got back to us really quickly and said, [REDACTED] and so yes, they have been with us every step of the way.

20 [REDACTED]

25 [REDACTED]

So I think that what I saw that day was two bodies, two government bodies that have actually a lot in common and actually the night before we all went for dinner and you could see straight away that there's a lot of common ground and I don't think it needed
30 to be as difficult as it was to get to this point but we're here now and as I said, Forestry, we've had some really good interaction with them recently, with their operations crew in particular and I think that with that sort of guidance and leadership, guys like [REDACTED], [REDACTED] and they're good young operations people coming
35 up under [REDACTED]. And I think there is that thought around now that, hey, you know, we could look at doing some of these things selectively as well.

Like, for instance, I think a great example or a great opportunity would be to roll it out around Badja and Tallaganda, the two that are under threat at the moment. Obviously
40 they're getting a lot of attention. I think if we left Badja and Tallaganda something like that footage I just showed you then or sorry, that Clare just showed us then, I think you would melt away a lot of opposition instantly because it's hard to argue that the forest isn't doing better as a result of that.

45 Like, the growth splits on the trees that you see in the bark are as thick as your finger and it's universal. They are all responding like that, the trees. They're all species, it's just we're finding that you're not getting that wattle and everything coming through like we did after the fires and everything. It's just it's been managed pretty well and

like I said, the further to the coast we got, the results were sensational. Like, it really, really was. Unfortunately we couldn't get Tony to the one that I consider to be one of the best we've done so far and that was just we just ran out of time but the results from that have been spectacular.

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MR DUNCAN: Yes, so look, we're doing a little bit of work that's going to culminate in the [REDACTED] so if we can we probably will try and get out and see something and see some of the things you're doing. Have you talked to – up in the Northern Rivers you've got the Hurfords and people like that doing work up there, have you dealt with them, other groups up the coast?

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MR BUNTING: No, it's funny, look, I'm trying to think of his first name now.

15

MR DUNCAN: Andrew Hurford?

MR BUNTING: No. No, [REDACTED]

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MR DUNCAN: Right.

MR BUNTING: So but I didn't hear back. So anyway, but I'm not working against them at all but I just never found my way there. So I'm aware that – I can't think of his first name [REDACTED] are doing a fair bit of this as well. They've started trying to do some selective stuff and he actually sent a person to us, a local person who they run him and he'd said, "No, look, I think the person you need down your way is South Coast Timber." So I would do the same for him, if someone rang up and said, "Look, I want to go about it this particular way," you've got to know who's doing what.

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We always give people the option, we don't try and force it on them, but we're finding that when people go and have a look at our past work, that's what they want done on their blocks. And as I said, I think now that we've got some opportunities where we can show I guess the groups that are against any logging that not only do we need to keep it but it can be done in a way that actually really helps the forest out. And I think that when you hear stories that Tallaganda and Badja can't be done that way, I was told by older people that said, "No, no, no, back in the day they used to do" – I think they used to call it headbutt salvage or something they were calling it.

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MR DUNCAN: Yes, yes.

MR BUNTING: And apparently it was done in Badja and Tallaganda, so look how healthy those forests still are. It can come back, it can regenerate and so that's what we do and the idea of it is, Peter, that you would rotate around every block that we work on and should need another round of harvesting or maintenance, whatever you want to call it, within say 20 years and then those multi-generations that we've left all step up.

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And that's what we're trying to do and I was talking about this with Tara Moriarty's office, well actually with Brad Fitzmaurice actually and he pointed out, he said, "So what basically schedule the forest?" and I said, "Yes." And I said, "You could wind
5 that in with your carbon credits as well because as you finish a job, the research is showing that you're going to get better carbon absorption from a more vibrant forest, something that's full of growth as opposed to an old locked up one."

10 So what I thought was well you'd come in, you'd do ecological sustainable forest management on a block, carbon credits come in, they sign you up for a 20 year deal, 20 years later you come back and you do your next round, they come back in again. So the landowners should be generating revenue all the way through. So we think that that can work but the other thing that we're doing with the residue, I mean at the
15 moment we think we're using it as – my partner, the guy that got in with me and really did spend some money on it, [REDACTED], who's been fantastic support through all of this, he – sorry, where was I going with that one there? Sorry, we were talking about –

MR DUNCAN: Residue.

20 **MR BUNTING:** That's right. At the moment he's got a garden supplies business, so we've been able to funnel it all through there. But the ultimate aim and I've got a chart here that I could send you guys, I think I probably should. It's a little bit basic but the idea of it was that all of that would be used for biochar and we think that the research I've done on it, it's definitely useable for it, you could use the mulch that you're
25 getting as the fuel, again using wood fired cooking of it, and I see it as a great viable alternative to say, dare I say, the chip industry.

I think that if we were doing selective harvesting across all tenures, what would be coming off in the form of residue in that [unintelligible 00:21:22] you're always going
30 to get some smaller trees and stuff that come down as part of the process, would be sufficient to run quite a healthy biochar industry, which again you can be using that in stockfeed, in fertiliser, so you're getting more of those environmental uses. You could actually even – one of the things we thought you could use it for would be – you know the research they're doing on pine plantations shows a decrease in yield each plant. So
35 maybe it's a case of before you deep rip it all, you spread a heap of biochar through it, rip that through the soil, recondition it, then plant your next crop of pine. And you've generated it all from state forest.

40 **MR DUNCAN:** Where's your residue going now, Damien?

MR BUNTING: At the moment [REDACTED]
[REDACTED] I've been talking again with Tara's office and with Tony with the EPA as well, in fact had meetings with both. I'm keen to get some support to get this up and going because I believe that biochar is a crucial part of this whole process
45 because I think then the residue you're taking, you can be putting back into the environment as well, like into the forests and into pine plantations.

MR DUNCAN: So at the moment it's going to landscape mulch, is it?

MR BUNTING: It is, yes. Chip and – but like I said, [REDACTED]

5 [REDACTED] I think it's
a very smart way for all us to go. But it is definitely there as an option, I think, and I
think it's a very viable one. The markets are growing, they're getting more mature, but
already right now you could use it all as activated carbon, like in water filters and air
filters. So we all know there's a very mature market there and then you've got a value
10 add for this product that was basically a fire hazard and an eyesore. So that's how we
saw it.

MR DUNCAN: No, that's good. We've got to wrap up in a moment. You've sent us
15 the pictures and the clip, maybe that chart as well, but if you're happy, we'll just make
some notes of this meeting, is that right, Clare? And we'll make sure you see the
notes, we don't want to say anything – we don't want to sort of misquote you because
we'll probably make it on our website, we're putting up all the meetings, so we'll
probably make it public. So if you don't mind –

20 **MR BUNTING:** Okay.

MR DUNCAN: – looking at our notes after the meeting. Is that okay, Clare?

25 **MS MILLER:** Yes, that's right, yes.

MR BUNTING: Yes, no, that's fine. I mean, I hope I haven't thrown anyone under
the bus in the last half an hour but –

30 **MR DUNCAN:** No, no, you haven't, no, but that's why we want you to check the
notes. But if there is another future stage and there's more work to be done, we'll
certainly – I will certainly try and get down and see you as well.

MR BUNTING: Peter, it'd be great [REDACTED] And
35 look, obviously I think it's a better option than locking up forests. I think that it
doesn't achieve any of the goals you want from your forestry practices to lock it up,
including carbon absorption. So I think that we as an industry have a big role to play. I
think forestry's got a big part of that, a big role to play in this as well, as do Local
Land Services and the EPA and industry, all working together. It's the only way we're
40 going to make this work, I think.

MR DUNCAN: Sounds good. All right, Damien –

45 **MR BUNTING:** I'd just like to also say thank you very much for the time, I really
appreciate it and I know you guys have got to talk to a lot of people and a lot more
important people than myself but I really did appreciate the opportunity, so thank you
very much.

MR DUNCAN: It's all important. Thanks very much. Have a good weekend. Thanks.

MR BUNTING: Good on you.

5 **MS MILLER:** Thank you so much, Damien. Thank you.

MR DUNCAN: Bye.

MR BUNTING: Bye.

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>THE MEETING CONCLUDED