

2 January 2013

The Directors
Triabunna Investments Pty Ltd
10 Victoria Street
Hobart TAS 7000

Attention: Mr A Marr

Dear Mr Marr

RE: LEASE OF TRIABUNNA WHARF TO TRIABUNNA INVESTMENTS PTY LTD

I refer to the lease commencing on 1 November 2002 between the Hobart Ports Corporation (now Tasports) and Gunns Ltd for the above mentioned premises, which was assigned to Triabunna Investments Pty Ltd with effect from 9 November 2011.

Following the exercise of the first option on 27 July 2007, the term of the lease was extended until 1 November 2012. I note that the second option to renew the lease for a further five years has not been exercised by Triabunna Investments Pty Ltd and that 60 days have now elapsed since this lease expired.

In light of this, could you please provide Tasports with advice as to your future intentions in relation to this site.

Yours sincerely



Ailsa Sypkes
Legal Counsel

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YOUR REF:
OUR REF: BSS:BC 1284542
DIRECT LINE: (03) 6235 9362
DIRECT EMAIL: ben.swain@murdochclarke.com.au

TRIM 13/189
(F11/673)

18.



MURDOCH CLARKE BARRISTERS
AND
SOLICITORS

3 January 2013

TasPorts
GPO Box 202
HOBART TAS 7001

Attention: Ms Ailsa Sykes

Dear Madam

RE: LEASE OF TRIABUNNA WHARF TO TRIABUNNA INVESTMENTS PTY LTD

I refer to our discussion on 3 January 2013 and acknowledge receipt of your letter dated 2 January 2013. I confirm I act on behalf of Triabunna Investments Pty Ltd.

I am instructed to advise that my client does wish to exercise the option to renew the Lease for a further term of five years. Please accept this letter as my client's exercise of an option to renew the Lease for a further term of five years.

Please advise me if TasPorts has any questions in relation to this matter.

Yours faithfully
MURDOCH CLARKE

Per:

BEN SWAIN

PARTNERS
A J DUFFY
K B PROCTER SC
D F EGAN
P KUZIS
R S REID
A I GAGGIN
B S SWAIN
A L HAY

SENIOR ASSOCIATES
M G FOSTER
A G BIRROWS-CHUNG
R C MANNING
C R HIGGINS

ASSOCIATES
L N GOLDING
J F O'SHEANESSY
B R DASCI

CONSULTANTS
K M DRAKE
R J BADENACH
D M WHITEHOUSE





9 January 2013

The Directors
Triabunna Investments Pty Ltd
c/- Murdoch Clarke
10 Victoria Street
Hobart TAS 7000

Attention: Ben Swain

Dear Ben

RE: LEASE OF TRIABUNNA WHARF TO TRIABUNNA INVESTMENTS PTY LTD

I refer to your letter of 3 January 2013.

Tasports is not prepared to accept your letter as an exercise of your client's option to extend the lease. Under clause 8 of the lease, that option was required to be exercised on or before 1 August 2012. The lease therefore expired on 1 November 2012 and occupation of the premises continues as a periodic tenancy, terminable on written notice by either party.

Tasports is however prepared to negotiate a new lease with your client on terms and conditions reflecting the market value of the site and its improvements.

Please advise by 5.00pm on 18 January 2013 whether your client wishes to pursue this option.

Yours sincerely

Ailsa Sypkes
Legal Counsel

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YOUR REF:
OUR REF: BSS:BC 1284542
DIRECT LINE: (03) 6235 9362
DIRECT EMAIL: ben.swain@murdochclarke.com.au

20.



MURDOCH CLARKE

BARRISTERS
AND
SOLICITORS

18 January 2013

TasPorts
Level 13, Trafalgar Building
110 Collins Street
HOBART TAS 7001

Attention: Ms Ailsa Sykes

Dear Madam

RE: LEASE OF TRIABUNNA WHARF TO TRIABUNNA INVESTMENTS PTY LTD

Thank you for your letter dated 9 January 2013.

Without prejudice to my client's continuing rights under the Lease I can indicate that my client is always prepared to discuss and negotiate matters with TasPorts. My client proposes that those negotiations include your advice as to whether TasPorts is interested in selling the freehold title to the wharf.

Can you please let me know how you would propose for any negotiations to proceed? I await your advice.

Yours faithfully
MURDOCH CLARKE

Per:

BEN SWAIN

PARTNERS
A J DUFFREY
K B PROCTOR SC
D F EGAN
P KUZIS
R S RIDD
A F GAGGIN
B S SWAIN
A L HAY

SENIOR ASSOCIATES
M G FOSTER
A G BUCKWOLD-CHENG
R C MANNING
C R HIGGINS

ASSOCIATES
J N GORDON
J E O'SHEANESSY
B R DANCE

CONSULTANTS
K M DEANE
R J BADENACH
D M WILFORD SM



21.



TRADE LINK
WORLD

Contact: Sean McArdle
Phone: 03 6222 6099
Fax: 03 6222 6082
Email: sean.mcardle@tasports.com.au
Our Ref: F11/673

27 April 2012

Mr A Marr
General Manager
Triabunna Investments Pty Ltd
10 Victoria Street
Hobart Tas 7000

Dear Mr Marr,

RE: LEASE – TASPORTS TO TRIABUNNA INVESTMENTS, TRIABUNNA

Tasports officers recently conducted a routine maintenance inspection of the Triabunna Wharf leasehold that was assigned from Gunns Ltd to Triabunna Investments in November 2011. The inspection identified deficiencies with the shiploader switchboard, which is infrastructure owned by the Lessee and therefore the responsibility of the Lessee to maintain. Specifically, it was noted that electrical cabling at the switchboard has not been terminated correctly and a conduit cover protecting the electrical supply to the switchboard is totally wasted by corrosion.

To remove these potential safety hazards and ensure compliance with the terms of the lease agreement, it would be appreciated if you would attend to the following tasks:

- Ensure mechanical protection to the mains supply to the switchboard (ie replace galvanised steel conduit cover wasted by corrosion); and
- Ensure all redundant cabling to switchboard is in accordance with AS3000 Electrical Code (ie entirely removed at source, terminations, amended diagrams, etc).

If you have any questions regarding this matter, please do not hesitate to contact me.

Yours sincerely,

Sean McArdle
Property Development Officer

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E hobart@tasports.com.au



25 January 2013

The Directors
Triabunna Investments Pty Ltd
c/- Murdoch Clarke
10 Victoria Street
Hobart TAS 7000

Attention: Ben Swain

Dear Ben

RE: LEASE OF TRIABUNNA WHARF TO TRIABUNNA INVESTMENTS PTY LTD

I refer to your letter of 18 January 2013.

Tasports would like to meet with your client to discuss future plans for the site. Could you please indicate your client's availability to meet during early to mid-February?

As I will be on leave from close of business today, could you please forward your response to Craig Heron, Chief Operating Officer.

Yours sincerely

Ailsa Sypkes
Legal Counsel

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Caroline Szopko

From: Justin Clements
Sent: Thursday, 24 October 2013 11:19 AM
To: Philip Cooke
Subject: Triabunna electrical supply

Phil,

Stuart Large & I met on site with Michael Wyllie (Triabunna Investments electrician) on Wednesday the 23rd October to discuss the possible removal of the woodchip conveyor. This would require the disconnection all related power. At present Tasports has the following systems that are 240 volt dependant ; impressed current cathodic protection, berthing lights, dolphin area lighting and a fire panel.

Other services that are fed from system are the Customs CCTV & the Bureau of Meteorology weather station. There is also the 100mm fire main that also runs along the conveyor that needs to be considered.

Michael is taking these items on board to discuss with Triabunna Investments and will correspond their possible solutions to us ASAP.

Regards,

Justin Clements | Electrical Safety Manager

Tasmanian Ports Corporation

T 6421 4958 | M 0408 144 147 | E Justin.Clements@tasports.com.au
48 Formby Road Devonport TAS 7310 Australia | P.O. Box 478, Devonport 7310
www.tasports.com.au

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Please consider the environment before printing this email

From: Craig Heron
Sent: Friday, 8 November 2013 2:28 PM
To: Graeme Wood; Philip Cooke
Cc: Kevin Moore; Ailsa Sypkes
Subject: TRIM: RE: Meeting

HP TRIM Record Number: 13/33547

Hi Graeme,

Good to meet with you on Wednesday.

By way of this email, I would like to introduce you to the General Manager of Infrastructure and Maintenance at Tasports, Phil Cooke. Phil handles the technical elements of infrastructure owned and operated by Tasports, I handle the commercial elements. Between us, we should be able to package an outcome that meets with both your and our needs.

I briefed Phil on our meeting this morning, in particular your ambitions to re-purpose the site at Triabunna from the traditional bulk shipments to a tourism based market focused upon Cruise and Marina style opportunities.

Phil is certainly well placed to advise you on the current capabilities of the wharf structure at Triabunna and has detailed understanding of the site from prior employment. He will be a very good starting point for concept testing. We may at a later date have to engage with our Harbour Master, Charles Black also regarding vessel capabilities.

I'll leave you to reach out to Phil directly, however he has advised that he'll be in Hobart on the 22/11, and available to meet with you while here.

Phil's contact details are as follows:

Phil Cooke | General Manager Infrastructure & Maintenance

Tasmanian Ports Corporation

T 6421 4944 | M 0418 931 845 | E Philip.Cooke@tasports.com.au

48 Formby Road Devonport TAS 7310 Australia | P.O. Box 478, Devonport 7310

I look forward to talking with you again in the future.

Best Regards,

Craig Heron | Chief Operating Officer

Tasmanian Ports Corporation

T 6222 6030 | M 0416 189 749 | E Craig.Heron@tasports.com.au

Level 13, Trafalgar Building, 110 Collins Street Hobart TAS 7000 Australia | GPO Box 202, Hobart 7001

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Please consider the environment before printing this email

From: Graeme Wood [<mailto:graeme.wood@springbaymill.com>]
Sent: Wednesday, 6 November 2013 6:30 PM
To: Craig Heron
Subject: Meeting

Craig,

Thank you so much for your positive approach today.

Best day for me will be Friday 22 November if your man is available.

Cheers

Graeme Wood



TasPorts

Scrutiny Committee

MINISTER FOR INFRASTRUCTURE

18/11/13

25.

TRIABUNNA WHARF LEASE

Key Messages

- Triabunna Investments Pty Ltd's lease of the Triabunna Wharf expired on 1 November 2012.

Speaking Points

- The lease included an option to renew for a further five years.
- This option was required to be exercised by no later than 1 August 2012 by notice in writing.
- Triabunna Investments failed to exercise that option as required by the terms of the lease, and accordingly the lease expired on 1 November 2012.
- Tasports wrote to Triabunna Investments on 2 January 2013, 60 days after the expiry of the lease, to seek advice as to its future intentions for the site.
- Following this, Triabunna Investments' solicitors wrote to Tasports to advise that it wished to exercise its option under the lease to extend the term for a further five years.
- Tasports has advised Triabunna Investments' solicitors that it is not prepared to accept the purported exercise of the option to extend the lease, that the lease expired on 1 November 2012 and that occupation of the premises continues as a periodic tenancy, terminable on written notice by either party.
- Tasports has also advised Triabunna Investments that it is prepared to negotiate a new lease on terms and conditions reflecting the market value of the site and its improvements.

- Parties expressed an interest to meet and discuss further the future arrangements for the wharf. These meetings occurred on the 8th November 2013. The deteriorating condition of the conveyor and the ship loader situated on the pier were discussed, as well as the potential future development of the pier to accommodate cruise vessels.

Background

The original lease between the Hobart Ports Corporation (now Tasports) and Gunns Limited of the Triabunna Wharf commenced on 1 November 2002. On 1 August 2008 Gunns exercised its option to extend the term until 1 November 2012. This lease was then assigned to Triabunna Investments with effect from 9 November 2011.

Under the lease Triabunna Investments was obliged to pay a minimum annual wharfage charge of \$250,000 conditional upon export over the wharf occurring during the year. There was no obligation on Triabunna Investments to export a particular volume of woodchips, or indeed to export any woodchips at all over the wharf.

Due to Triabunna Investments' lack of export activities, Tasports did not generate any revenue from this site from 9 November 2011, other than the recovery of a small amount of the applicable council rates and land tax.

A significant amount of capital would be required on an annual basis to maintain the wharf in a safe condition.



15 April 2014

The Directors
 Triabunna Investments Pty Ltd
 c/- Murdoch Clarke
 10 Victoria Street
 Hobart TAS 7000

Copy to Graeme Wood (graeme.wood@springbaymill.com)

Attention: Ben Swain

Dear Ben,

RE: REMOVAL OF EQUIPMENT FROM TRIABUNNA WHARF BY TRIABUNNA INVESTMENTS

We refer to the recent advice received from the Glamorgan Spring Bay Council in reaction to the proposed re-zoning of the mill site at 555 Freestone Point Road, Triabunna from 'Industrial' to 'Spring Bay Zone'. From the information provided by council, it appears that Triabunna Investments' planning for the redevelopment of the site has progressed well since our initial discussion in November 2013.

As flagged at our last meeting and in a subsequent discussion with Phil Cooke (Tasports General Manager of Infrastructure and Maintenance), we would now like to review Triabunna Investments' removal of its infrastructure from the wharf, namely equipment comprising the woodchip loader, conveying system and all other infrastructure associated with this former loading operation, as there is concern that the continued location of this equipment on the wharf is causing degradation of the infrastructure.

As per the lease which expired on 1 November 2012 and continues as a periodic tenancy (terminable on written notice by either party), we note that Triabunna Investments has a number of maintenance responsibilities under the lease in relation to the wharf which will also require review in conjunction with the removal of equipment. These obligations are to:

- Operate and maintain loading equipment installed by the tenant on the wharf.
- Keep the wharf in a state of good tenantable repair and condition (fair wear and tear excepted).

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- At the expiration of the lease (or sooner) yield up the wharf in the state of repair and condition as the wharf was in at the time of commencement of use by the tenant.

I would ask that the Triabunna Investments makes contact directly with Ivan Hurkett (Manager Engineering- Infrastructure & Maintenance) to discuss the process for reviewing the equipment removal and the subsequent review of the wharf structure condition. Ivan can be contacted on 03 6434 7349 / 0419 349 700 or via email Ivan.Hurkett@tasports.com.au.

If you have any further questions, please do not hesitate to contact me on 03 6222 6030.

Yours sincerely



Craig Heron
Chief Operating Officer

Cc: **Phillp Cooke-** General Manger Tasports- Infrastructure & Maintenance Division
Ivan Hurkett- Manager- Engineering Tasports- Infrastructure & Maintenance Division

QUESTION TIME BRIEF
MINISTER FOR INFRASTRUCTURE

Noted by Minister

TRIABUNNA WHARF LEASE

KEY MESSAGES:

- Triabunna Investments Pty Ltd's lease of the Triabunna Wharf expired on 1 November 2012.

CURRENT SITUATION:

- Parties expressed an interest to meet and discuss further the future arrangements for the wharf. These meetings occurred on the 8th November 2013.
- Triabunna Investments is currently on a rolling month by month lease as they consider their future development options.
- Under the lease agreement Triabunna Investments has obligations to maintain the wharf and infrastructure to a required operational and safety level.
- Due to the lack of use and ongoing indication to re-zone the area, Tasports has written to request the removal of the equipment (namely the woodchip loader, conveying system and other associated infrastructure) as there is concern that the continued location and lack of maintenance of this equipment is causing degrading to the wharf infrastructure.

BACKGROUND:

- The original lease between the Hobart Ports Corporation (now Tasports) and Gunns Limited of the Triabunna Wharf commenced on 1 November 2002. On 1 August 2008 Gunns exercised its option to extend the term until 1 November 2012. This lease was then assigned to Triabunna Investments with effect from 9 November 2011.
- Under the lease Triabunna Investments was obliged to pay a minimum annual wharfage charge of \$250,000 conditional upon export over the wharf occurring during the year. There was no obligation on Triabunna Investments to export a particular volume of woodchips, or indeed to export any woodchips at all over the wharf.

- Due to Triabunna Investments' lack of export activities, Tasports did not generate any revenue from this site from 9 November 2011, other than the recovery of a small amount of the applicable council rates and land tax.

Katrina Oakley

From: Graeme Wood <graeme.wood@springbaymill.com>
Sent: Friday, 6 June 2014 10:57 AM
To: Kevin Moore
Subject: TRIM: Re: Triabunna Wharf

Kevin,

I'm back in Sydney on Tuesday. Perhaps we can talk on the phone then?

Graeme

On Thu, Jun 5, 2014 at 4:16 PM, Kevin Moore <Kevin.Moore@tasports.com.au> wrote:

Graeme,

I'm actually in Melbourne today & tomorrow so then earliest I could meet would be from next Tuesday.

Kind regards

Kevin

From: Graeme Wood [mailto:graeme.wood@springbaymill.com]
Sent: Thursday, 5 June 2014 9:15 AM

To: Kevin Moore
Subject: Re: Triabunna Wharf

Kevin,

Thanks for that. Could we meet for a chat Friday?

Cheers

Graeme

On Tue, Jun 3, 2014 at 5:37 PM, Kevin Moore <Kevin.Moore@tasports.com.au> wrote:

Hi Graeme,

I didn't have a direct postal address for you hence the letter attached. If you would also like to have an original copy mailed to you just let me know your preferred postal address.

Kind regards

Kevin

Kevin Moore | General Manager Commercial & Trade

Tasmanian Ports Corporation

T 6222 6050 | **M** 0416 189 824 | **E** kevin.moore@tasports.com.au

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From: Graeme Wood [<mailto:graeme.wood@springbaymill.com>]

Sent: Sunday, 1 June 2014 3:05 PM

To: Kevin Moore

Subject: Triabunna Wharf

Hi Kevin,

When do you expect I will receive the details of the wharf assets for sale?

Cheers

Graeme