

The Secretary,
Community Development Committee
House of Assembly
Parliament House
Hobart
TAS 7000
Email: charles.casimaty@parliamentary.tas.gov.au

RE – Submission to the Parliamentary Inquiry into the Triabunna woodchip mill and future development opportunities for the Triabunna Region

Dear Sir/Madam,

I, Graeme Wood, appreciate the opportunity to comment on the Inquiry into the Triabunna woodchip mill and future development opportunities for the Triabunna Region.

This submission aims to directly respond to the Terms of Reference prescribed;

a) The circumstances surrounding the closure, sale and ultimate dismantling of the Triabunna woodchip mill

b) Identify development and opportunities for the Triabunna Community and surrounding regions and

c) And matters related and incidental thereto;

In summary/conclusion

- In November 2011 the purchase and sale of Triabunna Woodchip Mill was subject to a similar politically motivated inquiry and similar conspiracy allegations were made - this time by Senator Helen Kroger. The matter was referred to the Senate Committee Of Privileges. The Committee rejected **unanimously** all allegations made by Senator Kroger.
- Gunn's had closed Triabunna months before the mill was acquired. The mill was maintained in working condition for two years and was made available to be reopened through a tender process.
- No economically viable tender was received mainly because it was not possible to find timber supply outside the agreed reserved. Gunn's decision to shut the mill was based on sound market analysis.
- A simple market evaluation of the Tasmanian Forestry Industry after the purchase of the mill demonstrated the industry was contracting significantly. Other economically viable opportunities for the Mill had to be explored.
- There was a legal requirement under the Environment Protection Notice issued by the Environment Protection Authority was to begin the decommissioning and rehabilitation of the site if wood chipping had ceased for two years.
- On 18th October, a letter was received from EPA Tasmania requiring Triabunna Investments to submit a Decommissioning and Rehabilitation Plan (DRP) within 60 days¹. Triabunna Investments Pty Ltd submitted a Decommission and Rehabilitation Plan to the EPA via email on 13th

¹ Alex Schaap, 2013. Letter Re – Triabunna Investments Pty Ltd – Triabunna Woodchip Mill Notification of Cessation. Environment Protection Authority Tasmania.

January 2014. This plan was accepted by the EPA Tasmania on 4th February 2014.²

- All staff acted in a lawful and professional manner during the decommissioning process and have subsequently, gone out of their way to work with the local community to plan a future for the site.
- The rehabilitation process included stabilisation of land surfaces, removal of any contamination and decommissioning and removal of any equipment surplus to requirements.
- A decision was made to explore opportunities for the mill that made good business/economic sense i.e ventures that supported sectors of the economy that were set for rapid growth (not decline), such as tourism.
- Detailed planning for development of the site is well underway. Contracts for professional services have been entered into.
- The transformation of Spring Bay Mill from a defunct mill to an international tourism venture will help put Triabunna and Tasmania on the international map. Significant flow on effects from increased tourism in the region will help create local jobs both directly and indirectly. The proposed culinary school will not only help provide unique training facilities for Tasmanian citizens, it will also help benefit the Tasmania's unique fine food brand. Periodic arts events will also help cultivate social/cultural prosperity in region as well serve as another drawcard to tourists.
- The new Spring Bay Mill development will provide the Triabunna community with a catalytic opportunity to help build a new and sustainable socio-economic paradigm for the region.

² John Mollison, 2014 Letter Re - Approval of Decommissioning and Rehabilitation Plan – Triabunna Woodchip Mill. Environment Protection Authority Tasmania.

Detailed Terms of Reference Response

a) The circumstances surrounding the closure, sale and ultimate dismantling of the Triabunna woodchip mill;

I would like to take the opportunity to provide the accurate factual information concerning the sale, purchase and decommissioning of Triabunna woodchip mill. I strongly reject the allegations made by Parliamentary Secretary, Guy Barnett that the closure was a demonstration ‘*disgraceful tactics of radical environmentalists*’³ any inference to my knowledge that ‘*Labor and the previous Labor-Green government knew about these actions.*’⁴ And subsequently, that there was “*any breach of the Tasmanian Forestry Agreement*”⁵.

Triabunna Investments was never a party to the Forestry Agreement and subsequently had no conversations with Government about the agreement. Triabunna Investments is a private enterprise and simply anticipated that the Triabunna Woodchip Mill would support and indeed conform to the requirements of the Forest Agreement - this would simply be sound business management. To the best of my knowledge, despite perhaps the aspirational hopes of parties to the Forest Peace Agreement and Triabunna Investments, there was no legislative requirement for Triabunna Mill to remain open as a condition of the final Forest Peace Agreement.

Furthermore, it is worth noting that in November 2011, the purchase and sale of Triabunna Woodchip Mill was once again subject to a similar conspiracy allegation (and political witch-hunt), put forward by Senator Helen Kruger.⁶ The

³ The Examiner, July 2014. Accessed online <http://www.examiner.com.au/story/2420334/mill-company-sets-the-record-straight-on-site/>

⁴ The Examiner, July 2014. Accessed online <http://www.examiner.com.au/story/2414884/reopening-mill-not-aim-of-inquiry/>

⁵ The Examiner, July 2014. Accessed online <http://www.examiner.com.au/story/2414884/reopening-mill-not-aim-of-inquiry/>

⁶ Letter, from Senator Kroger to the President, dated 22 November 2011. Accessed online: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Completed_inquiries/2010-13/donations/index

matter was subsequently referred to the Senate Committee Of Privileges.⁷ The Committee rejected **unanimously** all allegations made by Senator Kroger.⁸

I believe that the current Parliamentary Inquiry, as with the Senate Inquiry in 2011, is another demonstration of where political motivations are being favoured over fact. The net result being, that Tasmania continues to be locked in past and prevented from moving forward and embracing opportunities that will ultimately bring social and economic prosperity for generations to come.

1. Closure/Sale/Purchase of the Mill

In May 2011, Gunns Ltd announced that it would be temporarily closing the mill due to lack of demand for its woodchips.⁹ On the 14 June 2011 it was understood that Triabunna woodchip mill would be sold to a consortium involving Aprin Pty Ltd – however this agreement failed to reach financial close.^{10 11}

On 13 July 2011, an agreement was drafted for the sale of Triabunna woodchip mill by Gunns Ltd to Triabunna Investments Pty Ltd (the “Triabunna Investments Sale”). This agreement was completed on the 15th July 2011.¹²

⁷ Second submission on behalf of Senators Brown and Milne, dated 8th February 2012. Accessed online:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Completed_inquiries/2010-13/donations/index

⁸ 150th Report, tabled 19th March. Chapter 1. The matter before the Committee. Page 12 Accessed online:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Completed_inquiries/2010-13/donations/index

⁹ Second submission on behalf of Senators Brown and Milne, dated 8th February 2012. Accessed online:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Completed_inquiries/2010-13/donations/index

¹⁰ Kroger letter 29th June 2011. Committee hearing. Accessed online

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Completed_inquiries/2010-13/donations/index

¹¹ Gunn’s woodchip mill sale close, June 6th 2011. ABC News. Accessed online:

<http://www.abc.net.au/news/2011-06-06/gunns-woodchip-mill-sale-close/2747984>

¹² Letter, from Senator Kroger to the President, dated 22 November 2011. Accessed online:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Completed_inquiries/2010-13/donations/index

The mill was purchased for a sum of 10 million dollars. This sale was approved by the Gunns Limited board, and to the best of my knowledge was approved because Triabunna Investments had made the best commercial offer.

After the purchase of the mill, efforts were made to ensure it remained in working condition for over two years and available to a tender process. Gunns Ltd provided \$250,000 of repair costs to the site, including upgrades to the High Voltage Substation. Triabunna Investments also provided significant resources to clean up the site and ensure everything was prepared for operating purposes

Prior to the sale of Triabunna woodchip mill to Triabunna Investments (during the 3 months closure period), Gunns Ltd had maintained team of 6 security staff and one site manager to ensure round the clock security. Upon purchase of the mill, Triabunna Investments kept all these staff on as full time casual employees and employed a General Manager, Alec Marr, on a contractual basis. These actions were undertaken - based on the **assumption** that the mill would be reopened as part of the Forest Peace Agreement. However, the Forest Peace talks ended up taking a lot longer than anticipated.¹³

2. The Tender Process and Market Reality

A tender document was prepared as soon as possible.¹⁴ Unfortunately the process was hindered a number of months when Tasports refused to transfer the Port Lease to Triabunna Investments. Exporting woodchips from the mill would be impossible without such a lease and therefore a call for tenders became a redundant process until this issue was resolved.

Furthermore, the market reality was as such that keeping the mill open and operational was no longer economically favourable. In fact, after further research into the economic trends of Tasmania Forestry, it became increasingly apparent

¹³ The Australian, April 2013. *Tasmanian forest deal on edge again*. Accessed online: <http://www.theaustralian.com.au/news/latest-news/tasmanian-forest-deal-on-edge-again/story-fn3dxiwe-1226621948753>

¹⁴ Rod Knight, August 2011. Preliminary notes: An ecologically responsible *modus operandi* for woodchip exports from Triabunna. Copyright Natural Resource Planning Pty Ltd, ACN: 130 109 250.

that job prospects and business sustainability would be more likely to occur by exploring new and innovative ways to utilise the mill.

2. i) Evidence base for Market Analysis;

A simple desktop search can access a mounting body of evidence and economic work, from academics and government agencies (Incl Forestry Tasmania), portraying the reality of the struggling Tasmanian Forestry Industry.

Jonathan west et al 2012 claims the forestry sector had been in crisis for a number of years, due to falling woodchip prices, the high Australian dollar, and a decline in the quality of wood sourced from the native forests.¹⁵ For example, approximately 3,600 jobs have been lost in forestry and wood products since 2008.¹⁶

Subsidies: In fact, the Tasmanian Forestry Industry had experienced significant financial difficulties since the 1980s¹⁷. In efforts to counteract this, numerous attempts were made by Government(s) to provide a stronger financial footing. This support came in the form of various agreements/financial assistance packages to the industry; *The Helsham Agreement (1989) \$42 million*, *Tasmanian Regional Forest Agreement (1997) \$110 million* and the *Tasmanian Community Forest Agreement (2005) \$203 million*.¹⁸ Graham Wells from the University of Tasmania estimated in total that the timber industry was paid subsidies of \$632.8M over the 11 years to 2008.¹⁹ In 2012, Norske Skog, owners of Boyer Mill outside Hobart, also received a \$28 million grant from the

¹⁵ Jonathan West, Anthony Arundel, David Adams, Dominique Bowen Butchart, Kieran O'Brien, Sarah Gatenby, Eugene Polkan, Richard Smart, Lisa Taylor and Ann Torugsa. Revised October 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Page 26, Para 1. Accessed online:

<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

¹⁶ Same as above. Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Page 26, Para 3. Accessed online:

<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

¹⁷ Andrew Macintosh 2013. Chipping Away at Tasmania's Future. Page 2, Para 2. The Australian Institute. Institute Paper No.15. ISSN 1836-8948

¹⁸ As above. Chipping Away at Tasmania Future, page 2 para 4

¹⁹ Graham Wells, 2009. Support for Tasmanian Forestry. Page 3 para 4.

Australian Government and \$13 Million loan from the Tasmanian government to help modify its machinery outside of the IGA/TFA process.²⁰

Declining Industry: Even with the financial assistance packages, it appears the other market forces at play could not be counteracted. The highly competitive nature of the relevant domestic and international wood fibre market was taking its toll. Data from Forestry Tasmania Annual reports from 2001 onwards, clearly depict a contracting native forestry industry.²¹ In reality the forestry industry was a relatively minor industry and in decline.²²

Furthermore, the principle market for Australian woodchips - Japan - was showing a clear decline. The Japanese requirements shifted to produce pulp and paper domestically.²³ And between 2008 and 2011, the export value of all Australian wood chip exports reduced by 30.0 per cent, from \$1.142 billion in 2008 to 804 million, whilst Tasmanian woodchip exports fell by **two-thirds**.^{24,25} Some of the other causal factors attributed to the decline in Tasmania woodchip exports include; the limited access to ports for exports and a lack of FSC certification.²⁶

In 2011 Gunns Ltd temporarily closed the mill because of the simple fact that there was no longer significant demand for its woodchips. As demonstrated above, this decision appeared to reflect the economic reality of the time and did not change post Triabunna Investments purchase. This assessment of the market reality was further reinforced when Triabunna Investments General Manager

²⁰ As above. Chipping Away at Tasmania Future, page 3 para 2

²¹ Andrew Macintosh 2013. Chipping Away at Tasmania's Future. Pages 17-19. The Australian Institute. Institute Paper No.15. ISSN 1836-8948

²² Andrew Macintosh 2013. Chipping Away at Tasmania's Future. Page 3 Para 2. The Australian Institute. Institute Paper No.15. ISSN 1836-8948

²³ Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Pg 25, para 2. Accessed online:
<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

²⁴ As above. Jonathan West, et al 2012. Pg 53, para 4. Accessed online:
<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>:

²⁵ ABS, 2011b, Table 12b, FOB prices.

²⁶ Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Page 54, Para 1. Accessed online:
<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

attended an International Woodchip conference in Singapore. This conference confirmed that the Japanese markets were closing the door on the Tasmanian native forest woodchips. China (another possible and growing market) was also primarily supplied by Vietnam and Thailand, selling woodchips at less than half the price Australian producers could supply.

Furthermore, the onset of the global financial crisis also contributed to market contraction and a number of the operators within the hardwood plantation also went into receivership, including Great Southern Group, Timbercorp, Forestry Enterprise Australian and Gunns Ltd.²⁷ Forestry Tasmania, also recorded an aggregate net loss before tax and other items of \$122 million over the four year period 2010 -2013. At the end of the day it appeared that Forestry Tasmania was operating in a way that barely covered its costs, thus transferring its losses to the taxpayers. Without subsidy support the industry would collapse.²⁸

At the mill, we were certainly feeling the reality of these market forces as we embarked on the tender process;

2ii) Wood Supply and Tender Process:

A Triabunna Standard was developed in August 2011 to ensure sustainability of the resource and requested that supply would also need to come from areas of public native forest that would support the Tasmanian Forest Agreement.²⁹ This Triabunna Standard was then disseminated amongst interested parties. Unfortunately no acceptable sources of wood at sufficient volumes were found.

The tender process remained open for a year, and yet still no economically viable proposal was put forward. A letter by Bob Gordon was received suggesting that Forestry Tasmania could run the mill. However the letter did not detail or qualify the tender requirements. It also became clear that the mill would require

²⁷ Andrew Macintosh 2013. Chipping Away at Tasmania's Future. Pg 21, para 3. The Australian Institute. Institute Paper No.15. ISSN 1836-8948

²⁸ As above. Chipping Away at Tasmania's Future. Page 22, para 1.

²⁹ Rod Knight, Aug 2011. Preliminary notes: An ecologically responsible *modus operandi* for woodchip exports from Triabunna. Copyright Natural Resource Planning Pty Ltd, ACN: 130 109 250.

subsidies to stay operational – at least 5 million dollars per ship in order to compete with the Vietnam markets.³⁰

After 2 years of the Mill remaining open and with no successful applicant coming forward - it was clear that other alternatives should be explored. Despite the public perception that forestry accounts for approximately 30 percent of GSP and a quarter of the workforce and more than 1/3rd of exports, research shows that it is only responsible for 2 per cent of GSP, 1.5 per cent of employment and 5 per cent of exports.³¹³² It became clear that perhaps other alternative development opportunities could in fact bring a **greater** number of jobs to the Triabunna region and long-term sustainability.

Firm in the belief that community and citizen endorsement/involvement would be the key to the success of whatever Spring Bay Mill was to become –significant time was spent with the local Mayor and the Spring Bay council to discuss through alternative options for the mill if the mill option was no longer viable.

Potential stakeholders for alternative development options were considered - including the University of Tasmania, the French embassy about re-location of its Antarctic Fleet, a number of companies interested in using the site for heavy machinery training, and numerous smaller company ideas. Unfortunately, none of these ideas eventuated into serious business proposals.³³

2iii) Decommissioning/Closure of the Mill

There was a legal requirement under the Environment Protection Notice issued by the Environment Protection Authority to begin decommissioning and

³⁰ Alec Marr, 2013 General Manager Triabunna Investments *pers comms*

³¹ Andrew Macintosh 2013. Chipping Away at Tasmania's Future. Pg 16, para 2. The Australian Institute. Institute Paper No.15. ISSN 1836-8948

³² Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Accessed online:
<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

³³ Alec Marr, 2013 *Pers comms*

rehabilitation of the site if wood chipping had ceased for two years, the trigger for this point was July 2013.

On 18th October, a letter was received from EPA Tasmania entitled *Triabunna Investments Pty Ltd – Triabunna Woodchip Mill Notification of cessation*. Within this letter Triabunna Investments Pty Ltd was required to submit a Decommissioning and Rehabilitation Plan (DRP) within 60 days.³⁴ Triabunna Investments Pty Ltd submitted a Decommission and Rehabilitation Plan to the EPA via email on 13th January 2014. This plan was accepted by EPA Tasmania on 4th February 2014.³⁵

In September 2013, during an inspection of the Site a serious electrical problem unfolded that necessitated Aurora turning off the power to the High Voltage switch-yard. This spearheaded the need for a decision on the future of the site. Work was conducted in September was designed to secure the safety of the sit and ensure a new future for the region was possible.

During the decommissioning and rehabilitation of the site, all staff acted in a lawful and professional manner. Throughout the ownership of the site by Triabunna Investments, there were periodic inspections by the EPA who were at all times satisfied with our compliance with EPN obligations.

b) Identify development and opportunities for the Triabunna Community and surrounding regions

From a business perspective and to ensure long-term socio-economic benefits for the Triabunna community – it is important to explore development opportunities in areas of the Tasmanian economy that are rapidly growing (rather than contracting/or declining) and determine whether they can be applied to the Triabunna region specifically.

³⁴ Alex Schaap, 2013. Letter Re – Triabunna Investments Pty Ltd – Triabunna Woodchip Mill Notification of Cessation. Environment Protection Authority Tasmania.

³⁵ John Mollison, 2014 Letter Re - Approval of Decommissioning and Rehabilitation Plan – Triabunna Woodchip Mill. Environment Protection Authority Tasmania.

State-wide Prospects

Recent research has shown that over the past five years the fastest growing sectors within Tasmania include; professional, scientific, and technical services (8 percent per annum since 2008), education and training (7 per cent per annum) and health care and social assistance (6 per cent per annum).³⁶

Jonathan West et al 2012 also describes the greatest economic potential in the following sectors wine, dairy, aquaculture, horticulture and tourism.³⁷

Just to demonstrate this – I draw your attention to a few successful examples below including; wine, dairy, tourism, fine foods and arts/culture:

*“Tasmania’s **wine** industry is currently small. It produces 0.5 per cent of Australia’s wine, from less than one per cent of its vineyard area. Yet this tiny industry, with 1,400 hectares of wine grapes, already employs about 1,000 Tasmanians. Importantly, while the mainland wine industry is shrinking, Tasmania’s is growing. The reason is that the Australian wine industry is slowly shifting from hot inland climates, producing simple fruity wines, to cool climates, producing complex and multi-flavoured wines. Tasmania is Australia’s pre-eminent cool-climate wine grape region....”*

*“Were the wine sector to grow to 5,000 hectares, producing two per cent of Australia’s wine (slightly below Tasmania’s share of national population), **on the same assumptions it would employ 3,500 in total, or 2,500 extra jobs (70 per cent of the jobs lost in the forestry sector).**”*

Extracts from Jonathan West et al, 2012. *Diversifying Tasmania’s Economy: Analysis and Options – Final Report, Pages 5 & 6.*

³⁶ Andrew Macintosh 2013. Chipping Away at Tasmania’s Future. Pg 5, para 2,3,4. The Australian Institute. Institute Paper No.15. ISSN 1836-8948.

³⁷ Jonathan West et al, 2012. *Diversifying Tasmania’s Economy: Analysis and Options – Final Report.* Available online: <http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

A similar story can be told for the **dairy/agriculture** sector. As of 2012 agriculture was the largest private sector industry in Tasmania, with sales from dairy standing at \$330 million in 2009.³⁸ DairyTas estimates that the industry value could double within 10 years, potentially adding 3000 new jobs. The Tasmanian dairy brands also believed to reinforce the value of Tasmania's high-end food industries and especially to tourism.³⁹

Tourism is one of the world's largest and fastest growing economic sectors in the world.⁴⁰ In Australia, for example, tourism in 2009 made a direct contribution to the economy of \$40.639 million in GDP or 3.6% of total GDP and 4.7% of total employment.⁴¹ These figures increase by a further \$31 billion and 377,000 jobs with the inclusion of indirect economic contributions.⁴²

Tourism is also a valuable sector to the Tasmanian economy and whilst work is required to increase accessibility and improve marketing outreach –the sector also has great potential.

As of 2012-13, out of the 209,342 people working in Tasmania, tourism provided 18, 103 jobs (significantly more than forestry).⁴³ In 2011, there were 862,400 visitors to Tasmania, 745,800 of these were interstate and 149,800 international visitors.⁴⁴ Furthermore, in 2013, the majority of International visitors to

³⁸ Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Pages 6 & 7. Accessed online:

<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

³⁹ Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Page 7. Accessed online:

<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

⁴⁰ Larry Dwyer and Ray Spurr. Tourism Economics Summary. STCRC Centre for Economics and Policy. Accessed online

<http://www.crctourism.com.au/wms/upload/resources/Tourism%20Economics%20Summary%20WEB.pdf>.

⁴¹ Australian Bureau of Statistics (2009). Australian National Accounts: Tourism Satellite Account, 2007-08. Australian Bureau of Statistics, Canberra, ACT. Accessed from:

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5249.02007-08?OpenDocument>

⁴² Pambudi, et al 2009 in Larry Dwyer and Ray Spurr. Tourism Economics Summary. STCRC Centre for Economics and Policy. Accessed online

<http://www.crctourism.com.au/wms/upload/resources/Tourism%20Economics%20Summary%20WEB.pdf>.

⁴³ 2012-13, Australian Bureau of Statistics (ABS), Tourism Satellite Account in

<http://www.economicprofile.com.au/tasmania/tourism/employment>

⁴⁴ Tasmanian Tourism Snapshot, 2011. Available online

http://www.tourismtasmania.com.au/_data/assets/pdf_file/0005/18059/TVS_Snapshot_December_2011.pdf

Tasmania (84%) participated in nature-based tourism.⁴⁵ Fostered in the right way, tourism in Tasmania could be one of the key pillars supporting a thriving economy.

Food and culinary tourism in particular appears to have great opportunity to grow. Tasmania is widely recognized for its fine foods, and high quality beverages. Food experiences such as farmstays, and culinary workshop are proving all the more popular – The Agrarian Kitchen (Paddock to Plate experience) and Red Feather Inn are examples of such success.^{46 47}

There are endless examples across the world where food and tourism go hand in hand and Tasmania is no different. Between 2011-2012 tourism expenditure was analyzed according to the type of experiences people had; over 50% was food and wine related and approximately a quarter of each was nature based tourism, followed by cultural heritage.⁴⁸ Food-related tourism could ultimately be the best form of brand development and marketing for Tasmania. As more people visit Tasmania to enjoy the state's special food, more will become ambassadors for our products (Jonathan West, 2012).

Arts and Culture is also developing a stronghold in Tasmania and is one to be cultivated looking to the future. The establishment of the Museum of Old and New Art (MONA) in 2011 has also had an unprecedented impact on the economy of Tasmania.⁴⁹ Drawing more than 210,000 visitors to Tasmania in 2012. Deemed the 'MONA Effect' by the Tourism Industry Council Chief Executive Luke Martin, many visitors are drawn to the state simply just to visit this icon.⁵⁰

⁴⁵ Nature Based Tourism Australia 2014. Page Accessed online

<http://www.ttf.org.au/Content/ttfstatsnaturalreport.aspx>

⁴⁶ The Agrarian Kitchen. Visit:

http://www.theagrariankitchen.com/The_Agrarian_Kitchen/The_Agrarian_Kitchen_Cooking_ClASSES.html

⁴⁷ The Red Feather Inn. Visit. <http://www.redfeatherinn.com.au/>

⁴⁸ Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Accessed online:

<http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

⁴⁹ The Mercury, April 2014. World-class MONA helps Tassie Smash Tourism Record. Accessed online: <http://www.themercury.com.au/news/tasmania/worldclass-mona-helps-tassie-smash-tourism-record/story-fnj4f7k1-1226878915104>

⁵⁰ Crikey, June 2012. <http://www.crikey.com.au/2012/06/08/tasmanian-recession-not-at-david-walshs-bizarre-world-of-art/>

Hot on the heels of MONA has been the Hobart Baroque Festival. Another example of how valuable cultural events/experiences can be to the local economy. Kick-started by visionaries Leo Schofield and Jarrod Carland, the festival **doubled** its box office sales after just one year after its launch.⁵¹ With interstate travellers spending an estimated \$2.2 million in the Tasmanian Economy.⁵² And an estimated \$5.5 million injection into the state economy overall. A fruitful return on investment for the Tasmania State Government (13.6 times), of whom provided just \$400,000 of support to get the festival up and running.⁵³ The festival's long-term target audience has been the global audience given the growing popularity of Baroque. And more specifically the East and East Asian market – given this is unique attraction that they cannot find in their homeland. In 2013 only 2.7% of Chinese visitors to Australia and 1.6% of Indian visitors came to Tasmania. Clearly there is great potential to target efforts to help build the appeal of Tasmania to these countries.⁵⁵ And with market research showing that 91% of attendees to the Hobart Baroque festival would return⁵⁶ – it doesn't take an economist to forecast the strong chances of the festival doubling (if not more) its revenue in 2014-2015.

Overall it is clear, just from the select example(s) provided above, the depth and breadth of opportunities Tasmania has to diversify and grow its economy. Examples such as MONA, the Hobart Baroque Festival and Culinary Schools, demonstrate the success that can be reaped financially as well as socially/culturally to the communities around them. Furthermore, there is great

⁵¹ Hobart Baroque – Submission to Events Tasmania for Triennial funding 2014-15 to 2017-18. Prepared May 2014.

⁵² Event Tasmania Research Program Hobart Baroque Festival Research Report, 2014. Prepared by EMRS.

⁵³ Hobart Baroque – Submission to Events Tasmania for Triennial funding 2014-15 to 2017-18. Prepared May 2014

⁵⁴ Tasmanian Times, August 2018. Hobart Baroque and Tasmanian Economy. By Martyn Goddard. Accessed online: <http://tasmaniantimes.com/index.php?/weblog/article/hobart-baroque-and-the-tasmanian-economy/>
http://tasmaniantimes.com/images/uploads/hb_economy.pdf

⁵⁵ Tourism Tasmania, Tourism Snapshot 2013, p. 8, December 2013

⁵⁶ Event Tasmania Research Program Hobart Baroque Festival Research Report, 2014. Prepared by EMRS.

potential for these kind of development opportunities to be applied to the Triabunna and surrounding regions...

Triabunna Region-wide Prospects

Jonathan West's 2012 assessment of the Southern Sub-region (including the Glamorgan Spring Bay region) determines that the potential growth sectors in this region include tourism, wine, horticulture and aquaculture.⁵⁷ Therefore, we would like to encourage the Government and the community to look at ways in which these sectors can be supported in Triabunna in a sustainable way moving forward.

The vision for the Spring Bay Mill and the Triabunna region is specifically focussed on fostering growth particularly in the tourism aspect of this assessment (and draw upon examples of success in other areas Tasmania). The hope is to bring to Triabunna what MONA and Hobart Baroque Festival provided Hobart and the surrounding regions.

Spring Bay Mill Prospects: The vision of Spring Bay Mill is that it will embody a variety of niche markets/attractions within the **one area** and **all of which will represent growing aspects of Tasmania's economy**. *Education and training* opportunities will be fostered via the *culinary* school, whilst simultaneously building the region's (and Tasmania's) *fine foods* brand by working with and promoting locally sourced products. The botanical gardens project will be targeted at attracting *tourists* from all over the world. And throughout the year the Mill will host a variety *art and cultural events* – uniting the community as well as attracting visitors both within the state and interstate.

As with any successful regional economic development – the Spring Bay Mill project will be strongly community oriented – and will help with education to regional business networking. The hope is the project will provide the perfect

⁵⁷ Jonathan West et al, 2012. Diversifying Tasmania's Economy: Analysis and Options – Final Report. Page 96, Table 5.13. Accessed online: <http://www.regional.gov.au/regional/tasmania/diversifying-tasmanias-economy/index.aspx>

springboard/catalyst the region needs to move into a new and sustainable socio-economic paradigm.

c) And matters related and incidental thereto;

It is clear that Tasmania economy is struggling and some of those areas suffering the most are rural and regional areas such as Triabunna. Whilst there may be no silver bullet to solving this crisis – diversification of the Tasmania economy is key to getting Tasmania back on track. Furthermore, there has been too much emphasis over the years on trying to prop up smaller ailing economies rather than support the bigger employers in such as health, aged care tourism and business services.

Andrew Macintosh *et al* claims “Ongoing emphasis on forestry is misplaced, counterproductive, economically, socially and environmentally.”⁵⁸ In reality forestry, has only been a peripheral economy and one that for a number of reasons has unfortunately been at the heart of Tasmania’s political debates for far too long. The danger being, that if the political focus/witch hunt continues (eg as demonstrated by the Senate Inquiry back in 2011 and this current Parliamentary Inquiry), it is only going to create a larger wedge between the mainland and Tasmanian Economy. The recent State Government’s decision not to support the Hobart Baroque Festival, is another example of the government’s short sightedness and lack of vision for a bright future for Tasmania. Trying to resuscitate the economic failures of the past will not help Tasmania move forward – and yet there is no doubt that Tasmania has numerous opportunities to change course and embrace prosperity.

For example, Research by The Australian Institute claims one of the most profitable use of the public native forest estate is likely to be conservation, not only in eco-tourism opportunities by also as carbon credits. *“The preservation of 350,000ha of native production forests could provide the Tasmanian Government*

⁵⁸Andrew Macintosh 2013. Chipping Away at Tasmania’s Future. Page 10, para 2. The Australian Institute. Institute Paper No.15. ISSN 1836-8948.

*with 6.7-9.5 million carbon credits per year over the period of 2014- 2033, worth an estimated \$0.9 - \$1.4 Million”*⁵⁹

Either way, I will endeavour to demonstrate by ‘*doing*’ and help lead by example the ways in which supporting the growth sectors of economy can bring about social and economic prosperity.

Please do not hesitate to contact me on Graeme@wildmob.org to discuss any matters raised in this submission.

Yours Sincerely



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⁵⁹ Andrew Macintosh 2013. Chipping Away at Tasmania’s Future. Page 6, Para 5. . The Australian Institute. Institute Paper No.15. ISSN 1836-8948.