

11 August, 2014

Mr Charles Casimaty
Secretary
House of Assembly Standing Committee on
Community Development
Parliament House
Hobart TAS 7000

Dear Mr Casimaty,

**RE: Glamorgan Spring Bay Council's Written Submission to the Community Development
Committee: Triabunna Woodchip Mill**

I write on behalf of the Glamorgan Spring Bay Council to offer the Council's understanding of the facts in relation to the sale of the Triabunna Chip Mill.

Around March or April 2011 Gunns announced the closure of the mill indefinitely, offering employees redundancies and announcing the mill would be sold if possible. This followed at least two years of uncertainty with redundancies, period closures, and a general run down of the operations.

In June 2011, it was announced that Aprin Logging Pty Ltd from Bridgewater had purchased the mill and would be reopening the mill with all its existing staff retaining their positions. Several senior staff and Councillors attended the site for the media event.

Approximately two weeks later we heard on the ABC morning news at 10.00am that Jan Cameron and Graeme Wood (Triabunna Investments) had bought the Triabunna Chip Mill for an undisclosed amount and that they were going to turn it into a tourism site. This came as a complete surprise to the township of Triabunna and to the Council, who knew nothing of the negotiations other than that Aprin Logging had bought the premises.

Council's records show that the contract date was 13th July 2011 and the actual registration date of the transfer was 25th July 2012.

As soon as the announcement was made about the sale to Triabunna Investments, Council began looking for alternative sites for a chip milling operation.

Whilst the land was available (Crown Land) and machine infrastructure (two Bandit chippers and a work shed), there was no alternative other than to use the existing ship loader and site, and these were not available for use. The initial set up costs for this type of operation, which would have provided a far better chipping and volume method than that which existed at the original site, was below \$1 million dollars. However, with no way of loading the chips onto a boat, the project was shelved.

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Over the ensuing months, Council tried to negotiate a suitable lease on the property in Council's name. Council would then have sub leased the mill to Forestry Tasmania to operate as a chip mill and manufacture of their laminated wood products. It was estimated at this time that around 70% of the product would be reused in the lamination process with only 30% being chipped. The proponents were not interested in this concept.

In December 2011, Council urged Forestry Tasmania to lodge an expression of interest to operate the Chip Mill and to facilitate their progression to the manufacture of laminated wood products. This was in response to expressions of interest being called by Triabunna Investments. Subsequently it was revealed that according to Triabunna Investments they had not received any expressions of interest that were worthy of progressing to the next step.

Time passed with nothing happening at the mill site until Graeme Wood made contact with Council to explain the way forward as he saw it. This meeting occurred on the 17th September 2013 some 21 months after the expression of interest process. Further meetings occurred on the 7th October 2013 until the media launch of the project on 3rd December 2013.

Subsequently a rezoning application was supported by Council and approved by the Tasmanian Planning Commission on 4th July 2014.

It should be noted that the writer was told at the meeting on 7th October 2013 that vandals had caused the damage to the existing machinery and switchboards and that an electrical fault had caused the main power to the plant to be disconnected. It was also announced that the owners had permission from the EPA to do the decommissioning and it was proceeding as directed and permitted under this approval.

Council sincerely hopes that the past is the past and that in the near future, as Mr Graeme Wood has indicated, the entire site will be rehabilitated and turned into a tourism complex that Tasmania can be proud of.

I am hoping to attend the hearing. However, depending on Tasmanian Audit Office requirements, I may not be able to attend. I will know by 4pm tomorrow if I am able to attend. The Glamorgan Spring Bay Council Mayor, Councillor Bertrand Cadart will be in attendance on behalf of Council.

Yours sincerely,



David Metcalf
General Manager

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