

House of Assembly

Standing Committee on Community Development

A submission by the Huon Resource Development Group inc. to the Standing Committee Inquiry:

Triabunna Wood Chip Mill and Future Development Opportunities for the Triabunna Region

August 2014

The Huon Resource Development Group, a community based group that was at the time affiliated with Timber Communities Australia, is very concerned at the lack of openness and transparency associated with the 15 July 2011 sale of the Triabunna Woodchip mill and the subsequent condition of sale that it be operated consistent with the Tasmanian Statement of Forest Principles. (Refer to Gunns advice to the ASX 13 July 2011, attached)

Whilst a *Tasmanian Forests Statement of Principles to lead to an Agreement* was signed in October 2010, members of the HRDG consider that the conditions of sale were actually in accordance with the later agreement in principle known as the Signatories Agreement 22 June 2011.

This Statement of principles was facilitated by Bill Kelty at the request of the ALP/Green State and Federal minority Governments. It provided for:

- A substantial additional forest reserve.
- Maintenance of all existing contracts.
- A sustainable modern innovative forestry industry.
- A process of adjustment, which will address immediate contractor exit and forestry employee redundancy and retraining issues associated with Gunns exit from native forests.
- The provision of support for a transition of Tasmania's regional economies through a commitment to defined arrangements and processes.
- A commitment to support the further value adding of the forest industry.
- A transition out of public native forests into suitable and sustainable and socially acceptable plantations resource/supply.
- The protection of HVC native forests as identified by ENGO's.
- Provide a sustainable profile resource to industry based on an agreed minimum quantity and quality for industry.

Importantly it stated "The industry agreement is premised on Triabunna continuing" as well as other southern Tasmanian timber processing plants.

This agreement can be found at appendix 2 of the Final Kelty report (attached) a report that to the HRDG's knowledge has been provided to signatories and the government but not to the Tasmanian electorate. However Gunns were fully aware of this agreement, as Kelty stated:

"Gunns Limited was not involved directly in the process although, as noted, the company has been regularly consulted. The outcomes of both my interim report of 30 March 2011 and the final Signatories Agreement of 22 June 2011 have been conveyed to Gunns Limited."

Bill Kelty also consulted Alec Marr who was to be the instigator of the purchase of the Triabunna Mill by Ms Cameron and Mr Wood's company Triabunna Investments Pty Ltd

and Mr Jonathan West, later to be appointed to Chair the "Independent" Verification process. These meetings have not led to any publication of minutes but the initial meeting was documented in the Media.

see: <http://www.theaustralian.com.au/national-affairs/kelty-seeks-allies-for-forest-deal/story-fn59niix-1226008396766>

Marr and West were well known to each other. The Mercury in March 1987 (attached) reports that the director of the Wilderness society, Mr Jonathan West was supporting Mr Marr who was arrested after tree sitting in the Farmhouse Creek protest.

The inquiry must consider the impact of this meeting and the relationship of these three key 'players' on the sale and resultant lack of operation of the Triabunna Mill.

Time line: Study this timeline in the light of the above relationship

Oct 2010 *Tasmanian Forests Statement of Principles to lead to an Agreement* was signed in October 2010

Dec 2010 Kelty appointed to facilitate agreement

1 April 2011 Gunns announce suspension of Triabunna mill for 8 weeks due to volatile demand in non-Japanese markets and its planned exit from native forests, will work with industry participants to secure a future. (No mention of sale!)

18 April 11 Gunns gave "formal . . . notice of termination" of its Native forest contracts

1 June 2011 Gunns makes ASX announcement. Exit all operations processing native forest in Tasmania

14 June 2011 Gunns announce sale of Triabunna, completion scheduled for 29 June 2011

22 June 2011 Signatories Agreement signed, specifying Triabunna is to continue

xx June 11 Kelty Report provided to government

13 July 2011 Gunns announces original sale not proceeded with, and Triabunna Investments buyer.

24 July 2011 Heads of Agreement Federal State Government based on Kelty report principles Clause 7 states "The two governments expect that, as a result of this agreement, the Triabunna mill will reopen and be operated in accordance with the statement of principles and the terms of this agreement."

In announcing the Heads of Agreement the PM stated:

"The Heads of Agreement is consistent with the Statement of Principles agreement between environment non-government organisations, the Tasmanian forestry industry and the CFMEU, which was presented by independent facilitator Mr Bill Kelty last month."

7 August 2011 Tasmanian Forest Intergovernmental Agreement

15 Sep 11 Government signs deeds to give \$23m to Gunns, \$11.5m is also provided to Forestry Tasmania

23rd December 2011 Expressions of Interest close for 5 year lease of the Triabunna mill

The Huon Resource Development Group inc. wishes to add its voice to reinforcing the views expressed by others in their submissions on the impact the loss of availability of the Triabunna mill facility has had on other communities outside the Triabunna region, and especially in the timber-dependent communities in the Derwent Valley and the Huon region, and the many families and business involved in associated activities that are related to the timber industry.

The Huon Resource Development Group inc. also wishes to encourage the state government to not rush into selling the port facilities, including to Triabunna Investments Pty Ltd. Our group is not convinced that their proposed tourism development is either viable or likely to be built, even if they were to acquire title and rights to the port facility. (We note 'The Monthly' reported the proposed marina has already been scrapped.)

Our group believes the state should carefully evaluate the full spectrum of possible uses for the Triabunna port facility, the only deep water facility on Tasmania's east coast, and consider acquiring the mill site from Triabunna Investments to facilitate any such subsequently identified more viable and likely use, and by compulsory acquisition if necessary.

Compulsory acquisition of access to this taxpayer owned facility should be considered as it should be seen as vital infrastructure.

The Huon Resource Development Group inc. appreciates the establishment of this inquiry, and the opportunity to make a submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'George Harris', with a stylized, cursive script.

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