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THE HOUSE OF ASSEMBLY STANDING COMMITTEE ON COMMUNITY DEVELOPMENT MET IN COUNCIL CHAMBERS, TRIABUNNA, ON TUESDAY 23 SEPTEMBER 2014.

TRIABUNNA WOODCHIP MILL AND FUTURE DEVELOPMENT

Mr GRAEME ELPHINSTONE, ELPHINSTONE ENGINEERING, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Barnett) - Good morning, everyone. Thank you to the Glamorgan-Spring Bay Council for the opportunity to use this facility for the purposes of this inquiry. It is greatly appreciated. It is also terrific to be here in Triabunna on a beautiful, sunny east coast day. We will be proceeding through the course of the day in accordance with our schedule.

Before we start, I want to talk about the invitation to Mr Wood and read into the record the feedback from Jan Cameron's lawyers. To clarify, on 28 July we invited Mr Wood on behalf of the committee to appear and with a request for documents, and then again on 26 August we wrote again on behalf of the committee requesting him to appear at the inquiry and also requested with his indulgence if this would be an opportune time for the committee to view the woodchip mill and port facilities. We did not receive a response from Mr Wood, so that is not proceeding.

As to the letters from Peters Linnette Lawyers for Jan Cameron, which is on the public record - it was tabled at the previous hearing - and I quote:

We wish to make it clear to the inquiry that our client, Jan Cameron, does not know the content of the submissions Mr Wood may wish to make and our client in no way accedes to or adopts the submissions he may make. Furthermore, our client states that Mr Wood has no authority to speak on behalf of our client, Triabunna Management Pty Ltd, Triabunna Investments Pty Ltd, or their board or directors.

We then received a letter from the lawyers on Friday 19 September, which I will table. It reads:

Thank you for proving us your letter of 28 July addressed to our client, Jan Cameron. We have taken preliminary instructions from our client and we will provide to you any documents available (we have requested the lawyer who conducted the transaction to provide us with relevant documents in answer to your request as Ms Cameron does not hold any documents personally). We expect to be able to provide all available documents within 14 days, given the lawyer involved is away on holidays. We will keep you informed.

Yours faithfully
Rod Peters

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Peters Linnette Lawyers.

Welcome, Graeme. I have some preliminary comments to make on behalf of the committee. We are pleased to hear your evidence today. Before you begin giving your evidence, have you received and read the guide sent to you by the committee secretary?

Mr ELPHINSTONE - I did.

CHAIR - A committee hearing is a proceeding in Parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of Parliament. It applies to ensure that Parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. It is a public hearing, members of the public and journalists are present today, and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private, you must make this request and give an explanation prior to giving the relevant evidence.

Thank you very much for your submission and we welcome the opportunity for you to make some opening remarks, speak to your submission, and then we would like to opportunity to ask questions.

Mr ELPHINSTONE - I probably don't have a lot more to say other than the submission, but probably a bit of background. I was fortunate to come from a farming background, came to Triabunna in 1971 and worked in the industry from there through. Fortunate or not, I have been able to build a business which started out of working out of the forest industry. That, without going through a whole heap of things, allowed us to develop log transport equipment that we would not have otherwise been able to. People put the dampener on export woodchips; it gave us the use of waste product and it also created a lot of opportunity for us to have volume log trucks. Before woodchipping started, the log trucks were out the back, coming down through bush roads to the edge of town. When woodchipping started, they started then in the eyes of the public and had to cart a lot longer distances, and hence had to develop into equipment that was the same as every highway-going vehicle. The sheer volume created an opportunity for us to develop log transport equipment, which we have done. Now, on top of that there are on-vehicle weighing systems to make trucks legal. I think Triabunna Woodchip Mill and woodchip transport trucks in Tasmania would be the most legally loaded trucks and consistently loaded trucks anywhere in the world. I have had 38 years now of working with weighing systems all over Australia and other countries as well, and I would stand now and say Tasmanian log trucks would be the most regularly loaded trucks on the road anywhere that you could find, and still today. They were not paid for overload so they had no incentive to overload. That also allowed us to create a good product which has given us an Australia-wide business of manufacturing weighing systems and selling those into almost every market imaginable, and that, as I have mentioned in the submission, has also given me an insight into many different businesses. I have put in there that people say logging is tough and everything. I think most businesses are tough and most businesses go through the same problems when you really look at it. I have come to the

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conclusion logging is probably still one of the better industries and the more consistent ones if it is allowed to happen.

It also allowed us to develop log trailers which we have exported overseas at various times, and that's hard business. It allowed us to develop equipment to go to Antarctica, which we have been very successful at doing. I want to emphasise that the opportunity was given to us by selling a waste product really, at the start, and we have been able to build a business on that. It was probably 2011 when the mill closed here and that did not help our cause. Eighty per cent of our market was on the mainland, and just so that you are in the picture, we and Kennedy Trailers from Bairnsdale virtually held 80 per cent of the Australia-wide market. It killed both of us when the logging industry stopped in Tasmania. Eighty per cent of our market was on the mainland but what stopped us was that there were approximately 200 trailers exported out of Tasmania with the closing of the industry here, which flooded our market on the mainland. We went from building a trailer every four working days, on average, to one every 28 days for two years. We went from 34 employees back to 20 in Triabunna. Any of you who have any idea of what does to a business, it's not good.

Our competitors on the mainland suffered exactly the same fate. They have gone into building other products. We were fortunate to be stronger financially and we had our on-vehicle weighing systems which we are based out of Melbourne with. That helped us carry through that period.

I am very pleased to say now we are back up to building a trailer every three-and-a-half to four working days again at our plant here in Triabunna, and our operation in Melbourne is going very well. There has been a little bit of positive out of it and we now employ 24 full-time and two or three part-time in Triabunna, and we are now producing more than what we were in 2011. Our productivity gains are quite good. If there is a positive out of this, then there is a positive there. For the rest of the industry, I don't think people realise what it has done to good, honest, hardworking people who have had their lifetime involved in the forest industry. That is one of the things that saddens me when I see good people who worked hard. It is not only their financial survival, it was their way of life. I don't think people realise what it has done to those people.

On the site here obviously there is still resource in southern Tasmania and there is only Triabunna or Hobart where you can bring in and bulk chip. I have been very strong about that we should keep an export facility from here, we have either got to export out of Hobart or out of Triabunna, as I see it. We have been working with some people on the side of looking at other products. I was pleased to see this morning the announcement of the bauxite mine at Campbell Town. We have been looking into that. It is equal distance from Campbell Town to Bell Bay as it is to Triabunna, and we have been seeing that as another bulk product that we could ship from here. Going to Bell Bay it has to be containerised. Coming to here we could do it in bulk. I saw it as another way of creating work in the area if we had a facility to be able to export from.

It is not all easy and it never will be. There will be issues with roading and whatever to make that happen, but if we don't look forward we are not getting anything, so I see that as another reasoning for my fight over the last two or three years - as a lot of you know, I have become a bit more political. I have been known for saying too much in the past, but I do feel strongly about our economy in Tasmania. You have to look at the big

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picture. Triabunna is very important to us because that's where we are, our employees and our families, but we have to look at the bigger picture as well. We have to create primary jobs. If we don't have primary jobs we don't have all the other flow-on things. Just to get it clear, a number one primary job to me is working on something that brings money from outside of Australia into Australia. Every job that was related to woodchips was a primary job down to the person who made the coffee in the coffee shop supplied to the truck driver, was contributing to that primary money coming in from outside of Australia.

The number two primary job for a Tasmanian is bringing money in from the mainland, exporting to the mainland. As I tell people, a number three primary job for a person in Triabunna is bringing money from outside of Triabunna into Triabunna.

If you don't have that structure then you don't have the support to support the builders, the plumbers, the fire brigade, the police, the schools - so you have to have that structure to make an economy work. I guess I am not a trained economist or anything, I just know things from logical thinking and paid a few school fees on the way through. Here we are.

CHAIR - Thank you very much, Graeme.

Mr SHELTON - Thanks, Graeme, it's a pleasure to be here with you, thanks for coming along. I would like to investigate a little bit more, and you partly answered the question in your introduction. Often the woodchip industry over time has been just put out there as an industry - you cut down trees, you chop them up and you export them. I'm interested in your business and where you've come from, and the fact that we talk about diversification and how you've used your start on building trailers to, first of all, retrain and train in new areas, the qualifications that your employees have now, compared to what they had when they started.

I can remember back when there were old AB Bedfords towing single trucks towing single trailers and where it is. I drove past, around the corner this morning and saw that skid. You've mentioned that that skid tank is going to Antarctica. The reality is, I guess, if you hadn't been in the woodchip industry we wouldn't be building those for Antarctica today. Could you enlighten the committee a little bit more on your journey through that and that experience of working and taking the woodchip dollar and spreading it further?

Mr ELPHINSTONE - Like I said, I come from a farming background, I came here felling trees. That was the job I took. I did very little of that before I ever came here. I went falling trees and I started repairing my own chainsaws because there was no chainsaw service here. People started buying parts or borrowing parts of me, and I started a chainsaw business part-time. I only did 13 months as a bushman falling, but I used to be able to drive machines, because my background also is as a machine operator. I could operate all the machines in the bush.

I became a logging supervisor with the chip mills. I spent three-and-a-half years as a logging supervisor in the forest, planning forest operations on private land. We did all the planning. On crown land we worked with forest rangers doing the planning of the forestry operations. I got a good background in all that was going on in that. I've always had a passion for log trucks, there's no doubt about that. But out of that, I built up to

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understanding the equipment and the trucks and all the problems that evolved with it. I actually introduced on-vehicle weighing. The people who were building log trailers at the time, the very first sale we went to one of the existing manufacturers who had branches in Hobart, Launceston and Burnie, so they were well-established, and they refused to put our on-vehicle weighing on the trailer while they were building it new.

We thought, this is bad. The trailer was only on the road a few weeks and we cut it up and fitted load scales in it, it was a major modification to a brand new unit. Then we started retrofitting on-vehicle weighing for existing log trucks. We fitted our first system scales in June 1976; they were an imported product at that time. The people wanted a new bolster or something, their trailer wasn't good, so we made up parts and fitted new parts to the trailers as well, so we built trailers out of components first up. Thirteen months after putting our first set of scales on we put our first trailer on the road.

Two years after we put our first set of scales on the road, that very trailer manufacturer bought the competitive brand of on-vehicle weighing in. In 1982 they went out of business. The problem was that they didn't accept change. I always think we have to accept change and we have to keep moving forward. We were able to learn. Log transport is probably one of the toughest transport operations on equipment that you can get, so we've developed a lot of products for log transport and now we're selling those components to other trailer manufacturers in other industries. We've built a very good spare parts business and a business of building components. All that evolved from our experience in the forest industry, and the same with the Antarctic equipment. Because we had been innovative with the log transport gear and it stands up to logging, we were asked to look at Antarctic equipment.

CHAIR - Graeme, Mark has another question when you are done because we have to get few through a few questions.

Mr ELPHINSTONE - We have been fortunate to work with the Australian Antarctic people, the French and Italians. It is a transport operation in Antarctica, 1 100 kilometres inland and three trips a year with those tanks that you see with the trailers we do.

Mr SHELTON - The reason we are here and that experience that you have had in the industry and being a great supporter of the Triabunna community, I am really curious about how you saw the process of the closure and what the closure of the mill has meant to the area. You've mentioned your business but in particular the area - where do you see it going?

Mr ELPHINSTONE - We were fortunate that our business was not only relying on this area but for a lot of other businesses it has been very hard. I can't tell you the full details of these businesses but I just know from a lot of the people we know how tough it has been for them. You only have to look at our hotels. You used to be able to get an a la carte meal at two or three places in this place but in the last two to three years you haven't been able to. That's just one of the things that really highlights it.

We talk about the tourism industry taking over but the tourism industry is a seasonal thing. You have to have a base industry for businesses to provide the services. Your tourism industry is still very important but if we don't have the base industry to support the businesses, we don't have the services for the tourism industry.

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Mr JAENSCH - Mr Elphinstone, thank you very much for your submission and for what you and your family have done here and for Tasmania in employing people and producing exports over the years.

This is back to our specific terms of reference, that Gunns had closed the mill before they had put it up for sale. I understand that the forest industry had been up and down, as other primary industries have over the years, but at the time it was sold it was closed. When it was first announced that Triabunna Investments had purchased the mill, what did people here understand they were going to do with it? I read and heard a couple of different versions of this and I would like to understand what the expectation was of what was going to happen here.

Mr ELPHINSTONE - I guess everyone had a lot of different ideas. I, for one, would have expected it to reopen. The industry has had its roller-coasters over the years and that goes with all businesses really. I would have thought it would have been reopened and then we saw it in one of the agreements - the intergovernmental agreement - that it was expected to reopen and that gave a bit of hope for people.

CHAIR - That is in your submission, page 2, section 32.

Mr ELPHINSTONE - Yes, that's the one. It was expected to reopen. If you had looked at it logically, that's what you would have thought would have happened when you see the forests we have in southern Tasmania, but obviously no-one was able to see it viable.

Mr JAENSCH - When you heard that Triabunna Investments had a contract to purchase the mill, the expectation was that they would then go about reopening it to operate as a woodchip mill?

Mr ELPHINSTONE - They did send out expressions of interest and we were one that put in an expression of interest and we never had even an acknowledgment of that expression of interest. We believed that there was going to be an expression of interest and then people would be asked to officially tender. I am not aware of anyone being invited to do that.

Mr JAENSCH - Would you say that your expression of interest was a credible proposal that you were putting up?

Mr ELPHINSTONE - Yes, we expressed an interest so that we could get the ball rolling and hopefully be in there to be in a tendering position.

Mr JAENSCH - You mentioned others did the same.

CHAIR - Yes. Is there anybody you are aware of who put up an expression of interest who got a response or further information?

Mr ELPHINSTONE - I am not aware of anyone, I am aware of a lot of people who didn't get a response.

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Mr JAENSCH - When statements are made that there were no suitable proposals received, does that make sense to you?

Mr ELPHINSTONE - Not really, no.

Mr JAENSCH - Did you think that the process was sincere in looking for a new operator?

Mr ELPHINSTONE - Certainly not, no.

Mr JAENSCH - If not sincerely looking for a new operator, what was it, what were they doing?

Mr ELPHINSTONE - I don't really know - stalling for time I would say is the only thing I can put it down to when you look at the whole process. It has just been a stalling tactic, let's see if we can make this thing die. I guess they were the purchasers so they have the right to do what they want to do with it. It annoys me that we have a piece of public infrastructure there and the wharf berthing facility and it's landlocked but we can't use it.

In some of the things I have written it said, 'don't worry about the mill, we really need an area of land to be able to bulk-store product and put it on a ship'. It has become quite obvious that the main prize of proponents in buying the place was to be able to shut the port.

Mr JAENSCH - Do you believe that was their intention of buying?

Mr ELPHINSTONE - It's fairly obvious.

Mr JAENSCH - It's speculation.

Mr ELPHINSTONE - It's speculation. We have people who haven't liked the forest industry but really, at the end of the day, they ought to get used to it, it's one of the most sustainable industries we have in this country.

Mr JAENSCH - Back to my first question, when those people bought the mill, did we expect that they intended to operate it as a chip mill?

Mr ELPHINSTONE - It was the expectation but whether it was real or not, I'm not sure.

Ms O'CONNOR - Graeme, we have had a lot of passionate people come and present before this inquiry and I really appreciate your passion for the industry and for log trucks. We are interested in exploring with you, as someone who has been a local here for more than 40 years, how people you worked with felt when Gunns decided to close the mill. This is the period before the sale to Triabunna Investments. What was the state of mind of people whom you knew and worked with and who worked for you when the mill was closed and then, how did people feel when it became publicly known that the mill had been sold to a private operator who was not in the industry? The human story is what I am looking for.

Mr ELPHINSTONE - The human side? First up, we felt shocked and we didn't know what the hell really happened, but I can give you one instance of one very good customer of

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ours who was a multiple-truck operator. I saw him from being a good operator for around 40 years, and that was his life, to him being, although he is not financially down, without a job. I watched him for two years going through his operation and just sitting there each day doing nothing and on anti-depression drugs to keep him viable. I was very concerned for his personal wellbeing only six months ago and we talked with him. That's what I said about the human side of it, he was a logging and trucking contractor but many of the trucking people and the forest operators in the bush - it's not just the trucking side, that's what the public see. The people behind the scenes are good, genuine people and it's a way of life for them - to see the way that everything was just taken away from them, for no good reason.

You have the problem that Gunns announced they were going to have a pulp mill in 2004. It's only common sense that their customers were going to go and look for resource elsewhere because they were not going to get resource from here. The proponents against the industry obviously seized on that opportunity as well. You are naturally going to have less market because your customers are going to go somewhere else and get product if they need it. It is quite interesting now, we are selling log trailers on the mainland very vigorously now to cart woodchips to export, and people tell us there is no market. That's just a heap of bunkum. It is now just coming from a different area.

Ms O'CONNOR - A couple of question off the back of that. First of all, how is that gentleman now? Getting a bit better?

Mr ELPHINSTONE - He is surviving. He is back on his medication and surviving but with a battle.

Ms O'CONNOR - He doesn't have a job. What is the feeling in town then about Gunns as the company that it was, given that it was so enmeshed in the livelihood and the viability of the town and then it must have seemed like the company had abandoned Triabunna.

Mr ELPHINSTONE - They have to make a commercial decision on what they are doing and I think they were very hopeful of having a pulp mill and probably it's only a natural progression that they weren't going to continue in the other businesses. My picture of it was, okay, we have got to put up with a little bit of pain while they are getting their pulp mill going and then the state would turn around again. We are used to change and that was one of the changes that I saw would happen. When there was so much opposition against the pulp mill and stopping them from having a pulp mill, that was the real destroyer of the state because they were really heading - we could continue. You cart product. You are going to be having downstream processing. I was very disappointed back in 1988 when we didn't have the pulp mill go ahead at Wesley Vale. That was a progression. When I worked for the mill here, we were told we have only 15 years. We have to have an alternative program for downstream processing. The downstream processing was going to be at the pulp mill so we could value-add. We have to value-add in this country. I think if we had gone ahead and had a pulp mill in 1988 on the north-west coast, we would probably still have two paper mills there, too. People say they are dirty. They were dirty but that was the progression. If you look at the Boyer paper mill, they have gone ahead. They are clean, tidy and that's what would have happened if they had had supply of pulp. It goes right back.

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Ms O'CONNOR - We had some testimony given to the committee and it was quite damning from one of your own residents here about how successive governments have let Triabunna down by not seeing that the future was going to bring change and not enabling enough diversification and also opportunities for transitioning evolving businesses. Do you see that there was a risk for this town in being so dependent on a single company and a single industry for its survival, and that now we are seeing the awful human consequences of that dependence on a single corporation and a single industry?

Mr ELPHINSTONE - I think there are plenty of towns around Australia you could go to where they rely on one industry.

Ms O'CONNOR - But there is a precariousness about that, isn't there?

Mr ELPHINSTONE - I might take you back a bit. I have been very active since around 2000 to try to develop a major marina area here to be diversified to something, to help us diversify. We have had our fishing industry as well. It has its ups and downs. Yes, it was dependent on it, but if we haven't got it there we have to work on other things. I don't think you can blame anyone for that. We all chose to work for those people, supply those people. It is only natural business.

Ms WHITE - Graeme, I wanted to talk to the part of the terms of reference where it speaks about the future for the region and ask about your business specifically. You walked about the fact that you were building a trailer every four days again, which is great news, and to understand where the market is for those trailers. Is it in log cartage? You talked about sending them to the mainland. You are an inventor and I know you have had a few different designs across the years. Are you designing different trailers for different purposes as well now?

Mr ELPHINSTONE - Yes. We went for three years where 100 per cent of our market was on the mainland. Then you look at it and say, why do we have a business in Triabunna? You have to seriously look at that. I have a business which started here so that is why I am here. I also like the area and I don't want to live anywhere else. I have no wish to live anywhere else. I have brilliant people and it was very hard for us to see 11 of our full-time people go. That's really hard. I don't know whether some of you haven't employed people. You know that feeling that you have to put up with when you have to tell people that they haven't got a job, you haven't got work for them. It is not easy.

To answer that, we have our manufacturing facility here. It is running very efficiently. Our productivity is good. We have good employees. We have an operation in Melbourne that we can't get good employees for. Anyone who complains to me about unemployment, go jump in the lake. There are not enough good people who want to work. For God's sake, we have opportunities and we cannot get the skills that we want.

Ms WHITE - In Melbourne or here?

Mr ELPHINSTONE - In Melbourne. We have the skills here because we have grown a lot of our people and I also have to put a big plug in for the headmistress at our local school. She has done one hell of a job turning our school around. We have three apprentices at the moment, one 2-year, two are this current year, we have three more boys who come to clean up at night and work part-time after school who will all make really good

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apprentices. We went through a period seven or eight years ago when we could not get a young person as an apprentice because of the system of not getting them job-ready. We employed mature-age apprentices - 30-year-olds. It got us through a time but I am pleased to say we have a really good crop here at the moment. I am even looking at the moment to try to get some of them to go to Melbourne and work for us.

Ms O'CONNOR - That's a good export.

Mr ELPHINSTONE - Yes, but it is created by a good practical person running our school. We had 250 applicants apply for a junior receptionist job in Melbourne a few weeks ago. We got one we thought we could make a go of and we had to put her off because she didn't make the grade. I looked at the next six best this week and I am afraid I won't employ them. They are not good enough. We have a good asset here in our school, which is good.

Ms WHITE - I was thinking about the future. I sense from you optimism for your business in Triabunna. Would you say that is the case now?

Mr ELPHINSTONE - While ever we have good employees, we can make this work very well here. We do suffer extra costs. Bass Strait is a bit of a barrier sometimes. By having an operation in Melbourne, that kills the barrier sometimes because when you say to people we have to get that from Tasmania they say 'uhh!' We don't see the freight problems here. For instance, we can air-freight product out of here until 5 p.m. at night and 3.30 p.m. in Melbourne. If a customer rings us up at 4 o'clock in Melbourne to get a product that is air-freightable, we ring here and get it out of here overnight. They are some of the services we had to build up over many years. To be able to survive in Tasmania you need to have good freight services and prove to people that it was not a barrier. They have it in their minds sometimes that it is.

You also asked about developing new products. Yes, we developed a new product. We started in October 2011. We had it out on the road in March 2012. We have just got permission to run it now. That is through the PBS - Performance-Based Standards - system and the National Heavy Vehicle Regulator. It is absolutely pathetic some of the bog-downs we have in government and how we handle getting things done. We have people who are frightened to make decisions because they might get sued, if there is not a box there for them to tick. This thing is innovative. It increases payload. It is easier on roads. I saw a big write-up here just recently about taking a semi-trailer from a 24-pallet trailer, which is a standard trailer, to cart 26 pallets. I wonder what they are going to say when we come out with this thing that will carry 28 pallets in general transport. But we are stifled by bureaucrats at the end of the day with no practical, logical thinking to help us go forward. We developed that because I wanted something to fill the gap. We could see there was a problem in log transport and we wanted something to be able to go into the other markets. Here I am now, we will probably have it on the road at Christmas time, but we still have some bureaucratic stuff to go through.

Mr JAENSCH - Mr Elphinstone, given that there was an expectation that the mill would resume operation one day, what was the community's reaction when it was found that Triabunna Investments had commenced dismantling and disabling the mill and loading equipment?

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Mr ELPHINSTONE - I can speak of mine. Brutality really, I enjoy good engineering and looking after the equipment and to see it just brutalised, yes. It just left me numb. In general I suppose, yes, it's another nail in the coffin if you like.

Mr JAENSCH - The way you described it, that it was more destructive than what a commercial operation would normally do to dismantle the equipment?

Mr ELPHINSTONE - Yes. You only have to read the article by the reporter about how they destroyed it. You don't treat equipment like that. If he is going to dismantle it, dismantle it and sell it off and don't just waste things for the sake of wasting them. I guess that's their decision.

Mr JAENSCH - Did that confirm to you that the reopening was just not going to happen, that it was never the intention?

Mr ELPHINSTONE - The facility is there, whether the equipment that they damaged - you could set up there with mobile chippers these days and be back in business in a matter of a few days if you want. It's the export facility that's the problem. You have to have that clear. The modern-day woodchipping, we could cart woodchips there, but getting it onto a ship economically is the real battle.

Mr JAENSCH - You mentioned that in your submission. What could be done to restore the access and operation of that as a loading facility?

Mr ELPHINSTONE - You need the area of land immediately in front of the loading facility, that would be the most economical way to do it. If you had land where you could actually could conveyor out to it, that would be another option, from away.

Mr JAENSCH - I understand from some of the documents that I have seen that there is a ribbon of crown land that goes around the foreshore. You know the area, is that a sufficient corridor that could be used to access?

Mr ELPHINSTONE - I don't know whether it's sufficient. I guess it could be. You have to be given access to be able to use it and there goes another lot of questions from people who would be against it. All those things are feasible but they just add costs to doing business. In this country we have to look at ways of saving costs to make us economical on the world stage.

Mr JAENSCH - In your submission relating to this you refer to a clause in the Tasmanian Forest Agreement which refers to governments urgently achieving access to the processing and export facility. Do you have a picture in your mind about what governments could do to make that happen?

Mr ELPHINSTONE - I'm not experienced enough. I do logical thinking. If we had some way of acquiring a parcel of land sufficient to be able to store bulk product on and have access to the jetty, we could make business happen.

CHAIR - Graeme, I want to take you back to your submission. On page 3 you refer to 'views that have been expressed', and I am seeking your views where you say:

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Triabunna export woodchip mill was sold to the current owners for \$10 million, some \$6 million less than what was on the table from another bidder.

Then you go on to say:

Gunns sold to Wood and Cameron, Australia's staunchest environmentalists to gain a social licence for the pulp mill.

Can you clarify, are your thoughts and views, or are they others' views? What are your views as to why the mill was sold accordingly?

Mr ELPHINSTONE - I was always of the opinion it was to get a social licence to go ahead with a pulp mill. All along I thought they sold it so they were not in mature-age forest. This was a mature-age forest operation. It was one of the only ones that Gunns had left. They closed up all their sawmills and this was the only one they had left that was operating in mature-age forestry, so obviously the social licence - if you don't have it ongoing in mature-age forestry, it would help get a pulp mill social licence. I accepted it from that point of view. I had a bit to do with making sure there was \$16 million on the table to buy that. I didn't have the money to do it but I had a contractor who could do it and I got involved in putting that together. How it was to be implemented, I don't know.

CHAIR - You believe that was a valid offer that was on the table and they took the \$10 million rather than the \$16 million? Can you tell us if that is your view?

Mr ELPHINSTONE - No, I can't tell you. I can't speak for the people who were involved.

CHAIR - What is your understanding?

Mr ELPHINSTONE - I know there was a financial backer prepared to put up the \$16 million.

Ms O'CONNOR - Which consortium was this, Graeme? We have heard of a couple of bids.

CHAIR - Ron O'Connor. There were a number of bids.

Mr ELPHINSTONE - I talked to Ron and said, 'Do you need some help with this? I can't financially help you but morally I can. Also, I know someone I can probably introduce you to who can', which I did. I put them together and I know very well that person was prepared to fund the operation.

CHAIR - Do you believe, if an industry operator was there they could run a viable, sustainable woodchip mill? In your opening remarks you referred to the issue of viability, but do you believe they could have operated a viable mill?

Mr ELPHINSTONE - Oh yes. If we weren't going to have a pulp mill, we had to have an alternative. If we had a pulp mill, this is not going to be nearly as viable. But without a pulp mill it has been viable for 40 years. In a lot of other areas around the country you see where they have to transport woodchips a lot further than we do here to get them to their export facility and they have to do a lot of double-handling. The good point here is

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that you put the logs on a log truck and bring it to there, chip it and put it on a ship. In a lot of places they put logs on log trucks, take it to a chipping operation, then they have to put it in a chip van and transport it to the facility and do a lot of double-handling. This here doesn't have the double-handling.

CHAIR - You said that you had put in an expression of interest and there was no response. You have heard other feedback that they put in expressions of interest and no response - is that right?

Mr ELPHINSTONE - Yes.

CHAIR - One of the terms of the sale agreement to Triabunna Investments was compensation for the sawlog quota that Gunns was giving up, which subsequently was \$25.3 million some two months later. You must have been disappointed there was no process where an industry operator could then start operating the mill?

Mr ELPHINSTONE - Yes.

CHAIR - You felt let down by that?

Mr ELPHINSTONE - Yes, obviously.

CHAIR - Finally, about your marina and other plans, which Rebecca asked about, they are very important to this inquiry. I noticed in your submission you talk about the large marina and the recommendations to grow that. What do you think that will do for the community if that came to be, and can you describe that? You talk about having an ideal safe port to establish a large marina similar to Kettering, can you expand on that?

Mr ELPHINSTONE - For everyone who knows Kettering, 25 years or 30 years ago it was like Triabunna. There were very few boats there. That has developed to a very intense boating area and I have seen that opportunity here in Triabunna. If you look out through the window there is an ideal spot here where we could develop probably around a 200-boat marina and it would be one of the most protected marinas anywhere in the country. Out of that we could get people to bring boats from Melbourne, Sydney and leave them here because it would be a cheaper place to moor. They could probably come down half a dozen times a year and it would still be cheaper than mooring in Melbourne or Sydney, and look at the beautiful scenery we have here for sailing, fishing, anchorages. I know because I enjoy sailing as my hobby. I know how good it is. Perhaps we shouldn't sell it to everyone else.

Mr JAENSCH - Could you have a marina as you have described and an operating export loading facility across the way, both at the same time?

Mr ELPHINSTONE - Yes, why not? Definitely.

Ms O'CONNOR - Robert Eastment presented to us and we asked him questions. Greg L'Estrange has put forward a written submission; I don't know if you have had a chance to have a look at it.

Mr ELPHINSTONE - No.

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Ms O'CONNOR - It's not that long, three or four pages, and it's the truth from his point of view. Both have basically said that the industry and the market is changing and you are seeing a decline in native forest logging and woodchipping and you are seeing the jobs growth in plantations. Do you accept that the market - and I know the market is very fickle and it moves around Japan, China, Taiwan - is increasingly requiring plantation products and FSC certification?

Mr ELPHINSTONE - There is no doubt, in what I read and when I talk to people, that plantation is the obvious way to go. We, in our manufacturing of our trailers, were aimed at that market because that is the growth market. But there is still a market there, I believe - and I'm not an expert here, I do it from a logical and practical point of view - for a lower-grade product. It's obviously cheaper but in our sawlog industry, 40 per cent of a log that goes into a sawmill is waste product. This mill was established here by sawmillers to create a market for their waste product, which they did and did very well. Out of that, they were able to road a lot better, do a lot of better forest practices, resow - we really sold rubbish. I was involved as a logging supervisor and I have been involved in carting logs as well and for some of the stuff we carted into that mill and processed, I thought how could someone buy it? It wasn't that good, there was rot and all sorts of stuff. But over the years the industry has evolved and better products have become available, and that is part of change. Now we still need a market - an outlet - for our waste from the by-product from sawmills. If you just get costs back for your waste - and I will use an example: you take a \$1 000 log into a mill and you were selling 40 per cent of it, you were getting \$400 back at cost to sell your woodchips out of it, the timber cost you \$600. Now you have no market for the waste by-product, your timber costs you \$1 000 and then you make us unviable. Then people want to import because it is cheaper.

Ms O'CONNOR - We have heard from a number of people in the industry, both in private forests and who had worked in the extended public industry, about the issue with residues, but we also had evidence put to us from someone who had worked in the industry who told a story about standing there with the contractor, looking at an old forest, saying, 'I could get 500 tonnes out of this forest', and what he was talking about was native forest woodchips, not what sawlog could come out of there.

Do you accept in some ways what happened to the industry because of Gunns' focus on native forest woodchipping is that a lot of the focus on high-quality sawlogs and that beautiful timber product that Tasmania has was lost because what was described as residues was sometimes in fact not residues and sawlog quality logs that were going to chipping?

Mr ELPHINSTONE - I dispute that very much. I was a logging supervisor and we were accused of that back in the early 1970s and we worked very hard not to have timber go in there that was sawlog. We used to inspect trucks and, if there was a suspect log, we would pull it aside, check it and make sure that it wasn't up to standard. If there was any that was up to standard, it was carted back out to a sawmill. That is a lot of hogwash, really. There is no incentive to put sawmill timber through a chip mill because you are getting a lot lower value for it - you have a cheaper product.

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I think they did very well at managing that. What we have today is a better standard of forest and a better standard of forest growing out of us doing our woodchipping over the years up the east coast here.

Ms O'CONNOR - When Mr Jaensch was talking to you before about what you see as how you resolve that issue in your mind of an export facility and Mr Jaensch was leading you to the point where you suggested that perhaps land be acquired, were you suggesting that the state compulsorily acquire a part of Graeme Wood's property?

Mr ELPHINSTONE - I don't know any other way to do it. It's obvious that he doesn't want to sell it.

Ms O'CONNOR - My question to you as a private business operator is: if you had acquired an area of land or some property that was important to your business - and Mr Wood would argue that the Spring Bay development is important to your business - how would you feel if government policy changed to the point where they came and compulsorily acquired a part of your property?

Mr ELPHINSTONE - It would depend on whether I was doing good for the state and good for the people of the state or whether I was there to do it for myself.

Ms O'CONNOR - Do you think Mr Wood is there to do it for himself? We have heard from people who think he is genuine.

Mr ELPHINSTONE - I think he is there to kill an industry and we probably have to resign ourselves to that we may as well go and export it off the wharf in Hobart and forget all this hoo-hah because of the things we let go too far.

Mr SHELTON - Graeme, it has been put to us, and people keep reminding us, that Gunns had closed the mill and it had been closed for eight weeks before it was sold. My history tells me - and as you said, the woodchip industry has been up and down and I know Northern Woodchips up home would often have a four-week or six-week shutdown in poor times and that sort of thing - the expectation of the community in this eight-week shutdown that was there was that, yes, it is tough times but it will re-open.

That was the expectation at the time before it was sold and when you heard of Aprin putting in a bid for it, did you believe that there was still a viable export industry to go out of Triabunna?

Mr ELPHINSTONE - It would be marginal, it would depend on what happened with the pulp mill. With the pulp mill going as well, it would be a marginal operation, but I think it is still viable. Pulp mill falling over - . Definitely viable, without a doubt. Sometimes in business you have to take a gamble, don't you, and that would be one. But I think we still need an outlet for the by-product of sawmilling. There is a lot of plantation wood around here. If we're not going to have a pulp mill, then let's have an area where we can export the plantation wood, because if we're not going to downstream-process it here, we have to create business somehow.

CHAIR - Thanks very much, Graeme, we will make that the last question in light of the time. Thanks very much for appearing and your evidence today, it's greatly appreciated.

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Mr ELPHINSTONE - Thank you.

THE WITNESS WITHDREW.

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Ms CHERYL ARNOL, FORMER MAYOR OF TRIABUNNA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thanks very much, Cheryl, for being here today, it's greatly appreciated. I have some preliminary protocols to discuss with you. The committee is pleased to hear your evidence today. Before beginning your evidence, have you received and read the guide sent to you by the committee secretary?

Ms ARNOL - Yes.

CHAIR - The committee hearing is a proceeding of Parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of Parliament. It applies to ensure that Parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. It is a public hearing, members of the public and journalists are present, and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence. Does that make sense?

Ms ARNOL - It does, Mr Chairman, thank you very much.

CHAIR - We look forward to your opening remarks, then we will go to questions.

Ms ARNOL - Mr Chairman and members of the committee, thank you for the opportunity to appear before you today. My submission focused on what could be described as a history lesson of the mill, and its importance to the community of Triabunna and the broader community as the flow-on effect of the forest industry. It is my view that the various reports done into the industry have not delved enough into the indirect jobs that the industry provided. Statistics did not always capture all the jobs that could be attributed to the forest industry. Log truck drivers, for example, are captured as transport industry employees. What about the transport operator who specialised in moving logging equipment around the various coupes, or the owners of the roadhouses in small communities who had 10, 20, 30 or more log truck movements a day past their door, and the subsequent income from those drivers that enabled them to employ young people after school and indeed other people from their community?

There are many examples of employment opportunities that can be attributed to the indirect influence of the forest industry, but more specifically, the export woodchip industry. Much has been said about the regional development funds that were made available from the Federal Government to rebuild communities devastated by the loss of the public native forest industry in their communities. This community had a reasonable expectation that funds would flow from the various forest funds to provide future employment. Some \$1.6 million, I believe, was delivered in the early days, but I understand those funds came with the condition that it had to be spent on the jetty on Maria Island. Whilst the expenditure may increase visitation to the island, it is

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questionable how many positions would in fact be created in the Triabunna-Orford community.

Over and above that, of course, is the diversity of skills that has been lost to the community as a result of the closure of the mill, and with it the loss of volunteers to the various service groups and volunteer organisations. With the loss of employment at the mill came a new social structure in the community in the form of single-parent families. All of a sudden we had dads and granddads on fly-in, fly-out, and mums and grandmas left here to raise their children without that partner's support. Regional development is desperately needed, but what will it look like? What do our displaced direct forest workers and indirect forest workers train as? This is especially hard if the forest industry is the only industry they have known for decades. With respect to some of our wonderful log truck drivers, they are big and brawny with hearts of gold but I cannot picture most of them serving coffee and tea and the reality is they don't want to. They want to work in the industry they loved. They want to be able to bring their children through as the next generation to work in the industry.

One matter that needs to be addressed is the loss of the Triabunna bulk commodity port. Just because we are no longer able to export woodchips from the port doesn't mean there isn't another bulk commodity out there that could utilise the safest, deepest port south of Eden in New South Wales. I am well known for my support of the export woodchip industry and more particularly the Triabunna export woodchip mill. Most people, including me, now recognise that with the mill site in private ownership, the opportunity for an export woodchip mill again in this area has probably been lost forever.

With the closure of the public native forest industry what hasn't been accepted is the loss of employment and prosperity right across Tasmania that has evolved from the loss of the export woodchip industry as we knew it. This is particularly so in small rural communities like Triabunna. Our people need the support of the State Government to rise to that prosperity again. Tourism alone is not going to do it.

CHAIR - Thank you for those opening remarks.

Ms WHITE - I might start with the last point, thinking about the future for Triabunna and we have spoken a lot in this committee about the reasons why we may have come to this point. As a passionate local and working at Elphinstone for many years, you know about the job opportunities that a business like that can create. What other opportunities do you see for Triabunna at the moment? You mentioned perhaps the State Government might need to get involved with regional development here in this town. Have you thought about what that might look like?

Ms ARNOL - Probably not, Ms White. I haven't really thought about it to a great extent. I think what we need to focus on is what type of work can be provided in the community for those hands-on people, the people who want to do industrial-type work. It is probably a difficult question to answer in the big scheme of things. I truly don't know what it would look like and that is what I have said in my statement. I really don't know what regional development would look like. The difficulty again is that those people who are displaced in the industry don't know what it's going to look like either so they don't know what to retrain as. It is a very difficult question to answer. I think I can probably only go back to, again, a history lesson.

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When the woodchip industry started here in the 1970s, there were houses built in the area. There were a large number of students at the school. It is trying to evolve into that - an industry that might come into the area that can employ people. It will create employment for builders, building more houses or whatever. As I said, I don't believe tourism is the answer.

Ms WHITE - The area has relied heavily on primary industries - forestry, farming, fishing. I think there is still a future in all of those areas for the community. Would you agree with that?

Ms ARNOL - Absolutely. The problem we have faced is that the fishing industry has also lost some of their licences over the years. There has been a downturn in various industries and what we have to do is find a way to pick those back up again. I believe Tasmania has the resources. We certainly have the capability and the ability to do it. We just have to find the way to do it.

Mr JAENSCH - Thank you for your submission and thank you for coming in today and your passionate statements. As someone who doesn't know the local area well, thanks for having me. I want to get a feeling for what people expected was going to happen when it was announced that Triabunna Investments had a contract to purchase the mill? We know now and it is on public record, that that contract includes a requirement to put an operator in place to run the mill. Is that what people here expected was going to happen?

Ms ARNOL - I think that is a fairly good summation. As you know there is a clause in the forest agreement, section 32, which said there was an expectation on the part of the government for an operator to be found. I think in general the community expected that to happen, but it just seemed to get lost in the legislation that happened. It is also, I believe, part of the schedule in the Forests Agreement Act. So I think it has all been lost but that is probably the outcome, and I would say this enquiry needs to find out why that happened. I think that is what the community would like to know. Why did that happen? Why didn't the government evoke the clause that would allow them to review the agreements? That never happened.

Mr JAENSCH - What do you think that government could have done there.

Ms ARNOL - It is in the agreement and it is actually in the legislation. I am not sure why the enquiry was not invoked when section 32 was not abided by.

Mr JAENSCH - Section 32 is the condition whereby, because everyone agreed that the chip mill was important and that it should re-open, but if it did not that there was an opportunity to go back and revisit it.

Ms ARNOL - Visit it, yes. I do not believe that happened and I think it should have.

Mr JAENSCH - I agree. Before that, when the sale was first announced, in your submission you make some comment on the history or the background of Triabunna Investments. Did people actually think that that company was going to make the mill work again?

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Ms ARNOL - Because of what was in the agreement there was an expectation that it would at least work for another two to five years.

Mr JAENSCH - That is short/intermediate term, because we are looking at longer term options for residues et cetera.

Ms ARNOL - Yes. My understanding of the agreement was that an operator would be found in the short term to deal with the residue, as you stated.

Mr JAENSCH - Because, as I understand from other submissions, there was discussion about other things that could be done with residues, around, biomass, energy et cetera, but that is not something you can turn on tomorrow. It would take us a while to step to that, and in the meantime we needed to keep an outlet. So then there was an expression of interest process.

Ms ARNOL - Yes.

Mr JAENSCH - Are you aware of there being good sound proponents who put themselves forward into that process?

Ms ARNOL - I am aware there were expressions of interest put in. As to the soundness of them, I cannot comment. I was not aware of the content of some of those. However, I do believe that none of the people who put in expressions of interest actually received acknowledgement of them. A couple of people I have spoken to about said they never ever received an acknowledgment.

Mr JAENSCH - Did that surprise them?

Ms ARNOL - Yes, a little bit, because I had an expectation that Triabunna Investments would abide by the tender process or by the expression-of-interest process. So yes it did. I think Mr Wood and the other partners in Triabunna Investments are businesspeople first and foremost. I personally had an expectation that they would honour that tender process and at least acknowledge the submissions.

Mr JAENSCH - When that process concluded and they had not identified anybody that they thought was worth proceeding with, then when they dismantled part of the mill, or damaged it so it could not work, what was the reaction?

Ms ARNOL - From the community.

Mr JAENSCH - Yes.

Ms ARNOL - Disbelief to some extent that it would happen, but also the community recognised that the property does belong to Triabunna Investments.

Mr JAENSCH - And they can do what they want with it.

Ms ARNOL - It is a bit like you renovating your house. I cannot tell you how to do it.

Mr JAENSCH - No, you cannot.

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Ms O'CONNOR - Cheryl, I'm interested in your insight into the kind of economic opportunities might be available for this beautiful part of Tasmania. I heard you say that tourism is not the answer, but would you agree that it is part of the answer? We have the Chinese president possibly coming here at the end of the year; there will be growth in tourism. There aren't any places like this in the world. Do you think there are untapped opportunities here to grow that visitor experience and market?

Ms ARNOL - Undoubtedly there is, but tourism is not the answer for the displaced forest workers. That is my point. There is certainly an opportunity for tourism that will bring lots of people to our area and it may create work, but for our displaced forest workers and indirect forest workers it is not the answer, because they simply do not want to serve coffee and tea. That is not being derogatory to those in the hospitality industry, because they do a great job, but they are simply not cut out to do it.

Ms O'CONNOR - I understand that a lot of them miss the bush.

Ms ARNOL - Absolutely.

Ms O'CONNOR - As a person who has lived here for a long time, do you think there were risks for this community - through no fault of the community; this is about government policy settings and Gunns corporate settings - in being so reliant on a single company producing a low value product through the Triabunna mill? It made things more precarious because if anything happened to it then a whole town is affected.

Ms ARNOL - Yes, I think you are right. Over the years I have consistently said that reliance on one company was going to cause problems, and that has been proved.

Ms O'CONNOR - In terms of what the future might look like for Triabunna, we have heard there is a significant plantation estate in this area. We have heard testimony from people like Robert Eastment, who is an industry analyst, and also Greg L'Estrange, who argued that Gunns exited native forest woodchipping because it was no longer profitable. Can you see growth in this area and an opportunity to employ some of those displaced forest workers by reorientating the way this community and government think about the forest industry in Tasmania, putting more focus on the plantation estate and markets that are open to that product?

Ms ARNOL - No doubt. If we can increase industry using the plantation estate it has to help.

Mr SHELTON - The issue of reliance on one company has come up a number of times. I don't think anybody would disagree with it. Would it ever have been possible for a number of woodchip companies to operate here? It meant that if Triabunna was going to grow and have employment then it was always going to be one company and therefore reliant on that company.

Ms ARNOL - More than one company in Triabunna? We had three woodchip mills.

Mr SHELTON - More than one company was never going to be. It was always going to be one, so Triabunna grew on the back of it.

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You mentioned money going to Maria Island. Given that Triabunna was the most affected community in Tasmania through this deal, was the community disappointed with the amount of money that came through the Federal Government into this area?

Ms ARNOL - I don't believe so. It is a significant amount of money. I was disappointed - I can't speak for the community - in the condition that it had to be spent on Maria Island. While Triabunna is the gateway to Maria Island and, yes, it will create extra visitation or assist with the visitation and it may create extra jobs in here, I question whether that amount of money could have been spent a wee bit better. On what, I am not sure.

Ms O'CONNOR - Was the community ever asked what they would like the money to be spent on?

Ms ARNOL - Not that I am aware of, no. The way it was delivered was, 'Here's the cheque for x dollars. Use it on Maria Island'. That is my understanding, and I assume that is accurate.

Mr SHELTON - It is probably a better question for the council when we have the general manager here later. As we know, there were significant amounts of money given to the Hobart council, for instance, coming out of the same deal and not going to the communities that were most affected.

Ms ARNOL - If I may, I had a major problem with some of those amounts. I struggled with the concept that there was forest industry-affected areas in South Hobart, for example.

Mr SHELTON - When we talked about the mill and Triabunna Investments taking it over, you mentioned you had this expectation Triabunna Investments would carry forward the points in the principles agreement. When Mr Marr was put on as the manager of that area, given the history behind the forest industry et cetera, did that trigger anything with you? Were you still as confident as you were when you heard that?

Ms ARNOL - Significant alarm bells, I would suggest, Mr Shelton. I wasn't totally sure that particular gentleman was the right person to be running that process. However, the property is owned by people who have the right to employ whom they wish.

Mr SHELTON - The fact there was an intergovernmental agreement that said Triabunna was a significant issue for the area and it needed to stay open, did you have confidence in the fact the Prime Minister and the Premier had signed this piece of paper?

Ms ARNOL - Absolutely, that is where my confidence came from, from that documentation that said the government supported it happening.

CHAIR - Cheryl, going back to your submission and comments earlier that the government could have and should have done more to try to get the mill operating, is that one of your points about the transfer of the mill to Triabunna Investments?

Ms ARNOL - I don't know about transferring the mill to Triabunna Investments but in all the documentation - the intergovernmental agreement, the forest agreements and the acts - there is reference to the Triabunna mill remaining open. Why didn't the government act on those processes when they weren't invoked? That is my main question. Parties are in

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breach of some of those agreements but there doesn't appear to have been anything done by the government that signed those agreements.

CHAIR - I think you made a good point. In your submission you referred to section 32 of the agreement and you have also referred to the legislation with the attached agreement, again with a reference to the reopening of the mill. You are saying, with the involvement of both state and federal governments, why couldn't they act on those iron-clad conditions that the mill be reopened. Is that your point?

Ms O'CONNOR - Were they iron-clad expectations, with respect?

Ms ARNOL - All the parties to the intergovernmental agreement went into it with expectations of certain things happening. In some instances those things haven't happened and that is what I would like to see. If some of those clauses were breached, why wasn't there an investigation by either government into it? There is the expectation. If you sign an agreement, you have an expectation that the conditions are going to be met. There are some conditions in relation to the reopening of the mill for a period of time to deal with particularly the residue from the sawmills; there was an expectation that it would open. That is written in the agreements. There was a reasonable expectation by the parties that it would happen.

CHAIR - I refer to clause 32, just to clarify it for the record:

The governments expect that the Triabunna mill will reopen and be operated in accordance with the statement of principles. If this does not occur, either government may request a review of the terms of the agreement with a review to occur only if both governments agree.

That is the sort of agreement you are referring to?

Ms ARNOL - Yes. I think I don't have the wording with me, but in the Tasmanian Forests Agreement Act, in the schedule, it does refer to the mill remaining open for, I believe, five years. I believe it is in the act and it is schedule 4, from memory.

CHAIR - I have it here, schedule 4, clause 30:

As a short term interim approach the Signatories call on Governments to urgently seek to achieve access to the Triabunna processing and export facility and to the Burnie wharf facility and short term woodchip stockpiling arrangements. The Signatories call on all relevant parties to do everything possible to facilitate these short term solutions or to put in place suitable alternatives. Progress on this will form part of the Durability Report prior to the Protection Order.

That is what you are referring to?

Ms ARNOL - That is the one I am referring to, Mr Chair, yes.

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CHAIR - No problem. You may be aware of Alec Marr's background and history. When he was appointed as manager on behalf of Triabunna Investments, knowing his background as an active environmentalist, did that give you cause for concern?

Ms ARNOL - As I said to Ms O'Connor, yes it did. There were significant alarm bells.

CHAIR - Were you aware of the University of Canberra report on jobs? You have referred in your submission to the impact on jobs, families being separated and so on, and there has been a 90 per cent drop in the Glamorgan-Spring Bay area from 2008 to 2013.

Ms ARNOL - No, I wasn't aware of that, but it doesn't surprise me.

CHAIR - Ninety-six per cent. It went from 193 direct jobs down to 7.

Ms ARNOL - I wasn't aware of that.

CHAIR - That was the facts and that was put on the record yesterday in evidence. On the EOI process you have expressed your views and your feedback from others not getting feedback to the expressions of interest process. Were you aware that both Alec Marr and Mr Wood in their submissions said that they were sent out and - I am just looking at Mr Wood's submission: 'This Triabunna standard was then disseminated amongst interested parties. The tender process remained open for a year and yet still no economically viable proposal was put forward.' It seems contradictory to some of the evidence that we have heard from Mr Elphinstone, you and others. Do you have any other feedback?

Ms ARNOL - My understanding of the process was that the expression of interest process was going to be open for a six-week period and that was somewhere around December - I can't recall the year exactly now, the time goes by that quickly, but it was around December. I think the expression of interest closed 6 January the following year. They were going to assess whether there were any - in their view - economically viable proposals put forward and they were then going to issue the tender documents.

As I said, I don't believe anybody received, or very few people, I don't know of anyone who received even an acknowledgement of their expression of interest and I certainly don't know of anybody who received the tender documents.

CHAIR - Finally, I just want to go to the Mr Wood's proposals that are on the public record. I am not sure if he is speaking on behalf of Triabunna Investments because we have had evidence from Jan Cameron in the inquiry that is not to be the case, but his proposal for a tourism development and tourism resort here. What is your feedback on that in terms of credibility and merit of that and what is the view of the community on that? I understand there may be difficulties, but what are your thoughts and what is the view of the community?

Ms ARNOL - As I said in my opening statement, I am well known as a supporter of the woodchip mill. I was criticised significantly for making the statement that if we can't have the site as a woodchip mill, then let's have it as something that will provide jobs. I will stand by that statement. As far as the community is concerned a significant number of people - I am probably one of them - would dearly love to see it as our mill again, because that is what it became. For 40 years it sustained this area, bringing work and

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prosperity to our community. If we cannot have it as a woodchip mill then the private owners - very private - of that site need to be able to do what they want to do with it. That is the bottom line. It is probably not going to win me too many friends, but it is now privately owned. As I said to Mr Jaensch, I cannot tell him how to renovate his house.

Mr JAENSCH - You made reference to the importance of the export-loading facility at the wharf, and opportunity costs if that is not available. We discussed that briefly with Mr Elphinstone, and I would be interested in your comments. I understand the wharf was owned by Tasports. The wharf is in public ownership, in an awkward position at the moment, but what are the options for retaining the potential of that facility?

Ms ARNOL - The problem is that it is landlocked. There is no real access to the port, other than through private property. The issue is that it is the safest, deepest port south of Eden. It is capable of taking bulk carriers. It seems a pity that we might lose that infrastructure. I do not know what the bulk commodity might be in one to 10 years, but it is a bulk commodity wharf. As a state we need the capacity to ship from that wharf, because we are losing some of that capacity in other areas. If we can utilise that one, let's do it. The issue is it being currently landlocked for access.

Ms WHITE - I want go back to the agreement, and the expectation that the mill would continue to operating. You asked why the government did not invoke that clause. We heard from the former deputy premier yesterday. He tabled some correspondence for the committee. He had written to Triabunna Investments asking them to explain what was happening on the site. It is important this community knows that action was taken by the state government. We have not received evidence from the Commonwealth Government. It does state that both parties have to agree for a review. The evidence we received yesterday suggests there was work happening at the state level. Today, there is no TFA, no longer an agreement where you can refer to clauses to evoke a response. The Premier has not ruled out compulsorily acquiring the mill. We know the state Government is in negotiations to sell the wharf. Knowing all this and being where we are today, and thinking about what you have said, what options does the state Government have available to it now? What would you like to see, as a member of this community? Do you think that selling the wharf is sensible? It is landlocked but should the Government compulsorily acquire the mill - they have not ruled that out - there is no TFA and no clauses to invoke conditions anymore.

Ms ARNOL - For the mill, it is probably too late for compulsory acquisition. The wharf, though, is a whole different ballgame. The Government should do everything in its power to retain ownership and achieve some sort of access to it so it can be used in the future for bulk commodity exports. It might be down there somewhere but why should the state lose that infrastructure?

Ms O'CONNOR - Your philosophy, Cheryl, is quite interesting. It is a mix of proper small-L Liberal values about private property ownership and individual rights and then a bit of the left-wing Labor compulsory acquisition - how does that tension sit with you?

Laughter.

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Ms ARNOL - As I said, we have to be realistic - yes, I would dearly love to see the mill operational again. There is no question about that but we have to be realistic, it is now privately owned and how they deal with their property now is up to them. I don't think compulsorily acquiring or trying to compulsorily acquire a property like the mill site is going to achieve anything. I really don't know, I am sorry.

Ms O'CONNOR - We have seen from a paper that was put forward by Dr Jacki Schirmer from the University of Canberra, and I think Rebecca referred to this earlier, that jobs in the forest industry in Tasmania have been in quite sharp decline since 2008, so in this community, going back six or seven years, there would have been signs that change was coming. Do you think enough was done, not just by governments but by all of us as a community, to prepare Triabunna for change and to put some things in place that built that resilience into this community so that when Gunns abandoned native forest logging and therefore Triabunna, so many people's lives weren't broken?

Ms ARNOL - I don't think we wanted to believe it. I really don't. I think we, as a community, always wanted to believe that our mill was going to be there, it was always going to be operational and there were always going to be jobs here. To some extent we may have had our head a little bit in the sand - 'No, it won't happen, we will always have our mill' - and when it did happen it became a bit of a reality check and a bit of a shock.

CHAIR - You mean the purchase by Triabunna Investments? You mean when that happened?

Ms ARNOL - Yes, and as Ms O'Connor said, I don't think we did enough to prepare ourselves. We heard all the reports that Gunns was moving away and things were closing down and everything was going horribly wrong, but I'm not sure that we took sufficient notice of it at the time to actually deal with it.

CHAIR - Just on that, before I pass to Mark for a final question, but your hopes were up when Ron O'Connor was looking at buying the mill and he was an operator, was that correct?

Ms ARNOL - Absolutely, there is no question about that. When the discussions were happening around who would buy the mill, there was certainly great expectation that it would be purchased by the consortium that was looking at buying it to continue to run it as a woodchip mill.

CHAIR - Who would then reopen it and operate it as a woodchip mill -

Ms ARNOL - As a woodchip mill, absolutely. Because again, it was our community's mill and we always believed that it would be there to employ our people.

CHAIR - Then when Triabunna Investments purchased it, you are saying the hope was diminished?

Ms ARNOL - I think the hope diminished significantly and considerably when the expression of interest process didn't exactly go as we thought it would.

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CHAIR - Understood. Just to clarify, in the evidence of Mr Green yesterday to our committee, he advised and tabled a letter which Rebecca White has referred to. The letter here dated 20 January is to Ms Cameron and Mr Wood for the attention of Alec Marr. He referred to the fact that he had a phone meeting with Triabunna Investments, Mr Wood and Ms Cameron, shortly after the sale. Also, he advised that he thought there was one other meeting during the course of that period between July when the mill was sold and the letter of 20 January, just to clarify that for your understanding because your view that there could have been more that could have and should have been done is in the context of that evidence.

Ms ARNOL - The outcome from this committee is that some of those answers will be out there for the community to know - instead of it being, 'Well, the government didn't do anything', we will find out from your findings that, well, yes, they did do something. Regardless of which government, let's call it 'the government', it doesn't matter which one, but we as a community need to know that something was being done. What that something looked like, I'm not sure, but something was being done in relation to discussions with Triabunna Investments about keeping the mill open for the sawmilling industry or reopening it, full stop, or whatever.

Mr Chairman, now you have before you evidence that will be released and that will give this community some answers and hopefully some closure.

CHAIR - Do you think it is important that we get the answers drilled down, get the facts on the table, get the truth out and then allow people to move on?

Ms ARNOL - Absolutely. For this community it is about closure. As Ms O'Connor said about, did we do enough about looking down - the crystal ball effect, if you like. Here we are here in 2006 or 2008 or whatever the year was and yes, they are going to close down the industry or yes, Gunns are going to walk away or whatever. We didn't look at the crystal ball very hard unfortunately, but now we need to see those answers and see what exactly happened.

If this committee achieves nothing else but to gain some answers to some of the questions the community has and get closure for this community in relation to the future of that mill, I think you will have achieved major steps.

CHAIR - Thank you indeed.

Mr SHELTON - For the last question and it is the big question in my mind and you may be able to add some more information there but the question everybody asks is: why did Gunns end up selling, when they had an offer of \$16 million on the table, they took \$10 million? From your conversations, or do you have a view on why that happened?

Ms ARNOL - No, I don't.

Mr SHELTON - Is that a big question for you to still be answered?

Ms ARNOL - For me personally it is; if I was a shareholder I would want to know why the board had made that decision. It was obviously an economic decision for them at the

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time but why would you take \$6 million less, I truly don't know and that's a question that shareholders should have asked the board, frankly.

Ms O'CONNOR - What you said before, Cheryl, about the importance to the community of having a deeper understanding of what happened around the sale of the mill, that it's true, I understand that. Does the community understand that given the make-up of this committee, there will be a number of different versions of the truth?

Laughter.

Ms ARNOL - That is an interesting question, Ms O'Connor.

Ms O'CONNOR - Whilst there is a balance of three Liberal members, one Labor member, one Greens member, there will be some tension there in the making up of resolutions.

Ms ARNOL - From my perspective, I think you are all intelligent people, I think you all will look at the facts that are placed before you and make a judgment and I would hope that out of that we get a report that does give this community some closure.

Ms O'CONNOR - Or three, you may have one report and other dissenting reports, I am saying it here in the interest of disclosure.

CHAIR - I should also mention we have three members of the Lyons electorate here as well so just note that. Thank you very much, Cheryl, for your evidence, it's greatly appreciated.

Ms ARNOL - Thank you very much for allowing me to come.

THE WITNESS WITHDREW.

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Mr JOHN HALL, FORMER TRIABUNNA HARDWARE AND COMMODORE TRIABUNNA BOAT CLUB, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Hello, John and welcome to our committee. I have just a few preliminary protocols to share with you before we kick off. Before giving your evidence, have you received the guide that the Committee Secretary forwarded to you?

Mr HALL - Yes.

CHAIR - Committee hearings are proceedings in Parliament, this means they receive the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information possible. It is also important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to outside the confines of the parliamentary proceedings. It is a public hearing. Members of the public and journalists are here and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and given an explanation prior to giving the relevant evidence. Do that make sense?

Mr HALL - Yes.

CHAIR - John, we have not got a submission from you but we are aware and know that you are the former Triabunna Hardware store owner and also Commodore of the Triabunna Boat Club and we appreciate your being here today to share your thoughts. If you are happy to share some opening remarks, we will then go to some questions.

Mr HALL - Thank you, Chair. I shared with one of the other people in the room last week my concern that the wharf is a government-owned wharf and the fact that it is blocked from any commercial use. That's basically the thrust of why I am here today. It's also the fact that a lot of young families in this area have been displaced. I have met in our travels people working in Western Australia. They have a wife and children at home here and they are fly-in, fly-out workers. We met two of those last year. It has had a huge impact on the whole community, especially the young people and the young families, which is very disappointing.

Getting back to the wharf, that is the main concern here now. There are lots of other issues I know, but the fact that the wharf can't be used and the taxpayers of Tasmania are potentially missing out on quite a valuable facility. Only today I heard a snippet that there is bauxite going to be shipped out of Tasmania. There would probably have been a good case for that to come via this port.

CHAIR - Thank you, John. We'll go to questions.

Mr JAENSCH - As Commodore of the Boat Club, and you have raised this issue of the significance of the wharf, can you explain to us why this wharf, this port, is particularly valuable for Tasmania? What is it about the wharf?

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Mr HALL - The fact that the Triabunna wharf is a deep water port.

Mr JAENSCH - How deep, do you know?

Mr HALL - No, I am not sure. I think 12 metres but I couldn't guarantee that.

It is protected. They have tied ships up when the woodchip ships were running, they were tying those up in pretty well all weathers. In extreme cases they couldn't so it is good from that point of view. It is easily accessible from the coast. It is not like on the Derwent where the ships have to navigate up the river and what have you and potentially under the bridge and that sort of thing. This is a good, easy wharf to get into.

Mr JAENSCH - At the moment the wharf isn't part of the parcel of land that is owned by Triabunna Investments and I understand that there is a ribbon of crown land around the waterfront. Do you see a way that the wharf could be used commercially for loading ships with the access arrangement that we have or with the configuration or the tenure of land that we have at the moment, or would it need to change?

Mr HALL - I'm not sure what the ribbon of land or the tenure is. I would imagine it would be quite difficult to, given the topography of the area. But I guess with time and money it could be fixed. I don't know enough about that part of it.

CHAIR - Woodchips we've obviously spoken about. You've mentioned bauxite and that announcement this morning that there is a small deposit that they're going to start with. Are there other potential bulk commodities that could be moved through this port in the future that you're aware of?

Mr HALL - Not that I'm aware of, no.

CHAIR - Finally, what sort of options do you think should be on the table for securing that wharf opportunity for the future?

Mr HALL - If anything comes along that can be shifted, whether it is bauxite or any bulk commodity, that wharf can be used. The fact that it has been, at this stage, locked away and not being to able to be used is my concern.

Ms O'CONNOR - John, as a person who has worked in private business, do you have some sympathy for Graeme Wood as a private business operator? I don't want to sound insensitive in any way about the way the locals felt in recent years. As a private business operator, to be answering questions about the potential compulsory acquisition of private property, what sort of message do you think that sends to private investors?

Mr HALL - I have no sympathy whatsoever for Mr Wood. He was very fortunate and smart enough to be able to build a large empire with people like myself, and I guess a lot of people around this room, who used his company, Wotif, to build that empire. I certainly used it. He has just gone and thrown that in our face by closing down, or restricting the use of, the chip mill.

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Ms O'CONNOR - Do you think though, possibly the real problem here is Gunns, and Gunns' decision ultimately to sell the mill to a private investor who wasn't involved in the forest industry?

Mr HALL - I do have a problem with Gunns and the fact that they didn't sell to reportedly the highest bidder who would have continued to operate that mill. I do have a problem with that, yes.

Ms O'CONNOR - There must be a feeling in this town, amongst a whole range of difficult and complex feelings in this town, that Gunns, who had been part of this community for so long and had been depended on for so long economically, abandoned Triabunna.

Mr HALL - Yes, I guess they did abandon Triabunna. But the fact that Triabunna Investments have blocked the use of the mill, I am never going to be comfortable with that.

CHAIR - The port you mean, use of the port?

Mr HALL - The port, yes.

Ms O'CONNOR - I've seen - and probably there is some material around the town from the Spring Bay Development people, Graeme Wood's staff and the people who are on site - some of the things that I read in their newsletter, which was an electronic newsletter, was about engaging with the school and working with the community to do this, and the local sporting club. If you could just put aside the completely understandable feelings of resentment that you feel about what has happened to Triabunna, do you think there is some potential here for Graeme Wood to give something to this community which is enduring and creates jobs and brings people to this beautiful part of Tasmania from all over the world?

Mr HALL - I guess there is, but I am not happy about it.

Ms O'CONNOR - Yes, clearly.

CHAIR - Working out where it went wrong, and as a lesson in the future about what we can do to prevent this issue from happening again - that a substantial public asset being connected to a private business that can be then sold and closed down when it is a substantial community asset. We have the situation where if two companies are going to merge and it is a disbenefit to the community then ASIC can step in. Do you believe there should be processes put in place around our other government infrastructure to prevent this from going on in the future, so if there was a private sale taking place for substantial infrastructure for the local community and it is going to be sold off to a private entity and the community have no control over it, should the community have a say over that sale in the future?

Mr HALL - Definitely. I think it is very unfortunate what has happened here. I am sure Alec McKay and the Clennett clan, when they built the woodchip mill, would never have envisaged what has happened in recent times, that their business would have been dismantled and restricted access to the wharf. The community should have some say when a facility like this that is government owned becomes landlocked.

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CHAIR - In hindsight, what should have happened in the early days was there should have been some processes that separated the wharf and had an access and an easement to the wharf so it couldn't have happened this way.

Mr HALL - Exactly.

CHAIR - Do you know whether the wharf infrastructure is actually part of the new plan?

Mr HALL - No, I don't.

Ms WHITE - With respect to the wharf, I understand that is your primary reason for presenting to the committee today. You would have heard us discuss with the previous witness that the state government is currently in negotiations to sell that wharf to Triabunna Investments. You spoke about involving the community in any discussions that might happen for strategic sites like this. How would you like to see community involved in that discussion as it progresses now, because obviously if the sale proceeds and it is sold to Triabunna Investments, it will be privately owned and no longer available for public use? I wanted to get your view on how the community could be involved in discussions around the future of that wharf considering it is currently under negotiation to be sold?

Mr HALL - It is the government of the day's call. They can control the wharf and if they want to they can sell it. There are all sorts of arguments about governments selling off infrastructure. I have been travelling in Queensland and there are signs everywhere up there about the government wanting to sell off the power facilities and what have you. Certainly the community should have some say in what is sold and what isn't. I don't know how, when the government has the power, you control that.

Ms WHITE - It is a good question because you said the government should have consulted with the community when the Triabunna mill was sold to an entity that wasn't going to manage it as people hoped. Now we have a situation where the same thing is happening again in the same town about a really important public asset. That was a private asset. As a member of this community, how would you hope the government would talk to you about the sale of a public asset like that?

Mr HALL - We would like to see some consultation regarding the sale of it.

Ms WHITE - Community meeting, something of that nature?

Mr HALL - Yes.

CHAIR - Are you saying some consultation, public involvement, because it is a public asset?

Mr HALL - Yes.

Ms O'CONNOR - John, as someone who is of the town and has lived in the town for a very long time, what is your vision for the future of Triabunna? What opportunities are there here? I appreciate you want to see woodchip exports out of this town if possible and other potential bulk commodity exports. What is the potential of Triabunna for the

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future, because part of this inquiry's reference is not just to explore what happened, but also how we as a parliament, and Tasmanians as a community, can help Triabunna and work with Triabunna to paint that future and make it real?

Mr HALL - I would like to see woodchips still being exported out of there, but I cannot see that happening. I am a passionate boating person, so state-of-the-art boating facilities in this area. I spoke earlier to Roger about the Triabunna wharf, but Triabunna harbour as such is the only safe deep-water port between Hobart and Eden. There are no barways or anything to cross and it is sheltered water once you get into the harbour.

There is the boat club; we have expanded our marina and the council is doing an excellent job in expanding their marina. I see the marine side - pleasure boating and commercial boating - as a mainstay for this area. I am not sure what other industries could be attracted to the area.

I have been retired for nearly 10 years, so I am away from the coalface a bit. If we can promote Triabunna as a boating destination, that is one option that would be very worthwhile.

CHAIR - Thank you, John.

THE WITNESS WITHDREW.

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Mr TONY BROWN, ELECTRICIAN, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thanks very much, Tony. A committee hearing is a proceeding in Parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of Parliament. It applies to ensure that Parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory or repeated or referred to you outside the confines of the parliamentary proceedings. This is a public hearing and members of the public and journalists may be present and this means your evidence may be recorded. It is important that should you wish all or part of your evidence be heard in private, you must make this request and give an explanation prior to giving that relevant evidence.

We know you are an electrician and you have a history in this part of the community, so we again thank you for your time

Mr BROWN - I am a small electrical contractor on the east coast here. I originally came up to work at the woodchip mill, which was Tasmanian Pulp and Forest Holdings, in 1971. I worked for them for three years and then I went electrical contracting and have been electrical contracting on the coast ever since. When I say electrical contracting I mean for domestic people, commercial applications and at a later stage contracting for Gunns Limited to provide them extra manpower at the woodchip mill. I did that up to the time the mill shut down. Since then I have noticed a fair reduction in my work. It is very hard to judge what percentage of work had reduced because I have found I have to go further afield to get work. Hence this morning I was at Coles Bay. Normally I would not have gone to Coles Bay if there was work around the area.

The closure of the mill impacted not only me but all the other small industries around the area. I went from employing three full-time and one part-time, to employing one full-time - who is me; whether you count me or not is another thing - to one part-time person. I have had a reduction of probably 30 per cent. I still have work but I have to travel further for my work. Hence my operating costs are higher to get to jobs further away. If I am out of the area and there is an emergency, sometimes I am not here. If people need someone for an emergency they have to call someone from Hobart at an additional cost because I am not here. You cannot sit around waiting for work; you have to find work.

Mr SHELTON - Tony, you said you worked at the mill and lot of your contracting work was at the mill.

Mr BROWN - No, some of my contracting work.

Mr SHELTON - Okay, so you know the area and the people. How did you feel when you heard that the mill had been sold and then a few months later when the whole progression of who owned and who would manage it?

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Mr BROWN - I always thought Gunns wanted to sell the mill. When I heard who had bought the mill I did not think Gunns would have wanted to sell the mill to those people.

CHAIR - You mean Triabunna Investments?

Mr BROWN - Triabunna Investments, yes.

Mr SHELTON - With your knowledge of the mill and the industry did you expect it to open? As Cheryl put to us, there was still the intergovernmental agreement that she was basing her opinions on. Did you believe the mill would still open or that the government will not let this die?

Mr BROWN - I thought the mill would probably open in a reduced form. Originally the mill worked three eight-hour shifts and then it went back to two shifts when Gunns ultimately sold it. I thought it would have started up and maybe work one shift in a reduced format.

Mr SHELTON - That is interesting because we have not talked about this before. The reality is, in one of these mills you stockpile your wood until you have enough wood; a boat comes in and gets it and away it goes. There is certainly more money if you work it 24 hours a day or 18 hours, depending on how many shifts you are putting in, but it could have been run at one shift a day. It would just have taken longer to put on a boat.

Mr BROWN - Over the years the mill had evolved from chipping about 1 000 tonnes of woodchip per shift to chipping anything up to 4 000 tonnes a shift. So they were really chipping the amount in one shift that they were doing in three shifts, which was a day. Technology moved forward and they reduced some manpower - and this is going back years ago. They modernised the mill a bit and made it more streamline so they could produce more with less people. Realistically, you could probably produce the same output in one shift, whether it be an eight or 10-hour shift.

Mr SHELTON - I do not know whether you have read *The Monthly* report or not, but it talked about destroying substations, or the substation was disconnected, and then in the dismantling and decommissioning process the gear within the substation was taken out and run over with a machine. The comments were - and do not quote me on this - that will stop it from being reused again. You would have worked on hundreds of thousands of dollars worth of infrastructure in substations up there. If somebody had said they had done that to you, what would your thought processes be? Is this a decommissioning process? What are your thoughts on actually wrecking machinery like that?

Mr BROWN - I don't know how to comment on that. When you say 'wrecking machinery', I was called out after Triabunna Investments initially took possession of the mill. I was told it was a dangerous situation. Vandals had got in and broken some things in the mill. I went out and disconnected the high voltage at the entrance to the switchyard and made it safe, tagged it out, and informed them not to turn it back on because someone might get electrocuted or there might be something on.

Mr SHELTON - Within *The Monthly* report it actually talked about that process, about how there was some damage and an electrician was brought in to make it safe. Then in a later section of the monthly report it then, through the decommissioning process, talked about dismantling substations - I believe it said - and then running over the gear within that

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with a machine to make sure it could not be reused. You would not know anything about that, but in my view there is no need to damage gear in that regard unless you have this point to prove that you absolutely do not want it to be reused again.

Mr BROWN - Yes, there is no need to damage to gear. You were saying the substations had been pulled apart and run over but the substation had not been pulled apart.

Mr SHELTON - When you got there?

Mr BROWN - When I got there.

Mr SHELTON - No, that happened at a later date, according to *The Monthly* report, I appreciate that.

Mr BROWN - The substation was still intact but there were certain things broken.

Mr SHELTON - That was the vandalism that happened.

Mr BROWN - I was told it was vandalism, but I was not there so I don't know.

Ms O'CONNOR - What did it look like, Tony?

Mr BROWN - Just things broken, glass smashed and instruments smashed.

CHAIR - When were you there, just to clarify for the context?

Mr BROWN - It was before Christmas. I would have to go back to my diary to know when.

Ms O'CONNOR - Before Christmas last year, was it?

Mr BROWN - Yes.

Mr SHELTON - Was it before September last year?

Mr BROWN - I am not sure.

Mr SHELTON - *The Monthly* report stated that the electrician was brought out when there was some damage identified, to disconnect and make it safe, and then later on in it talks about chopping the belts and pulling either the substation or the transformers apart. But that is at a separate time.

CHAIR - Tony, what did you see and what did you do?

Mr BROWN - When I got called out?

CHAIR - Yes.

Mr BROWN - I isolated the substation and made it safe, because if someone had got a shock there is that much paperwork I would have to do and, quite frankly, I do not want to do the paperwork. I made it safe so no-one got injured, and left the site.

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CHAIR - How long were you there for?

Mr BROWN - Probably four or five hours.

CHAIR - It was quite a big job?

Mr BROWN - To isolate high voltage there is a procedure that you have to go through. If you take a short cut it might be the last thing you do. You have to lock it out, do some paperwork, isolate it properly, so I was probably there for four or five hours.

CHAIR - Can you remember who asked you out? Was it Alec Marr?

Mr BROWN - No, I have never met Alec Marr so I wouldn't even know what he looked like. I was asked by the caretaker, Mark - I can't think of his last name.

CHAIR - Not Shaun Blazely?

Mr BROWN - No, not Sean Blazely. He had left by then. I was asked by whoever the caretaker was out there then.

CHAIR - What did he ask you to do?

Mr BROWN - There had been some damage, to disconnect it and make it safe, so that is what I did.

Mr SHELTON - In *The Monthly* it says:

The electrician estimated that the switch boxes would cost \$400 000 to replace. The team systematically pulled them apart, stripped all the wiring and crushed key components. The parts too tough to smash with a sledgehammer were dragged to the truck parking bay and run over with a bulldozer.

When it talks about the team there, I expect they talk about the decommissioning team, not the electrician being there.

Mr BROWN - I don't know if you know the layout of the mill. I went to the substation and the substation is outside the main switch room, on the edge of the building. At that stage I didn't go anywhere else. I only went to the substation so I don't know what else had been done at that stage. I did go into the mill at a later stage, but at that stage I only went to the substation and switch room.

Ms O'CONNOR - What was the visit you made at a later stage? What was that in relation to?

Mr BROWN - To put some power on what they called 'the shed', which was the elevated deck which used to be the old McKay deck. They had a concert or something that was going on there and I had to put some power up there so they could have a concert. Was it in January or February? I can't remember.

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Ms O'CONNOR - I think it was for MONA, is that right?

Mr BROWN - Yes, it was to do with MONA. That is when I went into the mill to put some supply up there so they had power.

Mr SHELTON - It indicates here in the report that the reporter is talking about being led to the switchboard by Alec Marr. It said:

We'll start with some neurosurgery, said Marr, leading us to the mill high voltage switch room which was the size of a small suburban garage. We need to turn the monster into a brain-dead quadriplegic.

Then it goes on with what I read before. That was the team dismantling it, I can assume. You never witnessed any of that?

Mr BROWN - No.

Mr SHELTON - The depth this process went to, I guess, is where I am trying to get to, the fact that it wasn't a decommissioning but a celebration of what was happening - more than a decommissioning process.

CHAIR - I think Mr Elphinstone this morning said it was 'brutal'.

Mr BROWN - The instruments in the switch room were old. It was 1970 technology. They were all big instruments with glass fronts in them. All the glass front instruments were broken on the high voltage, but the 415 volt wasn't touched.

Mr SHELTON - Was it locked for you to get in there?

Mr BROWN - The door out of the mill for the switchyard was locked. I still have a key for it and I got in through there. But the side door was open and the door into the switchyard was open. I barricaded it up and screwed a barrier across it because anyone could walk in and walk straight into the high voltage. Even though it was isolated there was still a supply on the switchyard and I didn't want anyone to walk in there, climb something and get electrocuted.

Mr SHELTON - No, your duty of care as an electrician.

Mr BROWN - So I barricaded it with a piece of wood.

CHAIR - To follow up Mark's point about the substations, weren't there two substations there?

Mr BROWN - There was only one main substation and that was at the mill site proper, at the top of the hill. There is another substation down near the jetty.

CHAIR - Yes, near the wharf?

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Mr BROWN - Yes. When I went down later on that hadn't been touched. That is actually still going. That still has a supply on it.

CHAIR - That is what I was asking. You decommissioned one substation, but what about safety around the other one if it is not decommissioned?

Mr BROWN - The other one has to keep going to keep the navigation lights and so on going on the wharf, if someone runs into the wharf. That is why the other one was kept going. All the reclaims and the other sub-boards have been disconnected, so it only goes down to the wharf.

CHAIR - You know that; you have been there?

Mr BROWN - Yes I have been there.

CHAIR - You have seen it?

Mr BROWN - Yes. I disconnected it at a later stage. You asked me when I first went there at the mill.

CHAIR - Can you tell us about the later stage?

Mr BROWN - At a later stage I got a call that there was a fire out there.

CHAIR - Is this weeks later or months later?

Mr BROWN - Months later. The fire brigade were there and they asked that the supply -

CHAIR - Where?

Mr BROWN - At no. 1 reclaim, which was about halfway down the hill to the wharf.

CHAIR - At the mill side or at the wharf?

Mr BROWN - No, halfway between the mill and the wharf. That area of the mill was fed off the wharf substation that is still there. The Aurora inspector and the Tas Fire investigator were there. They were trying to determine how it started so we could get the supply back on the wharf for the navigation. All the sub-mains were disconnected out of that sub, except the wharf. They do not know how the fire started. There was a lot of talk about it, but with fine dust and chips under the reclaims, it will self-ignite. I had experience when I was there before, when I worked for North Forest Products, that things would self-ignite. Whether it self-ignited or whether someone had set light to it, I do not know and I do not think they knew either.

CHAIR - Is it possible because the power was still on at the reclaim that could have sparked something?

Mr BROWN - The power was on the panels, but it was not on any of the equipment. The panels were isolated but there was a supply to the panels.

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CHAIR - Could that have sparked something?

Mr BROWN - If something had got in and chewed it maybe. Possums will chew cables, rats will. I do not know whether there were many rats out there but there were a lot of possums.

CHAIR - There was fire; how much damage was there?

Mr BROWN - It destroyed the no. 1 reclaim, burnt the ship-loading belt and all the cables going past no.1 reclaim, which were interlocked between the screen house and the wharf; that was burnt. All the control gear.

Ms O'CONNOR - You don't remember the date of this fire, Tony?

Mr BROWN - It was after Christmas.

Ms O'CONNOR - This year?

Mr BROWN - Yes. Tas Fire Service and Aurora would have a record of it because they were there. It was early in the year.

CHAIR - They put the fire out and then decommissioned the power supply. What did you do then?

Mr BROWN - I did that. I disconnected the sub-mains and all the control wiring and disconnected it out of board and left it there, so if it ever had to be reconnected again, it could be reconnected, but it was not alive.

CHAIR - Were there other visits that you have had to the site?

Mr BROWN - I have had other visits to the site to do with the pumps and the water running off the chip pile. They used to go into big tanks and sumps and then pumped over the back so no pollution went into the bay. Those pumps were not going because they were fed of the reclaim and they had been cut off, so I put some outlets on. There is a building near the substation, a room where they used to store chips and other gear. I put some outlets on the side of that and put some long leads on the pumps so they could operate these pumps because they were full and overflowing. The water was running into the bay. They could pump it back over the back to the settlement pond and lower the water levels in it.

CHAIR - How long had it been running into the bay?

Mr BROWN - I do not know.

CHAIR - Days or weeks?

Mr BROWN - It would have been more than days. The reason it was running in there was because when they had the fire the fire brigade put a lot of water on the chip pile to put it out. You have to get water running off the chip pile. That was probably three to four weeks after I was there for the fire regarding the reclaim.

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CHAIR - It might have been running into the bay for three to four weeks?

Mr BROWN - It could have been running; I do not know. It would run and fill the tanks up. They are quite substantial tanks, and around them they had moats to stop it. Then they would fill up and that overflows out of it.

CHAIR - What did you do?

Mr BROWN - I ran some leads and put supply on the submersible pumps so they could empty the tanks out.

CHAIR - Where there any other visits?

Mr BROWN - I have had a couple of small visits - extra visits on top of that. One was for the surveillance on the jetty. Someone, quarantine or something, must have surveillance on the jetty. It was not working because the power had been turned off so I had to go and reset that. I had a trip out there because they had low fresh water - there are alarms on it. I had to fix the supply to the freshwater pump house so they could put some water in the reservoir and then gravity feed it back to the plant.

CHAIR - Who uses the fresh water?

Mr BROWN - Fresh water is used around the site - toilets, drinking and washing.

CHAIR - That was not operating for a period of time?

Mr BROWN - No, they still had the reservoir there but when it gets down to a certain level the alarms go off. Quite frankly with the situation at the moment, when the alarms go off you would still have enough for six months because they are not using much water.

CHAIR - So there was water there but the alarms were going off?

Mr BROWN - Yes.

CHAIR - And you had to fix the alarms?

Mr BROWN - No. I had to fix the pump station so I could get some water in there to get a high level to turn the alarms off.

CHAIR - They were the two other visits?

Mr BROWN - I would have to go back through my diary. I have had a few small visits. When I say 'small visits', for a light not working or something like that. The gate would not close once. I cannot remember; I just go out and bill them for it.

Mr SHELTON - What does the site look like now? You have history on the site. You knew what it was like, what is it like now?

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Mr BROWN - Overgrown. Walking into things like the switch room, the store, the workshop, there are cobwebs. Like someone has been there and walked away and left it.

Mr SHELTON - You mentioned the woodchip pile still there. Is there much still there?

Mr BROWN - When I was there, not much. They always had a layer on the bottom of the pile as a safety thing so they did not get rubbish. That was still there, but it is very hard to judge how much would be there. Some people reckoned there were a couple of hundred mm of chips there; some people reckoned there were three metres of chips there, so I do not know.

Ms O'CONNOR - Tony, your connection to the site goes back more than 45 years.

Mr BROWN - To 1971.

Ms O'CONNOR - So you spent a lot of time out there?

Mr BROWN - No.

Ms O'CONNOR - Well, on and off. Over the years a reasonable amount of time out there?

Mr BROWN - Yes.

Ms O'CONNOR - You have seen the mill from its very early days through to its absolute peak of production, through to its decline, ultimate closure and sale. I understand there are possibly some difficulties in answering this question because you have secured some work through Triabunna Investments, but do you get the feeling that Triabunna Investments is serious about doing something meaningful with that site? That Graeme Wood wants to invest in this town and this community? That the place is in a hiatus now maybe but there is a sense of something possible happening and it may be good?

Mr BROWN - Anything that happens in the area that employs people and keeps the young ones here is good for the area, but to look at the mill, quite frankly, what can you do with steel?

Ms O'CONNOR - You're talking about the structures that exist there now.

Mr BROWN - Yes, what can you do with it?

CHAIR - What do you mean by that?

Mr BROWN - Steel, as a major thing. I only know what I've read and what I've seen. If they put another structure on the chip pile or something like that, maybe that's a different thing. But to convert an industrial site to a tourism venture where people are going to basically sleep and eat, that would be very difficult.

Ms O'CONNOR - Yes, that is why Mr Graeme Wood is paying for some of the best designers and architects in order to hopefully help him overcome some of those engineering challenges. Tony, are you one of the few electrical contractors on the whole coast?

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Mr BROWN - No. I'm not now but I was the only electrical contractor in Triabunna. There's one at Orford, three at Swansea, two or three at Bicheno.

Ms O'CONNOR - But you must be in reasonable demand because you've had to go up to Coles Bay to do some work. You have to go further, so obviously people are coming to you.

Mr BROWN - Yes, had to go further afield. It is people you work for over the years. If you work for people over the years and you don't do anything wrong, they usually get you back. If you do something wrong you don't see them again.

Ms O'CONNOR - You were talking before about your feeling you knew the day was coming when Gunns would sell the mill.

Mr BROWN - Yes, getting near the end of the process out there when the mill was still operating, I think a lot of people had the opinion that Gunns weren't going to be there forever. That's the impression I got.

Ms O'CONNOR - Do you think there was a level of completely understandable but almost denial on the part of the town that the day would come but might not deliver the outcome or the future they had hoped for? It seemed to be such a shock to this community.

Mr BROWN - Like anything, if you lose a major employer out of an area it is going to be a shock to everyone. I'm probably not as bad as some people because my workshop has wheels on it; I can take my workshop and work elsewhere. But for people who have bricks and mortar in the town, who relied on the industry, it was a big shock for them. You noticed there were quite a few businesses shut down. Some of them have reopened, but not all of them. Some of them are still struggling.

Ms O'CONNOR - What has underpinned businesses being able to reopen here? What has changed or improved?

Mr BROWN - I don't know. I suppose there are a few more tourists around. There are a few more tourists going to Maria Island. The numbers got really low there and they have picked up a bit lately, so there are a few people there. A few other smaller things have been proposed, whether they get off the ground. People are starting to think that there might be something on the horizon, but something on the horizon that can't take the place of what we had here. People talk about the employees at the woodchip mill. In my case I'm not so bad off; I can move elsewhere and go and work. But for argument's sake there were - I'm not sure of the exact numbers - 90-something log trucks in the heyday. Don't get me wrong with the log truck drivers; they are all good hardworking blokes. But can you imagine a big, burly log truck driver serving you a latte? You say something to him he is just as likely to throw it on you. Those sort of people are not cut out to do tourism work. They are good workers, good blokes, nothing wrong with them, but they would sooner have a fight than a feed. That's the way they were brought up. You've got to have an industry for those sort of people to be employed in. They are labourers, basically hard workers. They are not tourism operators.

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Mr JAENSCH - Tony, at the beginning you said you would not have thought Gunns would have sold the mill to the Triabunna Investments people. You were surprised that they would sell the mill to them. Why?

Mr BROWN - The consensus of the people out there was that Gunns were probably not going to be there forever, but with all the resources that had been planted and coming on you would not have thought Gunns would have sold the mill to an operator outside the forest industry.

Mr JAENSCH - This inquiry kicked off after this article was published in *The Monthly*.

Mr BROWN - I cannot comment on that because I have never read it.

Mr JAENSCH - It tells a story. It is well written and it is spectacular, it is juicy, it has lots of swear words and things in it so it caught everyone's attention, but it tells a very dramatic story of Triabunna Investments and their people. Basically they took advantage of that mill being for sale and closed it and bought it to destroy it, to stop it operating as a mill and as an export port. That is a sensational story written by a journalist but it got everyone excited. It included all these details about how they just went and smashed stuff up beyond what you needed to do to dismantle or to decommission or anything like that. Is that and the motivations and all the politics that are written into this for real or is it being made up? Is the evidence there that this actually what happened, that this was simply an act of sabotage?

Ms O'CONNOR - It is bit hard for Mr Brown to comment on that because he has not read the article.

Mr JAENSCH - I know it is difficult for him. If it is possible for me to paraphrase, that is what happened. The motivations appeared to be not to run this as a chip mill, not even initially from what the articles says to run it as anything else, but just to come and stuff it up. Does that match up with the evidence as you see it?

Mr BROWN - A lot of people in Triabunna were upset with it. You can understand it. They lost their income. What you are saying about whether it was a random act of sabotage, I was not there, I do not know. Things were definitely smashed but vandals could have got in and smashed it. You don't know unless you are on site. What I hear about and that report, there was a reporter on site so he is probably the only one that knows. You would have to witness it. I cannot comment. I do not know. People in Triabunna were very upset that the mill has been dismantled.

Mr JAENSCH - On the flip side, then, not having witnessed it and not having read the article, is there anything you can tell us which would contradict that story that says here is a group of people who were genuinely coming in, investing big licks of money, in order to run a viable commercial venture either as a chip mill or to find someone else to run it or to proceed with some other sort of development that they were intending to bring on. Have you seen any evidence of any of that?

Mr BROWN - No.

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CHAIR - Tony, I have a question in relation to the impact of the local community. When it closed and then it was taken over, their hopes were up with Ron O'Connor buying it, continuing the operation of the mill, and then the hopes went down, I understand, when Triabunna Investments purchased it. One, is that your understanding? Secondly, what was the impact on the local community of the closure and continued closure?

Mr BROWN - I can mainly talk for the maintenance blokes out there because I know them personally. Nearly all those people had to move out of the area to find jobs. Probably 80 per cent of them had young families. Now some of their wives stayed here and the men worked away. In the preceding couple of years, some of those wives and families have actually left the area. That has impacted on everything, not only the business houses but also the school. The numbers are down at the Triabunna school to what they were. I am member of our local Rotary Club here and we are finding it harder now to raise money because there are not as many people around, and the people who are around, if their husbands are working away, are trying to keep two houses going - one, if they still have their house here, and two where the husband is renting. They do not have the income for charity organisations. So we are finding it hard like that. The businesses in the town are finding it hard; you only have to go up the main street.

CHAIR - You have summarised it pretty well. We have heard about fly-in fly-out workers, families being split. This morning we heard about depression and mental health issues. Do you see that as a bit of an issue, or has been an issue, and is it still an issue - mental health issues - with lack of a job and being split from families and so.

Mr BROWN - I haven't seen any of that yet, but there is always a possibility in the area that there are going to be mental health problems.

CHAIR - Have you heard about it?

Mr BROWN - I have heard that there are certain people, but I have not seen it.

CHAIR - Thank you very much.

THE WITNESS WITHDREW.

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Mr DAVID METCALF, GENERAL MANAGER, GLAMORGAN-SPRING BAY COUNCIL, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thanks very much, David, for being here. As I said earlier, we thank the council specifically for the lunch, the hospitality and for the facility today.

The committee hearing is a proceeding at Parliament. This means it receives the protection of parliamentary privilege, an important protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom, without the fear of being sued, or questioned in any court. It applies to ensure that parliament receives the very best information when conducting enquiries. It is important to be aware that this protection is not afforded to you outside the confines of the parliamentary proceedings. It is a public hearing, members of the public and journalists may be present, this means your evidence may be reported. Should you wish all or part of your evidence to be given in private, you may request that and give an explanation prior to giving that evidence.

Mr METCALF - Firstly I would like to thank the committee for conducting a session in Triabunna. It is great to see you here and supporting the local town. That is fantastic.

Most of the facts council was aware of were stated in the written submission. I started in late 2007 with the council and I must say that Triabunna reminded me a lot of many of the towns on the west coast. As we know, the west coast is boom and bust and relies mainly on one industry, mining. Similar to Triabunna, although tourism ranks highly in Strahan.

Progressively over the years leading up to the sale of the chip mill, its operations were in decline, so much so that early in 2010 the council wrote to Gunns requesting an update on operations and their future plans. Their response was a generic letter that was sent to all stakeholders with interest throughout Tasmania to state that they were seeking a social licence to build a pulp mill and that they would be progressively getting out of native timber.

Late in 2010 Gunns announced further reductions in chip production, and eventually shut the mill in early 2011. Council was not consulted at any time with regard to Gunns future operations, although after inquiring to Gunns we received no insight into what their plans for the future were.

We as a council have tried to look to the future by focusing on our natural asset, water, and in particular surrounding Triabunna and Maria Island. In partnership with the state Department of Economic Development we applied for at least half a dozen grants related to forestry money through the prior federal government, but we had no success. Most municipalities look on residential growth as their drivers - Sorell, Kingborough, Brighton - and the associated benefits these deliver. Unfortunately GSPC does not fit this mix with only a 0.02 per cent growth over 15 years. That is pretty dramatic.

We need to change this trend and make the area an attractive lifestyle and destination to live and visit. Frustratingly, as a small rural council we have been left to drive economic development with major upgrades to the Port of Triabunna, including replacing a

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condemned wharf, increasing marina berths and adding an extra seven commercial berths, with the marina and the commercial berths expected to be completed by January.

We see the support of the commercial fishing fleet as an economic driver for the area, as well as recreational marina berths. The wharf extension will hopefully be completed in next year's budget, funds permitting. Up to 30 fishing boats work from Triabunna in season.

Council has also committed to funding and developing a residential development in Triabunna called Marina Views, which will accommodate 23 new house and land packages.

In summary, I believe we need to shut the door on the past and look to the future. I have every confidence with council's future plans and with the prospective developers who have agreed to work together on Solis, the East Coaster and the Spring Bay mill as a destination making the east coast, in particular the Triabunna-Orford area, looking very different and vibrant within five years. I urge the government to work with us to make this happen and pave the way for a very different future.

Mr JAENSCH - David, there are some timing issues here that are quite important for me. You say that in June 2011 it was announced that Aprin Logging had purchased the mill and would be reopening it et cetera. Approximately two weeks later you have written:

We heard on the ABC *Morning News* 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 is the only submission, only piece of evidence, in which I have heard it said that on the announcement it was Wood and Cameron that their intention was to make it a tourism site. Can you fill in the picture for us? I have not heard that from anywhere else.

Mr METCALF - That is basically what I heard on that news and I have recorded it. That is basically what I have heard. It was their intention to turn it into a tourism complex.

Mr JAENSCH - Then they commenced the process for an EOI for an operator for the mill and the contract we now see says that was a requirement of the process. They would go and seek an operator for the mill after having declared their intention that this be developed as a tourism site. Did that make people scratch their heads?

Mr METCALF - I don't think it did because there was a time commitment in there that they would do a tourism complex after they met the commitments of the IGA.

Mr JAENSCH - Was that clear at the time, that they were going to run it for just the period and then move into the tourism operation?

Mr METCALF - Yes, absolutely.

Ms O'CONNOR - It is not a revelation.

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CHAIR - We will let Roger ask the questions. The witness can answer the questions.

Mr JAENSCH - Following that, the EOI process was run. The result of that apparently was that no suitable proponent was found. Do you know of parties who did express interest in operating the mill?

Mr METCALF - I certainly do - Forestry Tasmania, because there is a letter on public record that states we supported a submission by Forestry Tasmania. They were planning to do laminate-type beams. In the submission they talk about using 70 per cent of the logs and only 30 per cent would end up as chips.

Mr JAENSCH - Did they receive a response to their EOI?

Mr METCALF - I am not aware of one, other than to say they were unsuccessful or it did not meet the criteria.

Mr JAENSCH - Do you have an impression of how sincere the process of an expression of interest for an operator for the mill was?

Mr METCALF - Without knowing the detail, no, I don't. My gut feeling was it probably wasn't handled appropriately.

Mr JAENSCH - On that basis, given that their stated intent at the beginning was to ultimately turn this into a tourism site, and it appears there was perhaps a poorly run or half-hearted expression-of-interest process, that really that element of operating it for a period of years wasn't something that the new owners had their heart in. Would that be the case?

Mr METCALF - I suppose that is a fair assumption.

Mr JAENSCH - How as that received in the local community?

Mr METCALF - There was that period of 18 months of total anxiety in the community and it ripped the guts out of Triabunna. There is no doubting that. From my perspective, to see outstanding rates increase by 30 and 40 per cent and dramatic effects like that, it really hurt the community, and to see the flow-on effects of that.

CHAIR - When was that, 2011 or 2012 - since the non-opening of the mill?

Mr METCALF - I don't think anybody was surprised because the mill was closed. The mill was closed and those people had gone.

CHAIR - Because the mill was closed?

Mr METCALF - Correct. The fly-in fly-out started but those mining jobs are drying up, as we all know. It is back to looking for alternatives. It dramatically effected Triabunna. There is no doubting that. I certainly feel sorry for the community and tried everything to turn that around. Having said that, I don't believe there is any future for a chip mill as such. I did an investigation when they first bought it, and it is in the submission, about looking at an alternative chip mill. The capital costs of that were \$1 million, which

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would actually produce a lot more chips. To keep running that particular mill site was uneconomical, I believe.

Mr JAENSCH - I have some more questions about that but I will let someone else have a turn.

Ms WHITE - One of the terms of reference the committee has before it is the future for the community. You spoke about three of the projects that the council is supportive of - Solice, the Spring Bay mill and the East Coaster. What involvement have you had with Graeme Wood and Spring Bay mill? They've talked a lot about involving the community and the council in the projects. Could you explain what sort of involvement council has had?

Mr METCALF - They have certainly kept us abreast of developments. I meet regularly with Graeme Wood when he is in Tasmania. I meet regularly with his general manager. As far as I'm concerned the project is going well. They are employing a few locals out there to rehabilitate the site. I believe the man is committed to delivering an end product that will be quite good for Tasmania.

Ms WHITE - They've submitted an application to the council for rezoning. That was successful, wasn't it?

Mr METCALF - That was successful, yes. He is starting to work on a DA submission now for the various elements of that rezoning.

Ms WHITE - Do you know what they might entail?

Mr METCALF - I believe they're restaurant-type things, botanical gardens, cultural activities, art facilities. The details are available on the conceptual plans that he delivered in 2012 or 2013.

Ms WHITE - There's no doubt it has been a tumultuous time for the community. There has certainly been a lot of turmoil. I heard a figure today you might be able to verify that there has been a 27 per cent increase in sales of property in the municipality. Is that right?

Mr METCALF - That would be right, yes.

Ms O'CONNOR - In what time period?

Mr METCALF - Over the last 12 to 18 months. I think people are seeing Triabunna as an investment, rather than a negative now.

Ms WHITE - Yes, which is wonderful news. I wanted to check whether that was accurate.

Mr METCALF - It's absolutely great news. But with the 0.02 per cent growth, that doesn't add to that, so we need new land, new people to sustain the town.

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Mr SHELTON - Does that come off a low base, though, because of the mill and the fact that the house prices were constricted for a period of time? Then people see now there's good value there, so we'll now go to Triabunna and invest.

Mr METCALF - Of course.

Ms WHITE - It is still trending the right way, which is good.

Mr METCALF - It is certainly trending the right way, though. You may have had a house on the market for \$150 000 and you would get \$110 000 for it. Now you will get \$150 000 for it. That's the type of difference it's making.

Ms WHITE - Could I ask for an update on the other two projects that you mentioned, the East Coaster and the Solis development?

Mr METCALF - With the East Coaster, Ross Harrison is down there developing at the moment. He has an approved subdivision. He has a lot of future plans depending on what happens with Solis. As you can imagine, that can be the commercial or residential or accommodation and tavern-type amenities that the golf club will need. I've been quite successful in getting the three developers together, and they've agreed to work together and to market together, which is hugely important for the area. They are not in opposition to each other. They are talking constantly and will work together and they will market different products to different people for the betterment of the east coast.

Ms WHITE - About Solis, obviously you were successful in securing a funding commitment from the state Government?

Mr METCALF - Correct.

Ms WHITE - And the council will put a contribution forward. Is there a contribution that has been promised from the Federal Government?

Mr METCALF - There has been no promise, but we are working on a submission to the Federal Government to get \$3 million.

Ms WHITE - Is that critical for the project to proceed?

Mr METCALF - It's critical for the project entirety to proceed, but not as such, no. We can do two-thirds of it if we have to, but we don't want to do two-thirds. For instance, we want to put the sewerage infrastructure in there for 100 per cent for the project rather than staging it.

Ms WHITE - And that, I'm assuming, will be large cost, then you can begin the residential subdivisions and development?

Mr METCALF - Correct. Part of the deal is that the first 88 lots will go in, so the first 88 residential lots will be available. That's the commitment from the developer. After that of course, depending on sales, there are up to 600 lots. It will become another mini town as such.

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Ms O'CONNOR - Will the town be called Solis? I'm assuming not.

Mr METCALF - No.

Ms O'CONNOR - I'm interested in exploring with you a little bit more about the work the council is doing with Triabunna Investments. There is a lovely montage poster as you walk into council chambers here that looks at some of the projects that Triabunna Investments is working on with council, and community capacity building. You have some cultural infrastructure there. Do you want to talk about that project?

Mr METCALF - Sure. We were likely to partner with Triabunna Investments in getting the head of Monash University School of Architecture, who happened to be the architect who did the Spring Bay mill. We have been able to get a future of Triabunna through community consultation. I believe students with UTAS and Monash were here on about four occasions. They have developed certain modules. We are waiting for the master plan of Triabunna to come back from them.

Ms O'CONNOR - When you talk about a master plan for Triabunna, it sounded really exiting. Does it link Triabunna Investments, Spring Bay development, Solis, and the East Coaster? Are we talking more about a regional master plan?

Mr METCALF - We are. We are talking about rebranding Triabunna from what it is to what it could be.

Ms O'CONNOR - What is the theme of the brand?

Mr METCALF - Town entrances, marinas, beautiful walks, gateway to Maria, with a decent ferry service - water activities, basically.

Ms O'CONNOR - You talked about making half a dozen grant applications through the prior government. That would be the forest agreement money.

Mr METCALF - Correct.

Ms O'CONNOR - Did you make any application once there had been a change of federal government? Remember that a significant proportion of the forest agreement money was withheld after the federal election until after the Tasmanian state election.

Mr METCALF - That is exactly what we are trying to work on with the Federal Government at the moment, to get that extra \$3 million using the grants we had already put in for as a basis.

Ms O'CONNOR - That would be the source for the Solis allocation?

Mr METCALF - Correct.

Ms O'CONNOR - What do you think would be the most productive and useful thing this enquiry could do for this community?

Mr METCALF - Come to a conclusion.

PUBLIC

Ms O'CONNOR - A number of people have appeared before us and they want to see the deep-water port maintained, and because they would like to see bulk commodities exported from here believe that the solution to that would be compulsory acquisition, potentially of the wharf. What are your views as general manager on that?

Mr METCALF - I don't have a view. All the engineering et cetera that I have heard of or see suggests that major investment is required there to do any of that work.

Ms O'CONNOR - That is the evidence from Tasports.

Mr METCALF - Yes. Unless there is major investment there I see very little use for it. It is all good to wind back time, but if we did we would have an easement through that property to the wharf. That was the biggest hurdle when at setting up the chip mill; I could not get to the wharf. The only way you could access it was via water. There is no access. Maybe one day cruise ships will come in there. I cannot see it as a bulk handling facility, because how do you get the goods there. That is the problem, unless you compulsorily acquire the site.

Ms O'CONNOR - Or part of the site is being proposed.

Mr METCALF - Yes, but does that mix well with what is already there?

Ms O'CONNOR - Does it mix well with the future being described through the work being done by this council and other developers for Triabunna?

Mr METCALF - I cannot see a bulk handling facility working well with the tourism complex envisaged for that site. However, there are plenty of examples throughout Australia and Tasmania where they both work well together. If I owned the site I would not like to see a big bulk handling service through it.

CHAIR - Are you speaking as general manager or is this a policy position of the council?

Mr METCALF - A bit of both.

CHAIR - Has the council had a discussion and have a policy position on the future of the wharf?

Mr METCALF - No, they do not.

Mr SHELTON - The Federal money that you talked about or the half a dozen applications. Did the council feel a bit aggrieved that there was a lot of forestry money floating around the place, and out of your applications Maria Island was the only one that received any money, and areas of Hobart received money and this area was substantially left off the map as far as that goes, considering that Triabunna was the most affected area because of this downturn.

Mr METCALF - There is only one word for that - absolutely. Very frustrated and I let people know that. You put out a thing for forestry money, and one of the towns worst affected in Tasmania gets no money. We felt frustrated.

PUBLIC

Mr SHELTON - The next line of question goes to the proposal on the site. You mentioned the cruise ships coming in. Has council seen any - I guess they have not because you are waiting for the DA to come in - business plan that relies on the wharf to make that development happen?

Mr METCALF - The original plans did have some specific marina berths in them at that site, but I am not sure they were using that existing facility. I think that was actually pulled down.

Mr SHELTON - Because there are some issues we have had through evidence that the bulk port facilities would need substantial money spent on them to upgrade to a passenger delivery facility and so on.

Mr METCALF - Correct.

Mr SHELTON - Bearing that in mind, through the other concept plans and so on that you have seen for the site, are they site specific? If they do not involve the water and the port, then could not that development go anywhere else around Triabunna and Orford? Is it site specific?

Mr METCALF - I think the site sells itself. It is a magnificent site. To a tourism person to go out on that site and look out to those views, look out to the bay and river and Maria Island, it is just magnificent.

Mr SHELTON - Are there any other places further out the bay that that could go on?

Mr METCALF - Not that I am aware of that is as easily accessible by a road like that.

Mr SHELTON - From a Triabunna point of view wouldn't it be beneficial to have both, considering there is one facility there now, and have another development? Not necessarily conflicting with each other, but to have both developments in the area.

Mr METCALF - Yes, but where is the next one coming from and who is it.

Ms O'CONNOR - Because Graeme will not be back if there is intervention that is unfair on him.

Mr METCALF - We are open to all development in this municipality. We need it, we are desperate for it. That has been one of our key focuses in the last year since the chip mill closed, to look for alternatives.

Mr SHELTON - I am not about trying to take away from any one developer coming into an area and so on, and having a specific view about what they want to do, and that is fantastic. But if it can be done in conjunction with the existing infrastructure and activities and that sort of thing, well that is building capacity. To lose one for another, then at the end of the day where is the gain?

Mr METCALF - But what are we talking about losing? Are we talking about losing the wharf or the chip mill?

PUBLIC

Mr SHELTON - We are talking about losing an export outlet for a start.

Mr METCALF - Which requires major investment to bring it up to scratch, to even have it as an export facility.

Mr SHELTON - Well, it does, particularly for passengers, but as a bulk export facility that is what it has been designed for. If a road could be continued around the bay to another bank that has the same aspect and outlook and so on, then at the end of the day you would have a bulk output area, whether it be woodchips or bauxite or whatever, and a deep-sea port and you would have another development that sits that there.

Mr METCALF - If somebody comes along and was going to put a bulk loading facility in Triabunna we would look for alternatives to that site. Absolutely. I think that site, as a tourism site, can't accommodate both.

Mr SHELTON - No, I completely understand that.

CHAIR - I thought you looked for alternative sites and you couldn't find any.

Mr METCALF - I had sites but I couldn't get the stuff onto a boat. I looked at sites to build a loading facility, which scared the hell out of me because they were just too dear. Once you start getting into conveyor belts -

CHAIR - Aren't there alternatives, deep sea, for an export facility?

Mr METCALF - Of course. It is all deep out there, from the mussel farm out is deep water.

CHAIR - Have you identified a site?

Mr METCALF - There are plenty of bays out there. I am not a scientist so I don't know the waves and flows and the rocks and all that type of stuff, or the depths, but there is plenty of deep water out there.

CHAIR - We have received a lot of evidence, particularly from the timber industry representatives, who said they desperately need an export facility in the south of the state, and the two that they throw up are Triabunna and Hobart. Are you telling this committee that there are sites in and around Triabunna available, other than the site that is there?

Mr METCALF - I believe so.

CHAIR - Where?

Mr METCALF - As I said, I am not a scientist so I can't pinpoint, but I know there is deep water out there and I know there are protected bays out there. I think they are two of the criteria that are met. For the rest of it, I wouldn't know.

CHAIR - Have you done any research in that space or looked into it in any way, shape or form?

PUBLIC

Mr METCALF - No, only when I was looking at setting up a chip mill, and that was very brief.

CHAIR - What did you discover?

Mr METCALF - I discovered the capital cost of the infrastructure was prohibitive for a small council.

Mr SHELTON - My thinking was that Mr Woods' property is there and it has a facility already attached to it. If Mr Woods is committed to a tourism venture, then if there was another bank around further that looked over it and he didn't need the water access then it would be, in my mind, better to negotiate with him to go there and to keep the facility where it is. The first question is whether his development is based upon a business case using sea access.

Ms WHITE - It is based on quite a lot more than that, I would have thought.

Mr METCALF - I see no evidence that it was based upon sea activity, although that was considered in it. His business case is based around land-based activities and to me that is a prime site for a tourism venture.

CHAIR - You did this research about the wharf and the sites towards the end of 2011?

Mr METCALF - Yes, it would have been.

CHAIR - Did you consider the merit of talking to maybe a private investor or a forest industry player who could be desperately looking for an export facility for southern Tasmania?

Mr METCALF - Sure. I had a lot of talks with Forestry Tasmania. As you know, at the time nobody had any money.

CHAIR - They were hoping that the mill would reopen. They were going through the expression-of-interest process which we now know, based on evidence, appears to be totally without credibility.

I have a letter here from you and the mayor to Bob Gordon, 19 December 2011, where you say to Forestry Tasmania that the closure of the chip mill has had devastating effects on the township of Triabunna, with many families being forced to relocate, shop and business closures and a general feeling of doom and gloom in the whole community. Is that right?

Mr METCALF - Yes. That is correct.

CHAIR - That was based on your feedback and what else? Can you describe the feedback at the time?

Mr METCALF - Shop closures, people moving away from town. We would advertise for a job and get 120 applications. That type of thing. When you live and work in a community you can certainly feel it.

PUBLIC

CHAIR - Based on the evidence we got yesterday, forestry jobs had gone from 2008 down to 2013, a 90 per cent drop in direct jobs, ending up with seven direct jobs in the forest industry in this area of Glamorgan-Spring Bay.

Mr METCALF - Correct. The road tax is another thing. Truck movements are 99.9 per cent less into our municipality, therefore we get road tax and calculations like that, so absolutely of course it makes a difference.

CHAIR - You mentioned Graeme Wood visiting and meeting with you. When he meets with you, is he acting on behalf of Triabunna Investments or Triabunna Management Proprietary Limited?

Mr METCALF - I do not ask the question. I assume it is Triabunna Investments, who have the title to the property. I am not sure what Triabunna Management is.

CHAIR - The management company apparently for managing the site, whereas Triabunna Investments owns the site apparently, based on the evidence we have. I thought I would ask you to clarify because we have received evidence from Jan Cameron's lawyers to say that he does not speak for her, does not speak for Triabunna Investments and does not speak for Triabunna Management in terms of this enquiry. Has he ever mentioned that to you?

Mr METCALF - No.

CHAIR - I want to ask you about the building and demolition work, the dismantling that was in *The Monthly* article. I presume you have reviewed it and are aware of some of that. To clarify, under the Building Act section 60, a permit is required for building work?

Mr METCALF - Yes, that is right.

CHAIR - Building work includes demolition, is that right?

Mr METCALF - Correct.

CHAIR - In section 5 of the act, the act prevails over other acts and by-laws and so on, and building has a dictionary definition meaning walls and roofs and houses. Was a permit sought and received for the demolition?

Mr METCALF - My advice is that it is not required.

CHAIR - Was a permit sought and received for the demolition?

Mr METCALF - No.

CHAIR - You mentioned that it was not required.

Mr METCALF - Correct, because they are not actually demolishing or removing any buildings.

PUBLIC

CHAIR - You just said that a permit is required for building work. Building work includes demolition, we have established that, and demolition did take place.

Mr METCALF - Correct, but you describe building works as being walls and roofs.

CHAIR - It has a dictionary definition which includes those things.

Mr METCALF - Correct. My advice from my people is that the EPA approved the demolition works and that was the only authority that had to do that.

CHAIR - Do you think under section 60 of the Building Act that a permit is required for building work and that building work includes demolition?

Mr METCALF - Correct. I do accept that but the definition of building work exempts it, I believe.

Mr JAENSCH - In the last paragraph on the first page of your submission, I would like to understand a little better so I would like you to clarify it a little bit for me. It states that 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 in site, and these were not available for use. Which land are you referring to?

Mr METCALF - There are several pieces of crown land next to the site and also on the other side of the site. I looked at both and I actually consulted with Crown Lands at the time. They said that they would be prepared to lease the property to us with that very thing in mind. I actually talked Tasports about the port. That was when I was made aware that there was no way of getting the product onto those boats.

Mr JAENSCH - Other than to use the loader which was the property of the Triabunna Investments.

Mr METCALF - Correct.

Mr JAENSCH - Which has since been disabled?

Mr METCALF - I could not answer that; I am not aware. I think the crane thing is still out there but I do not think there are any conveyer belts or anything like that.

Mr JAENSCH - You say there is a sufficient footprint of crown land which is available to lease adjacent and connected to the loader area and the wharf itself.

Mr METCALF - It is a fair distance; that was the big barrier. To get that product via conveyer onto ship was the big drawback. The conveyer belt system was the big dollar. It's a matter of distance. It's easy to say it's next to the chip mill site, but it's a long way away.

Mr JAENSCH - Then you've said 'the initial set-up costs for this type of operation, which would have provided a far better chipping and volume method than which existed at the original site'. Is that modern equipment? Is that what you're saying there?

PUBLIC

Mr METCALF - It's modern portable equipment. Those Bandit chippers are capable of doing 300 000 tonnes per annum. I believe that the chip mill was only doing 400 000. In theory, with two of those portable chippers you could do 600 000 tonnes.

Mr JAENSCH - The cost of setting that up was below \$1 million?

Mr METCALF - Correct.

Mr JAENSCH - Then you have to still deal with the issue of materials handling between the chipper and the loading facility, whatever it might be.

Mr METCALF - Correct. I see no reason why, somewhere round Tasmania, there couldn't be a chipping thing on site and then transported from site to somewhere to be loaded on a ship. I'm not sure where, but when I looked at it -

CHAIR - Triabunna?

Mr METCALF - Sure, yes, but it's only going to become a pile before it goes onto a ship.

CHAIR - Why don't you try and get hold of it?

Mr METCALF - I've tried a lot of things, rest assured.

Mr JAENSCH - You made a comment before that the cost of doing this was beyond the means of a small council like yours.

Mr METCALF - Yes.

Mr JAENSCH - So is council seriously entertaining being a developer for that?

Mr METCALF - I was working with the Chamber of Commerce at that stage; they knew about it. But it was very early days. We would have looked at partnering with Forestry or somebody if I could have done it. The biggest hurdle, as I said, and the only thing that stopped it, was the ability to get those chips from A to B.

Mr JAENSCH - There's the Aprin group out there, which we understand was ready to put \$16 million up. Is that the scale of investment you would be looking at?

Mr METCALF - Sure. That's old technology, though. That's \$16 million buying old technology. I'm not sure what the new technology -

Mr JAENSCH - I'm not trying to trick you; I'm trying to join the dots of things that you found. If you thought you could set up the chipping operation for less than \$1 million, and the land was available, and the wharf was available, provided you could move the chips for less than \$15 million, you've got a player and money. If the solution could be got for that money, it's out there.

Mr METCALF - Correct. I think the solution is out there, but it needs a bigger fish than the council to try and do it.

PUBLIC

Mr JAENSCH - You haven't gone to market the way that the others supposedly did, and sought those to look for -

Mr METCALF - You have to remember we're involved in so many things now - building marinas and wharves. It's very hard to look at an industry that has gone down, then try and rebuild it. It's extremely difficult.

Mr JAENSCH - All I'm trying to establish though is that, say there was an Aprin out there with \$16 million to get into running and operating a chipping operation that could be a better and more efficient and larger volume than the old one was, then -

Ms O'CONNOR - Where?

CHAIR - We will just hear the question and -

Ms O'CONNOR - Sorry, it's really unclear what Mr Jaensch is talking about.

CHAIR - Fair enough. Roger is asking a question; the witness is answering a question.

Mr JAENSCH - David's investigation got to a hurdle when it came to the cost and logistics of handling and transporting chips from a chipper to a ship.

Ms O'CONNOR - But were you talking about a scenario where it's built on the current Triabunna site?

Mr JAENSCH - On the crown land, Cassy, that's the thing. If a solution to moving woodchips could be bought for \$15 million, then your information, together with Aprin's resources, could make it happen on crown land, leasing crown land and Tasports port.

Mr METCALF - Of course, if the business plan stacked up.

CHAIR - David, you may not be aware but we have had many witnesses who have come to our committee and have expressed the view that there is a desperate need for an export facility in the south of the state for exporting woodchips. Are you aware of that?

Mr METCALF - I am somewhat aware of it, yes. I know that the woodchips are presently going to Bell Bay and being exported out of there at a huge cost.

CHAIR - Indeed, and not in private forest but on crown land. The point is we are trying look for a sustainable future, looking for economic development options, and other options for this region. So we are very interested in your research that you did. It is set out in your submission about looking at the options for exporting woodchips. So would you be prepared to take on board that advice, that information, that evidence that there is a desperate need for an export facility in the south of the state. Would you as general manager and on behalf of the council take that on board?

Mr METCALF - Yes, I would have to consult with council, but I do not see any reason why we would not look at an opportunity.

PUBLIC

CHAIR - Would you be willing to look for an opportunity for an export facility, in Triabunna, access to a deep seawater port, like where the wharf is, either that wharf or an alternative?

Mr METCALF - Sure. I think it is important to look for an export facility, not just for woodchips, though.

CHAIR - Yes, we have heard about a bauxite today. It has been announced there is a Campbell Town licence for that purpose, so obviously that is an option. They have expressed a view, they have put a submission into our enquiry, which is most welcome.

Mr METCALF - So Campbell Town would come to Triabunna, in theory.

CHAIR - Well they have written a submission and they have expressed interest accordingly.

Mr METCALF - I am just surprised that Campbell Town would not go to Bell Bay.

CHAIR - I might be a reasonable distance, I do not know, but they have expressed an interest. There may be other export opportunities, who knows, but it is a deep seawater port and a lot of people have very high regard for the characteristics of what you have here in Triabunna.

Mr METCALF - It is a natural asset, I do not dispute that for one minute. There is the ownership of land, and crown land, sheer cliffs and all those things that you have to take into account, but yes we do not discount anything.

CHAIR - You would take it on board, discuss it with your council, is that what you are advising us?

Mr METCALF - Yes, I would.

CHAIR - And you will.

Mr METCALF - Yes, and I will

Ms O'CONNOR - You have been asked for a lot of your opinion today, and how you feel about something. That is entirely reasonable; we have done the same with a lot of witnesses. You have quite a lot to do with, in your professional capacity, Graeme Wood and Triabunna Investments, the company that is building on site. In your view what would be the response potentially of Graeme Wood and Triabunna Investments if the government, for example, compulsorily acquired the wharf, the crown land or some part of Graeme Wood's property and plonked a chip export facility next door?

Mr METCALF - I believe in the current climate he would walk away from the development, because it would downgrade his development.

Ms O'CONNOR - You have been talking about looking at the future, and there are exciting opportunities with Solis and the East Coaster in this beautiful area. Do you think that has real risks inherent in it that the state Government needs to take very seriously before it impulsively reacts to the needs here by compulsorily acquiring property?

PUBLIC

Mr METCALF - That is why I said the one thing I would like to see is a conclusion. I think it should be brought to a head, gotten over and get on with it. Rule those things out because it is not doing anybody any favours at the moment.

Ms WHITE - You said that you urged the government to work with us to make this happen, and by 'us' I presume you mean council, speaking as the general manager?

Mr METCALF - Correct.

Ms WHITE - Could you elaborate on what you mean by 'work with us'? What sort of projects did you have in mind?

Mr METCALF - Basically get this enquiry over and done with, and draw your conclusions. The government is certainly working with us now on Solis and different other projects, and I appreciate that support. We need to look at a very different future for Triabunna. I urge the Government to come to a conclusion in this enquiry. Do not leave it up in the air. The people of Triabunna deserve that; we need to move on. There is no good in giving false hope to people that their site is going to be compulsorily acquired and there is going to be a new chip mill. I think that is dead in the water. I do not know how the council feels about that. Having a business background there is certainly no way that I would be investing capital into that site to do that type of operation again.

CHAIR - You have just said you are happy to look at options for a deep seawater port for an export facility for woodchips in the south of the state at Triabunna.

Mr METCALF - I did clarify that by saying everything, not just woodchips.

CHAIR - Indeed including wood chips.

Mr METCALF - I would like to see mussels and fish and everything, yes.

Mr JAENSCH - As a hypothetical, going back to the original original story where Triabunna Investments was announced with an intention to ultimately set up a tourism operation for an interim period. Our native forest industry in the south of the state talks to us about a future where residues are used in energy production and in a range of other new onshore value-added downstream processing. There is a future there that they are looking forward to, what they need is five to 10 years. The common need expressed in those things is that there need to be five years of doing something with residues so that we can continue to have a native forest industry here. What if there was a way of using the sort of things you have done homework on, on crown land without acquiring anybody else's property for five years to sell woodchips from this piece of land here, while other developments were proceeding on the footprint of the old mill? Is there a stomach for that?

Mr METCALF - That is exactly what I looked at. I did not look at the long-term future for woodchipping.

Mr JAENSCH - You stopped when you looked at council's capacity to carry that off?

PUBLIC

Mr METCALF - Correct, money-wise, not expertise.

Mr JAENSCH - If there was another consortium out there who at some stage in the past had been prepared to put up to \$16 million towards running something just like that, then maybe there is a deal out there.

Mr METCALF - Sure. Tasmania frustrates me when they get I-beams and things from interstate. We had a great manufacturing facility of those things in Cambridge and I do not even know what happened to do it. Surely there is a market. You see all these things coming in by boat - I-beams and beams for houses. I do not know if they are manufactured locally or not anymore, but it frustrates me. That is exactly what forestry were going to do - create beams and doors and floorboards. I still have two of the floorboards in my office I was that impressed with them.

CHAIR - With your comments on Solis and also the East Coaster, Ross Harrison and the developers there, we have had some interaction and worked very cooperatively. I appreciate your feedback in that regard. We are working very hard on those developments and particularly note your comments on Solis. We have two-thirds there and you are working on the third with Federal Government support.

Mr METCALF - Correct.

CHAIR - Thank you very much. On behalf of the committee we thank the council for the facility, the hospitality and warm environment.

THE WITNESS WITHDREW.