

Written submission to the House of Assembly Standing Committee's inquiry into the Triabunna Woodchip Mill

- The Hobart Port Corporation entered into a 5 year lease with Gunns for the use of the wharf at Triabunna. The lease commenced on 1 November 2002. The lease included options to extend the lease – 2 option periods of 5 years each.
- Tasports was formed on 1 July 2005 and the lease between Hobart Port Corporation and Gunns was transferred to Tasports.
- Gunns exercised the option to extend the lease for a further 5 years commencing on 1 November 2007.
- Gunns sold the Triabunna woodchip facility to Triabunna Investments on 15 July 2011.
- Tasports sought clarification from Triabunna Investments of several matters prior to considering whether to assign the lease from Gunns to Triabunna Investments including:
 - When and if the mill would recommence operations;
 - Who would be the operator and their financial bona fides;
 - The tenure of operations; and
 - Annual export volumes.Tasports did not receive a satisfactory response in relation to these matters.
- Tasports had concerns with the commercial terms of the lease negotiated between Hobart Port Corporation and Gunns. Under the lease the lessee was obliged to pay a minimum annual wharfage charge but only if woodchips were exported using the wharf. There was no obligation on the lessee to export a minimum volume of woodchips, or indeed to export any woodchips at all over the wharf. If no woodchips were exported then no wharfage was payable. This was of concern to Tasports as it was unable to confirm with Triabunna Investments its intended use of the facility and Tasports had a significant maintenance liability to maintain the wharf in a condition suitable for woodchip export use.
- Tasports advised its shareholder Ministers on 13 October 2011 on the status of the lease assignment and requested that:
 - (i) the shareholders acknowledge the process conducted by Tasports in considering the potential assignment of the lease has been reasonable; and
 - (ii) should the mill not recommence operations and Tasports does not receive the wharfage revenue the shareholders would consider reimbursing Tasports for the wharf maintenance costs prior to assigning the lease to Triabunna Investments.
- On 25 October 2011 the shareholder Ministers confirmed their expectations that Tasports should “*facilitate the assignment of the lease*” and the lease was assigned with effect from 9 November 2011.

- The lease expired on 1 November 2012 (the first option period) and Triabunna Investments was required to advise Tasports, in writing by no later than 1 August 2012, of its intent to exercise the option to extend the lease for a further five years.
- Triabunna Investments failed to exercise that option as required by the terms of the lease, and accordingly the lease expired on 1 November 2012.
- Tasports wrote to Triabunna Investments on 2 January 2013, 60 days after the expiry of the lease, to seek advice as to its future intentions for the site.
- Triabunna Investments' wrote to Tasports on 3 January 2013 to advise that it wished to exercise its option under the lease to extend the term for a further five years.
- Tasports advised Triabunna Investments on 9 January 2013 that it was not prepared to accept the purported exercise of the option to extend the lease, that the lease expired on 1 November 2012 and that occupation of the premises continues as a periodic tenancy, terminable on written notice by either party.
- Tasports also advised Triabunna Investments that it was prepared to negotiate a new lease on terms and conditions reflecting the market value of the site and its improvements.
- Triabunna Investments enquired on the potential sale of the wharf to them and negotiations have continued on a potential sale and if a sale was to occur the terms of sale. These negotiations have not yet concluded and there is no indication to date that a sale is acceptable to either party.
- Supporting documentation reflecting the above is set out in the attached Schedule.

Schedule to Triabunna Woodchip Mill written submission

In compliance with the Committee's Order, Tasmanian Ports Corporation Pty Limited (Tasports) produces this documentation:

1. Any documentation between the stakeholder the Minister or Ministers and Tasports or their delegates or agents of the same in respect of or directing the assignment, novation, transfer or otherwise of any lease of any Tasports infrastructure at Triabunna or in the Spring Bay area from Gunns Ltd (or their subsidiary company known as Tasmanian Pulp & Forest Holdings Ltd) to Triabunna Investments Pty Ltd.

No.	Date	Description
1.	16-19 September 2011	Emails between DIER (Norm McIlpatrick) and Tasports CFO (Geoff Duggan) [2 pages]
2.	13 October 2011	Letter from Tasports CEO (Paul Weedon) to Minister for Infrastructure (David O'Byrne) [2 pages]
3.	25 October 2011	Letter from Premier & Treasurer (Lara Giddings) & Minister of Infrastructure (David O'Byrne) to Tasports CEO (Paul Weedon) [1 page]

2. Any lease or contract document or documents between Tasports (or the Hobart Ports Corporation) and Gunns Ltd (or their subsidiary company known as Tasmanian Pulp & Forest Holdings Ltd or any other company incidental thereto) over infrastructure currently owned by Tasports at Triabunna or in the Spring Bay area.

Note:

Lawyers

Tasports = Page Seager

Gunns = Shields Heritage

Triabunna Investments = Murdoch Clarke

No.	Date	Description
4.	Undated, but term started 1 November 2002	Signed Lease Agreement of Triabunna Wharf between Hobart Ports Corporation and Gunns
5.	15 July 2011	Letter from Page Seager (Kathryn Speed) to Shields Heritage (Jacinta French) [2 pages]
6.	19 July 2011	Letter from Murdoch Clarke (Ben Swaine) to Page Seager (Kathryn Speed) [2 pages]
7.	22 July 2011	Letter from Page Seager (Kathryn Speed) to Shields Heritage (Jacinta French) [4 page]
8.	26 July 2011	Letter from Murdoch Clarke (Ben Swaine) to Page Seager (Kathryn Speed) [2 pages]

9.	3 August 2011	Letter from Page Seager (Kathryn Speed) to Shields Heritage (Jacinta French) [1 page]
10.	8 August 2011	Letter from Shields Heritage (Jacinta French) to Page Seager (Kathryn Speed) [3 pages]
11.	23 August 2011	Email from Gunns (Bryan Hayes) to Tasports COO (David Philips) [1 page]
12.	26 August 2011	Letter from Page Seager (Brett Cassidy) to Shields Heritage (Jacinta French) and Murdoch Clarke (Ben Swain) [2 pages]
13.	6 September 2011	Letter from Page Seager (Brett Cassidy) to Shields Heritage (Jacinta French) and Murdoch Clarke (Ben Swain) [1 page]
14.	19 September 2011	Letter from Page Seager (Brett Cassidy) to Shields Heritage (Jacinta French) and Murdoch Clarke (Ben Swain) [1 page]
15.	6 October 2011	Letter from Page Seager (Brett Cassidy) to Shields Heritage (Jacinta French) and Murdoch Clarke (Ben Swain) [1 page]
16.	15 November 2011	Letter from Page Seager (Brett Cassidy) to Tasports COO (David Phillips) enclosing Assignment of Lease between Tasports, Gunns and Triabunna Investments dated 14 November 2011 [9 pages]

3. Any lease or contract document or documents between Tasports and Triabunna Investments Pty Ltd (or company related thereto) over infrastructure currently owned by Tasports at Triabunna or in the Spring Bay area.

Tasports has only entered into the Assignment of Lease dated 14 November 2011 with Triabunna Investments Pty Ltd and this is noted in section 2, document number 17 above (bolded).

17.	2 January 2013	Letter from Tasports Legal Counsel (Ailsa Sypkes) to Triabunna Investments Pty Ltd for the attention of Mr A Marr [1 page]
18.	3 January 2013	Letter from Murdoch Clarke (Ben Swain) to Tasports Legal Counsel (Ailsa Sypkes) [1 page]
19.	9 January 2013	Letter from Tasports Legal Counsel (Ailsa Sypkes) to Murdoch Clarke (Ben Swain) [1 page]
20.	18 January 2013	Letter from Murdoch Clarke (Ben Swain) to Tasports Legal Counsel (Ailsa Sypkes) [1 page]

4. Any documents related to the formation of the leases noted above in paragraphs 2 & 3.

Please note that the requested documents have been included in (2) and (3) above.

5. Any correspondence or other documents between Tasports and the following persons in respect of the Triabunna woodchip mill:
- Gunns Ltd or their subsidiaries
 - Triabunna Investments Pty Ltd
 - Mr Gregory Phillip L'Estrange
 - Mr Graeme Wood AM
 - Ms Janet Heather "Jan" Cameron
 - Mr Alexander "Alec" Marr

Please note that Tasports has no correspondence or documents with Ms Janet Heather "Jan" Cameron.

No.	Date	Description
21.	27 April 2012	Letter from Tasports Property Development Officer (Sean McArdle) to Triabunna Investments (A Marr) [1 page]
22.	25 January 2013	Letter from Tasports Legal Counsel (Ailsa Sypkes) to Murdoch Clarke (Ben Swain) [1 page]
23.	24 October 2013	Email from Tasports Electrical Safety Manager (Justin Clements) to Tasports General Manager of Infrastructure & Maintenance (Philip Cooke) [1 page]
24.	6-8 November 2013	Emails between from Tasports COO (Craig Heron) and Graeme Wood [2 pages]
25.	18 November 2013	Document titled: "Triabunna Wharf Lease", Scrutiny Committee, Minister for Infrastructure [2 pages]
26.	15 April 2014	Letter from Tasports COO (Craig Heron) to Murdoch Clarke (Ben Swain) [2 pages]
27.	17 April 2014	Question Time Brief, Minister for Infrastructure "Triabunna Wharf Lease" [2 pages]
28.	1-6 June 2014	Emails between Graeme Wood and Tasports General Manager of Commercial & Trade (Kevin Moore) emailing letter dated 2 June 2014 [2 pages]
29.	2 June 2014	Letter from Tasports General Manager of Commercial & Trade (Kevin Moore) to Graeme Wood [3 pages]
30.	3-14 July 2014	Emails between Graeme Wood and Tasports General Manager of Commercial & Trade (Kevin Moore) [2 pages]. Tasports forwarded two (2) wharf condition reports to Graeme Wood - as noted below.
		(1) ASD Contractors report dated 6 July 2011 [19 pages]
		(2) Tasports Spring Bay Wharf Report dated July 2011 [12 pages]
31.	24-25 July 2014	Emails between Graeme Wood and Tasports General Manager of Commercial & Trade (Kevin Moore) - forwarding email from Hazell Bros (Jesse Brunskill) dated 24 July 2014 re demolition of the Triabunna Ship Loader [4 pages]
32.	24 July 2014	Letter from Tasports General Manager of Infrastructure & Maintenance (Phil Cooke) to Hazell Bros (Jesse Brunskill) [2 pages]
33.	1 August 2014	Email from Graeme Wood to Tasports General Manager of Commercial & Trade (Kevin Moore) [1 page]

6. Any other documents relevant to the terms of reference of the inquiry advertised in The Mercury on Saturday 19 July 2014

Tasports has complied with the Committee Order by taking into consideration the Terms of Reference when providing the above documentation.

34.	3 November 2011	Email from Tasports Board Director (Barry Berwick) to Tasports CFO (Geoff Duggan) enclosing a letter from Orford Triabunna Chamber of Commerce dated 25 October 2011 [2 pages]
35.	11 December 2011	Estimates Committee Minutes "Uncorrected Proof Issue" [4 pages]