

PUBLIC

THE HOUSE OF ASSEMBLY STANDING COMMITTEE ON COMMUNITY DEVELOPMENT MET IN COMMITTEE ROOM 3, PARLIAMENT HOUSE, HOBART, ON TUESDAY 25 NOVEMBER 2014.

TRIABUNNA WOODCHIP MILL AND FUTURE DEVELOPMENT

Mr GRAEME WOOD WAS CALLED AND EXAMINED VIA TELEPHONE LINK

CHAIR (Mr Barnett) - Good afternoon, this is Guy Barnett here from the Tasmanian Parliament. I am here with my colleagues, Mark Shelton, Deputy Chair; Roger Jaensch, Cassy O'Connor and Rebecca White, together with our Secretary, Stephanie Hesford. We appreciate the opportunity to meet with you today.

Mr WOOD - Thank you.

CHAIR - Just before you begin giving evidence, I would like to ask whether you received and read the guide sent to you by the committee secretary.

Mr WOOD - I believe I did. Correct me if I am wrong. Because I am doing this by phone I am not under oath? Is that correct?

CHAIR - That is correct for interstate witnesses. We are encouraging the truth in every respect but you are not under oath. That is correct. I have some procedural matters to share with you if I could.

Mr WOOD - Certainly.

CHAIR - If we can go through that. A committee hearing is a proceeding in the Parliament. This means it receives the protection of parliamentary privilege. However, it should be noted that as you are giving evidence from outside Tasmania that parliamentary privilege is unlikely to apply to your evidence and you may not be protected from legal actions pursued outside Tasmania, so it is important to be aware that protection may not be accorded to you if statements are defamatory. Also note this is a public hearing - members of the public and journalists are present today and this means that 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. Can I stress that point. We are aware that there is litigation so please, if that is a matter you feel concerned about, you simply raise it and then we can deal with it as a committee.

To begin, I would like to welcome you to make an opening statement. We obviously wish you were here in person and I assure you are not being ignored and our position has been made clear in our interim report. We welcome your proposed \$50 million tourism development.

Ms O'CONNOR - Belatedly.

COMMUNITY DEVELOPMENT, HOBART 25/11/14 – TRIABUNNA WOODCHIP MILL (WOOD)

PUBLIC

CHAIR - We are concerned for its prospects in light of the litigation between you and Ms Cameron. Perhaps if you could make some opening remarks and then we will move to questions.

Mr WOOD - I have been an investor in Tasmania for almost a decade now and I have done that because I believe in the place. I have invested in rural and residential property. I have also worked very closely with UTAS. I donated \$2 million to the Menzies Research Institute to help get that off the ground or to extend it. My arts education company, Artology, has been running projects in Tasmania for several years. Those projects are accredited with UTAS and that investment, just in Tasmania, represents in excess of half a million dollars.

My environmental education company, Wild Mob, also runs projects accredited by the University of Tasmania in Tasmania and that represents something in excess of \$200 000. I supported the Falls Festival a couple of years back when the Labor government pulled out, to the tune of \$70 000 and I was a founding financial supporter of Hobart Baroque, which unfortunately has ceased, to an amount of around \$200 000, so I am not unused to investing in Tasmania.

Given that background, I find this inquiry rather disappointing. It seems to have been started to trawl over some old ground, can I say, that being political conspiracy theories about the purchase of the Gunns Mill. All of that was handled in quite some detail in the Senate inquiry in November 2011. That committee, when it reported, unanimously rejected all the allegations and that was a Coalition dominated committee.

I am happy to support the process you are going through, even though I think it is a political witch-hunt. Some of the unfortunate results of that - I believe it has politicised investment in Tasmania and whether it was meant to do this or not, it has also done some damage to my business reputation, not just in Tasmania, but even more broadly than that.

That is the general opening position from my point of view. So please go ahead and ask me what you would like to ask. I hope we can talk about some of the positive things coming out of this.

CHAIR - Perhaps we could start with the \$50 million tourist development proposal, Mr Wood. You previously advised there would be a development application in January but we are obviously aware that work on the site has ceased and that is on the public record. I presume it is based on undertakings you have given to Ms Cameron. So when did work on the site cease? For how long will it cease and what are the prospects for a \$50 million tourist development on your site?

Mr WOOD - Well the prospects are still good, certainly from my point of view. There was a sudden change of attitude from my fellow investor in terms of supporting a development. I found that untenable and took legal action, or initiated legal action, to see if it could be resolved. That is in front of the courts at the moment, plus other action that she then responded with to force me to stop any work. Work ceased a couple of weeks ago. Not all work has ceased. The rehabilitation phase was in full swing and getting close to completion. We have a pile of woodchips that has been taken off the original woodchip pile and put on the tarmac, and it represents a significant fire risk. We are right now

PUBLIC

moving that into a more orderly and less dangerous form on one of the neighbour's paddocks, to look after that problem.

The work on the development application has been put on hold until all of this is resolved, all though we are a fair way down the track with that and it will not be hard to pick that up and continue with it.

CHAIR - You say there was a sudden change of attitude from your co-partner. When was that?

Mr WOOD - Last year sometime, bit by bit. I can't say exactly, and I am not at liberty to discuss this in any real detail, if you don't mind.

CHAIR - No, we understand. You have been publicly proposing a \$50 million development, or at least a very significant development for a long period of time. It's just hard to understand how you have continued to promote the proposed tourism development without the authority, consent and support of your 50 per cent co-partner.

Mr WOOD - I have been driving the whole thing myself all the while. She apparently was happy sitting back and enjoying the fruits of my labour. But I cannot really say much more than that.

CHAIR - We have received a letter on the public record from lawyers for Jan Cameron, dated 12 August, which says that you weren't authorised to act for Triabunna Investments, Triabunna Management.

Mr WOOD - Can I just say there are many outrageous claims coming from lawyers everywhere. I would take them all with a grain of salt. It's all positioning and gaming the system. I wouldn't believe anything in particular, if I were you.

CHAIR - We are trying to get to the bottom of things with respect to the matters before us as a committee. In terms of the duration, it has been at least all of this year in terms of the dispute and the lack of authority.

Mr WOOD - I don't think focusing on this dispute is going to go anywhere, and I would prefer not to answer any more questions about it, thank you.

Ms O'CONNOR - Mr Wood, can I ask a question? You've worked in many business environments over many years - have you ever experienced anything like this level of political interest and interference in your private business affairs?

Mr WOOD - No, never. It's unique and it's not conducive to building confidence, either from my point of view, or, I imagine, for other investors sitting on the sidelines wondering if they should or shouldn't invest in Tasmania. No, it's never happened to me before.

Ms O'CONNOR - Has it ever happened to any other serious business person or investor who you associate with or know?

Mr WOOD - I can't answer that on behalf of other people. I make investments all the time. I usually have a portfolio of 10 or 12 and this is the first one that seems to have excited the

PUBLIC

interest of politicians for some obscure reason. It's not productive from anyone's point of view. It just adds friction to the whole thing. It adds cost and delay and would give one the ideal excuse to say, 'I will go invest somewhere where you don't have to put up with this nonsense'.

Ms O'CONNOR - Have you felt like that at any point?

CHAIR - Excuse me, Mr Wood, we will just clarify that all questions will come through the chair. Cassy, you have another question?

Ms O'CONNOR - Thank you, Chair. I'm wondering, Mr Wood, if you felt like that at any point, or if you really believe in this project and you're hanging in there because you believe that you can give something to Triabunna, the east coast and Tasmania.

Mr WOOD - Yes, I do believe in this project. In any investment there is always a range of factors that one takes into account - the sort of return one might expect over what time frame, what the risks are, what the industry is, is it at the beginning or end of a cycle? There are many factors to take into account when making an investment. But to get back to your original question, this is a first for me - factoring political favour or disfavour into the equation.

CHAIR - Thank you.

Mr JAENSCH - Mr Wood, it's Roger Jaensch speaking. Thanks for being with us today. My question first is - why did Triabunna Investments buy the Triabunna woodchip mill?

Mr WOOD - Why did Triabunna Investments buy the Triabunna woodchip mill? You would have to ask Jan Cameron her reason. My reason, and I thought we agreed at the time, was it was sitting on a magnificent piece of property on the east coast of Tasmania where, ultimately, I saw a great future for tourism. While there were conditions around the sale agreement that committed us to keep it in operational order, to go through an expression of interest process to find an operator, if and when those two things were completed, or if the mill had sat idle for two years, we were obliged under the EPN to go into decommissioning phase. I saw it as a great long-term investment is the main answer to your question.

CHAIR - In terms of the expression of interest process that you referred to then, we have received conflicting evidence regarding how or if that was formally conducted. In your submission you refer to the development of tender documents. Elsewhere you and others have reported that the process was conducted and no suitable bids were received. We have heard from people who were interested who made expressions of interest but received no tender documents in return. In your submission you refer to the fact that there was a frustrating situation with regard to transfer of the port lease which made the tender process redundant. Was there a tender process? Was there a tender document released to interested parties?

Mr WOOD - There was certainly a tender document. I saw the tender document and I saw the list of names that it went to.

PUBLIC

CHAIR- How do you account for the people who have told us that they expressed interest telling us that they never received anything after submitting their expression of interest to you?

Mr WOOD - I can't answer that. Alec Marr was in control of that process and he would be able to answer your question perhaps.

CHAIR - Would you be prepared to share with us the list of names of people that the tender documents were supposedly sent to?

Mr WOOD - Supposedly sent to?

CHAIR - Because you can't confirm that they were.

Mr WOOD - Are you suggesting they weren't sent?

CHAIR - They appear not to have been received.

Mr WOOD - Are you suggesting they weren't sent?

CHAIR - Mr Wood, do you have the list of names the tender documents were sent to?

Mr WOOD - No, I don't. Not in front of me.

CHAIR - Can you provide that to the committee please?

Mr WOOD - I will do my best.

CHAIR - Page 9 of your submission says:

This Triabunna Standard, the tender document, was then disseminated amongst interested parties. Unfortunately, no acceptable sources of wood at sufficient volumes were found. The tender process remained open for a year and yet still no economically viable process proposal was put forward.

That was set out in your submission. We are passing on to you that all the evidence we have received to date with over six separate witnesses say they never received the tender documents.

Mr JAENSCH - I refer also to page 6 of Mr Wood's submission that makes reference to:

Tasports refused to transfer the port lease to Triabunna Investments. Exporting woodchips from the mill would be impossible without such a lease and therefore a call for tenders became a redundant process.

The suggestion there is that the process was aborted rather than having run its course and failed to produce a suitable proponent. Can you clarify that for us because it seems to be conflicting?

PUBLIC

Mr WOOD - No, I can't because I do not recall the detail. I do recall that there were complications or delays in getting the lease sorted out with Tasports but the detail escapes me now.

Ms WHITE - Mr Wood, I am curious to understand why you would choose to invest in Tasmania. As a proud Tasmanian I could of course understand why anybody would want to spend time here, but are there any particular driving reasons for you to invest your money in Tasmania? What do you see about Tasmania that excites you?

Mr WOOD - I see a terrific future for tourism and specialty agriculture, specialty wines. The clean, green image of Tasmania I don't think has been exploited from a marketing point of view as much as it could have been. It has a lot going for it, it's a beautiful place to go to. It has a magic about it that certainly gets me going back there.

Ms WHITE - I represent the electorate of Lyons, which includes the town of Triabunna. I was wondering if you could elaborate for the committee on the work that you have done in Triabunna with the community. I think initially there was concern that with your proposal, smaller businesses in the town would miss out on opportunities that might arise. I understand you've worked with the Chamber of Commerce. Can you give a perspective to the committee from your point of view and the work that you've done in the community about how you're trying to grow opportunities for the whole region, not just for your own enterprise?

Mr WOOD - Triabunna is the mid-point on the east coast, and the east coast is a fabulous tourism opportunity. The Great Eastern Drive, or whatever it has been dubbed, which is the bitumen bit that goes, I think, from St Helens to Orford, is a good example, but if that were continued through to Port Arthur, then that is indeed a terrific drive, like the Great Ocean Road in Victoria, which has been a very successful tourism magnet. One of the things we have always planned to put on the Spring Bay Mill site, apart from an extensive botanical garden, just to make it a very attractive place, is a culinary school with lots of produce grown on site. That's a business model that has been well proven to work. But going wider to incorporate east coast wineries, anybody who is producing good quality agricultural product as well as something like Spring Bay Mussels next door to us, and seafood supply from the east coast. When you put all that together it's difficult to come up with any other region in Australia that will compete successfully with that.

The quality of Tasmanian wine, the quality of Tasmanian food, and given the clean, green style, the wholesome organic style produce that comes there, I think will attract premium prices. The tourists who go there will pay premium prices to enjoy those things.

That's just on that business point of view. The other things we've done in Triabunna are: we have run a number of arts events; we have consulted widely with the local community and the council; we engaged the architect who was doing the preliminary design for the mill, Ross Brewin. We paid for him to work with the council to revitalise the village itself, and to focus the visitors' attention on some really interesting history there. We have also done the same thing with the Weedings' property next door, which is a 10 000-acre sheep farm. It has some fascinating history and we're very keen to promote farm stays, things like visits to the shearing shed when they are shearing the sheep.

PUBLIC

There are lots of little businesses there that are already enjoying an uplift. Visitation to the east coast is up 20 per cent from memory, year on year.

The East Coast Tourism Organisation - although they only have a small budget, they have a lot of energy. I have had several discussions with people from that organisation, including the major tourism operators, up and down the east coast. My proposition to them is - you cannot rely on government backing to do these things. The major operators should put some money on the table and put together a campaign for the whole east coast, that runs sympathetically with Tourism Tasmania projects and really brings attention to that part of the world.

Maria Island is a sleeping giant, in my opinion. It has the mystique of Ayers Rock to me. You do even have to visit it, if you just stand on the land at Spring Bay Mill and look at it, it has the same aura, the same appeal that Ayers Rock does when it first comes above the horizon.

There are many business opportunities for those who want to go and engage in them. Another thing - I have instructed the project manager appointed to Spring Bay Mill to make sure that tenders, when they are let in the construction phase, will include many small tenders that will be suitable - that will be of a scale - that east coast tradesmen and small businesses can compete for them and hopefully win. We really do want the locals involved in this and the general response we have had so far has been extremely positive. Of course there are some people who will hang out and disagree with what we do, but that is natural.

Ms WHITE - That is a good overview, thank you, Mr Wood. I just have one final question and it goes to negotiations with Tasports about the future of the wharf there. We have received some evidence that you entered into negotiations for the purchase of the wharf. I was just wondering if there are any further developments you can share with the committee about how that might be progressing.

Mr WOOD - Yes, I did enter into negotiations with them. Then the start of this inquiry, again politicised that process - the sale of the wharf. I am still unaware if it is for sale or not for sale. There is an expression of interest document that will be produced if it is decided it is for sale. That is all I know at this stage. Apart from the fact that it is in pretty poor shape.

Ms WHITE - Okay.

Mr SHELTON - Mark Shelton here, Mr Wood, how are you?

Mr WOOD - Good, thank you.

Mr SHELTON - Sticking with the issue of the wharf, as I recall, your original vision when you first started talking about the purchase of the Triabunna Mill site included cruise ships and so on coming. Is that still part of the vision? As I understand it, the vision has changed and morphed over time.

Mr WOOD - That is very true. Pulling a cruise ship up against that wharf was more a fantasy than a vision. Once I understood the state of it, that would be one quick way to demolish the wharf. It is simply not suitable for handling that kind of thing. That does not stop a

PUBLIC

cruise ship anchoring in the bay, as they do in Coles Bay, and ferrying people either from Coles Bay or from Spring Bay to somewhere where they can disembark and enjoy whatever is going on at the mill and in the surrounding area. Having coaches available to whisk them off for a trip to Port Arthur or the vineyards is perfectly feasible. The original sketches we did also looked at having a marina developed in the area, as an extension of the wharf on the northern side. Now having spoken to people in the marina business and locals, it is probably a little unprotected there for a serious marina. Fine for day visits but a real marina needs to be further up in the bay where the water is a bit shallower and more protected. It is still an idea that needs further investigation and there is always an engineering solution to these things. It is a question of how much it would cost to build the handling gear that would be needed.

Mr SHELTON - What is on the cards now if cruise ships pulled up in the bay? I am going to the fact that the deep water port there is essential for getting large ships in and it is an advantage to whoever is there. You own the site now, of course, but that site originally was a wood chip mill. Is your development site specific? The east coast is a very beautiful place and there are many other opportunities along the east coast that could have suited your development. That site in particular is a deep water port. If cruise ships were coming into the jetty I can see it being an advantage. If they are not coming in, there are other opportunities, I would assume.

Mr WOOD - I have spoken to people in Tasports and other people involved in the marine industry about the idea of super yachts using the wharf and that could work during the Sydney to Hobart race - during the summer period. This year there are about seven super maxi yachts in the race and there are probably 20 boats between 70 and 100 feet. Most of those, when they leave Hobart, turn left and shoot through but some - and this would take some organising, of course - might be convinced to stop over in Spring Bay on the way back inside Maria Island. That could become quite a festive event for that time of year.

That would be an example of using the wharf. The other problem is that the wharf was built specifically for large vessels to carry wood chips so there is no infrastructure for containers. I was advised to not even drive a bus on the stem of the wharf because it might fall in. The wharf is problematic. I think it is 40 something years old, and it was built to last 15 years. The engineering report, which is on Tasport's website, clearly shows the problems that it has. Yes, it is a deep water port, you would have to spend a lot - basically it is a knock down and start again job.

CHAIR - I wanted to ask you about Alec Marr and I wanted to clarify if you appointed him as general manager for the Triabunna Mill site?

Mr WOOD - Jan Cameron and I agreed he should get the job, yes.

CHAIR - Did he assist you in the purchase of the site from Gunns?

Mr WOOD - I was bush walking in the middle of Western Australia when all this happened and I had very brief satellite telecommunications going on. Yes, he was involved in the negotiations. I believe Jan Cameron was in Tasmania at the time, and was much more involved than I was, physically.

PUBLIC

CHAIR - Alec Marr, was he the middle man to put you in touch with Greg L'Estrange and Gunns?

Mr WOOD -I never spoke to Greg l'Estrange about it until after the thing was signed, as I recall. I didn't even meet Jan Cameron until after it was signed, so somebody must have been the middle man, and it would have been him.

CHAIR - You've had an ongoing relationship with him since then until recently, or do you still have contact with him?

Mr WOOD - I haven't had much contact with him since a certain journalist wrote a certain piece in a certain magazine. He was rather upset about that and he thought I was responsible for trashing his reputation, which I wasn't. We don't communicate unless we really have to, and there hasn't been any real need to for quite some time now.

CHAIR - Everyone knows he has been in the environmental movement for decades, and he is a long time antagonist with the forest industry in Tasmania. It's probably not a surprise that people were concerned that he became the general manager of the Triabunna Mill site, appointed by you and Ms Cameron. Their prospects for the reopening of the mill suddenly diminished. Can you understand that?

Mr WOOD - I can understand someone putting that argument forward. On the other hand, Alec had a great deal of knowledge about forestry and the woodchip industry, not just in Tasmania, but globally. I would suggest he knew more about the industry than a lot of people in the industry. He had made a study of it - it's what he did. He is a very practical sort of bloke. We insisted that any successful expression of interest would have to use non-contentious sources and be not subject to government subsidy, but give us a return on our investment. It would have been very difficult to pull the wool over his eyes with a solution that didn't stack up to the guidelines we gave him.

CHAIR - Mr Wood, the *Monthly* article you've referred to was quite extensive, written by John van Tiggelen and published in July 2014. It stimulated, at least in part, the inquiry for which we're sitting today. I have four quotes from that. I want to read them to you, then seek your response. This is quoting Alec Marr. As you know, he was quoted extensively. He says:

'We were buying the port more so than the mill itself', said Marr. 'It was a bull's eye: we totally fucked them'.

Then from the environmentalist, Sean Cadman. He says:

Taking out Triabunna was the strategic triumph of the environment movement of the last five years.

Then from the article I read:

Although Wood and Cameron had initially said they 'hoped' to reopen the mill, in keeping with the forestry agreement, Marr admitted this was never on the cards. Bids by various parties, including the government's Forestry Tasmania, to lease the site were rebuffed.

PUBLIC

Then from the article - this is during the time of the demolition on Australian Rules grand final day:

To be safe Wood had a PR team on the case. A press release announcing the commencement of 'rehabilitation work' went out the next day -

Final quote - this is from you, according to the article:

'This was Alec's thing', said Graeme Wood. 'He just wanted to fuck the industry over, he didn't give a toss about what would happen to the site afterwards. He is a campaigner and will always be a campaigner.'

Mr WOOD - Okay, let me handle the last one first. He didn't give a toss about our plans to turn it into a tourist development. It's pretty clear where that one came from. That's my quote. He was always a bit of a firebrand. All the other quotes are attributed to him, and you would have to ask him about them, or ask the journalist and get to the bottom of whether he really said that, or did not say that. I wasn't there, I don't know.

CHAIR - Just quickly, did you ever plan to re-open the mill for timber purposes?

Mr WOOD - We kept the mill in operational condition, at quite an expense, for two years. That was what we agreed to do in the purchase agreement and we did it. If we had no intention to open the mill, we wouldn't have wasted all that money on it, and some significant money went into it. It is a complex operation. All of the spare parts and machinery are custom-made for that site. There was a large inventory of spare parts there. There were all the environmental issues to look at. If we really wanted to close it down we would have done it early on. We did not do that. In the spirit of supporting the forest peace talks at the time, we kept it in operational conditional in case a suitable tenderer came along, who could satisfy us that they would do the right thing and we could get a return. We were more than happy to do that for a period of time.

CHAIR - Okay, thank you.

Mr WOOD - To make sure that the industry did not just stop overnight. No one wanted to see that. I was taking a long view here - that there needed to be a transition. I was happy to work through a transition period but it wasn't to be, so the transition happened more suddenly than most people would have wanted. It didn't change my long-term view that ultimately the east coast would be better served with a vibrant tourism industry.

CHAIR - Thank you.

Mr JAENSCH - Mr Wood, in the last few minutes you have talked to us about how you and Ms Cameron were partners in a \$10 million investment, but you hadn't met and you did not meet the vendor and you weren't involved in the negotiations. You employed an environmentalist to run a woodchip mill, who did not give a toss about your plans for the property in the future. As a result of that process, there has been a loss of industry access to, and control of, a very strategic piece of infrastructure, which has now been disabled and partially removed, and there has been a loss of access to a deep water port.

PUBLIC

There has been a lot of opportunity cost in this for the Triabunna community and for the state, and the Government has gone to considerable lengths over the last few months to assess options for future outlets for export forest residues now that Triabunna is no longer operational. Everyone is quite excited about the things you have talked about, but what guarantees can you give Triabunna and Tasmania that at the end of all this they are not going to end up with nothing?

Mr WOOD - I don't give guarantees. I rest on my business record. A very large percentage of every business that I go into works, and works well. There are no guarantees in business life. There are no guarantees in the legal process. There is an element of risk in everything. There was an element of risk in the forestry industry.

People denied the reality of the price of woodchips in Asian markets. They denied the reality of competition developing rapidly in South America, and in Vietnam. If there is any denialism going on, it can be shared around pretty widely.

The opportunity cost of keeping it open as a woodchip facility is the real revenue that would come in from a vibrant tourism industry. They are opportunity costs both ways. In the fullness of time I am more than convinced that the trajectory tourism is on will certainly surpass the employment opportunities that any size of woodchip operation would have provided, and tourism doesn't need subsidies to keep it going.

Mr JAENSCH - I understand that. I think that we're all nodding and speaking the same language when it comes to the tourism potential of Tasmania and that area. The sorts of vision you have talked about are common concepts that we're all aiming for, I think, in the long term. However, for this inquiry it is the circumstances which I have just read back to you, and the situation that we have got to in the last few months, where you've been in the press and in other formats, very concerned that there is a \$50 million investment in Triabunna that would be denied if the Government did or didn't take certain actions, et cetera. We've tried to clear the way for that, and yet, now, again it looks like you're not able to deliver that. There is -

Ms O'CONNOR - No, you haven't. With respect, no, you haven't tried to clear the way for that at all. You've tried to obstruct at every turn.

Mr WOOD - Hang on. Can I interrupt there? I didn't say I'm not able to deliver it. You asked me can I guarantee. No, I cannot guarantee. I can never guarantee anything in business. I never guarantee anything because there is no 100 per cent certainty in anything. The balance of probability is on my side here, that's what I believe. I'm not going to mislead anyone by saying, 'Sure, it will happen. Don't worry, we will all be fine.' No-one could say that.

Mr JAENSCH - But you were able to say that unless we ruled out compulsory acquisition, that a \$50 million project would not go ahead. Were you in a position to bring that project on?

Mr WOOD - Sorry, I missed part of that.

Mr JAENSCH - Were you in a position to make the \$50 million project that you've talked about happen? Are you?

PUBLIC

Mr WOOD - Right now I'm not because of this legal problem that I'm working my way through. It's only a legal problem and I'm sure it will be sorted out. If you're asking for absolute certainty, right now I cannot give it to you.

Mr JAENSCH - We've heard from people in the tourism industry and Triabunna, and we've looked through the evidence and the submissions that you've made. Your vision and picture that you paint and the big ideas are very attractive. We hope you can. I speak for myself and my colleagues, the Government members of the committee. We want to support that, want it to happen. We note the history of this situation and the sequence of events. That is what we are looking into.

I think that where you've talked about government frustrating or politicising, et cetera, you have to admit that the history of this one is fascinating, that it hasn't been clear, that the motivations, the players involved, the sequence of events has been quite remarkable. We believe that it has been in the interests of the local community and the Tasmanian economy and all those who stand to gain or lose from this to know exactly what happened.

Ms O'CONNOR - Is this a speech or a question, Mr Jaensch?

Hi, Graeme. I'm interested in going back to your take on the reason perhaps that some of the forestry interests that came to Triabunna Investments in that time when the mill was kept open were not successful in securing the use of the facility. Do you have any insights you want to share about the content of any expressions of interest, or the quality of the proposals, or whether the companies or the collectives that were coming forward were going to do forestry any differently than the way it had been done in the past?

Mr WOOD - No, I can't comment on that because I wasn't privy to that information. I'm sorry, but Alec Marr was running that process. I don't micro-manage people. I don't have the time. He was given the responsibility. I'm happy that he carried that responsibility out.

Ms O'CONNOR - I think there is some confusion here over a tender document and the Triabunna Standard, which I understand was distributed to potentially interested parties. Do you regard the Triabunna Standard as the tender document?

Mr WOOD - I think our requirements were spelled out in the tender document.

Ms O'CONNOR - Which was the Triabunna Standard.

CHAIR - Which nobody received according to the evidence we have received, Mr Wood, that is the problem.

Ms O'CONNOR - I don't know if they said they didn't received the requirements that were set out by Triabunna Investments, which is the Triabunna Standard.

CHAIR - They never received the tender documents; that is on the public record.

Ms O'CONNOR - Mr Wood, you said in your opening statement that the process and potentially this inquiry, as I understand it, has done some damage to your business reputation. Do you want to elaborate on that?

PUBLIC

Mr WOOD - I think there have been some silly things said in the press. With any business investment that attracts interest for the wrong reasons, people think there must be something going on here - where there is smoke maybe there is fire. It has damaged this project to the extent that any fellow investors coming in to invest in a particular part of the project, say the culinary school, I think would be looking for perhaps more complete, more detailed proposals and understanding about what is going on.

Somebody before pointed out that I became involved in this over the phone by not meeting any of the main players. Yes, I did but I do that from time to time. It is not the way everyone does business but I had a hunch this was a good thing to do. The standard for obtaining new investors I think has probably gone up a few notches, which is not a bad thing but it all adds to cost. If you have to document things to the nth degree it takes more time, more effort.

CHAIR - Mr Wood, may I interrupt? Cassy has a final question and we are a bit tight on time. We have a couple of final questions so if you can be brief that would be terrific.

Ms O'CONNOR - Mr Wood, you may not welcome this sort of support or inquiry but have you had any contact from the previous government Department of Economic Development which is now known as State Growth, from Tourism Tasmania or any arm of government offering support or any other kind of advice, as happens from time to time with development proposals in Tasmania?

Mr WOOD - No. It has been a bit short. There has been none officially and that's fine. I didn't go into this looking for government support. I think any project like this should stand on its own two feet financially. I have had side discussions with people from - is it State Development?

Ms O'CONNOR - State Growth now.

Mr WOOD - State Growth. I had one interesting discussion with somebody whose name escapes me now about WiFi access up and down the east coast because that seems to be an important thing for tourists running around using modern mobile devices.

CHAIR - Mr Wood, have you received a letter from the Premier offering -

Mr WOOD - Yes, I did receive a letter from the Premier and I haven't responded to that because I didn't want to waste his time until I saw some clarity around this legal process. There is no use speculating on what may or may not happen. I appreciate his invitation, and I am very keen to take it up but I want to be in a position where I know more accurately the timing of what is going to happen and when. At the moment all that is up in the air.

Mr SHELTON - Mr Wood, as far as the funding, you have mentioned it is a \$50 million project, and I know there are issues around the certainty because of the court case, how do you see it being funded? Are you after other third-party investors to come in or are you going down the track of 'build it and they will come'? Are you taking on the expense of the \$50 million?

PUBLIC

Mr WOOD - First of all, \$50 million is a pretty round number and I am not sure who came up with that. It would be the result of stages 1, 2, 3 and 4 all added up and thrown to a quantity surveyor, I think that's where that came up. It's a very staged approach.

CHAIR - So you don't back the number? Do you back the number, \$50 million?

Ms O'CONNOR - He is trying to explain the number.

Mr WOOD - Do I what?

CHAIR - Do you support the \$50 million figure?

Mr WOOD - Well, yes. You have to take into account inflation and everything. Stage 1, stage 2, stage 3, stage 4 would be over a number of years. You asked me do I build it and they will come? I'm very happy to get stage 1 going with my own financing and prove that the concept will work. Then it's a much easier way to attract other financial partners, where they can see the foundation of a project like this is working well. Hopefully they will be queued up at the door by then. I will certainly underwrite stage 1 or 2 myself and prove that there are great investment opportunities there arising from that.

Mr SHELTON - Therefore, as far as the development application and the timelines, I was of the understanding that was going to be due some time at the end of January or February, with the rest of this detail. How much do you predict that stage 1 or 2 will cost you?

Mr WOOD - We haven't got a final number, but it will be somewhere around \$10 million to \$15 million.

Mr SHELTON - Therefore, the detail around that build, I understand the court case is an issue to detailing a date, but what do you predict?

Mr WOOD - What do I predict in what terms?

Mr SHELTON - As far as a stage 1 development taking place.

Mr WOOD - To actually start? First we need the development application, then go to tender and all that sort of thing. Certainly in the year 2015, but once we know that we can begin fundamental stuff like civil engineering bits of the project, because if we know where everything is going ultimately, we can get equipment on site and start putting the first few buildings in place. There's a welcome building we're calling it, there is a 40-room accommodation hotel-type building, a new caretaker's cottage there. They are on the front line of the DA.

CHAIR - Thank you very much, Mr Wood, I have a couple of questions to finish. Firstly, Jan Cameron has given consent to release relevant documents as requested by this committee, but to date you have refused. Will you now consider releasing those documents?

Mr WOOD - I don't believe I've refused to release any documents.

CHAIR - We wrote to you requesting relevant documents relating to the matters in the terms of reference. We haven't received a response. We have written to Jan -

PUBLIC

Mr WOOD - That's an oversight. I certainly didn't refuse. If you get the documents from Jan Cameron, then she can do that work. There you go, I'm happy with that. I have no problem with that at all.

CHAIR - She has given consent. They are in the property of Murdoch Clarke, the lawyers for Triabunna Investments. We are awaiting their transfer to us, but they are awaiting your consent. That's what -

Mr WOOD - Murdoch Clarke are?

CHAIR - Murdoch Clarke.

Mr WOOD - I'll send them an email this afternoon and give them my consent.

CHAIR - Thank you so much. Twice you've referred in your submission, and again today, to the Privileges Committee inquiry in the Senate, which I've read and, correct, the allegations haven't been proved. Senator Kroger, who referred to the \$1.6 million donation you gave to the Australian Greens and the response from some of the other members, said in the Senate on 22 March 2012: 'But I did demonstrate that Senator Brown acted at every turn to advantage Mr Wood's bid' - referring to the bid for the Triabunna Mill - 'and damage his competitors. But on no fewer than 17 occasions Senator Brown, Senator Milne and the Greens took action in the Senate, the media and elsewhere which favoured Mr Wood's bid.'

Do you have a response to Senator Kroger's allegations and the concerns about receiving a response to the \$1.6 million?

Mr WOOD - Yes, I do. She is talking complete nonsense. Coming from Senator Kroger nothing would surprise me.

Ms O'CONNOR - Yes, from a party that accepted political donations from tobacco companies.

CHAIR - Why did you give \$1.6 million to the Greens?

Mr WOOD - That's none of your business.

CHAIR - Well, we will take that as a no answer. In light of the time.

Ms O'CONNOR - That was an answer.

CHAIR - In light of the time, I will check if there is anything else. We have a hearing again, Parliament resumes shortly so thank you very much for your evidence today and we appreciate you being available.

Mr WOOD - It has been a great pleasure, thank you.

THE WITNESS WITHDREW.