
Premier backs mill to the hilt

SUE NEALES | February 19, 2011 12.01am

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PREMIER Lara Giddings has given her wholehearted support to the Tamar Valley pulp mill project.

She also flagged yesterday that a solution to the protracted Tasmanian forestry peace talks will be reached within the next two weeks, three months ahead of schedule.

The timeline indicated by Ms Giddings will mean a plan for Tasmania's future forest sector will be neatly announced at almost the same time as the Federal Government delivers its environmental decision on the Gunns pulp mill.

She admitted both environmental and forest industry groups were likely to be unhappy with any outcome mediated by former union boss Bill Kelty, if it was to be a true compromise.

Mr Kelty has been in Tasmania this week talking to all 10 environmental and industry signatories to last October's forest peace blueprint and Statement of Principles.

In an interview with the Mercury yesterday, Ms Giddings said a spirit of compromise in any forest deal was essential if a solution to 30 years of forest conflict was to be found.

She said a compromise deal would probably mean environmentalists accepting that in return for protecting Tasmania's high-conservation native forests from logging, they might have to agree to "a, and possibly the, pulp mill".

Similarly, she said the forest industry might have to accept its days of logging high-conservation value native forests were over.

Ms Giddings is confident construction of the controversial pulp mill will begin this year, once or if a solution to Tasmania's forest future is found.

She maintained the \$2.5 billion Gunns pulp mill was now more essential to the Tasmanian economy than ever.

The pulp mill, which Gunns hopes to have joint-venture finance to begin within the next three months, will employ 3400 construction workers, 300 on-site workers once in operation and add 0.5 per cent economic growth to the economy.

Ms Giddings said the construction jobs, the building activity, economic growth and state taxes contributed by the Long Reach pulp mill were now all desperately needed in Tasmania.

"Before [the economic crisis] the pulp mill was the icing on the cake, the cream," Ms Giddings said.

"Now it is the cake."

Ms Giddings also said the Government:

- Was not considering direct financial assistance to the pulp mill.
- Would not underwrite the project's financial risk.
- Would assist the pulp mill project by funding relevant infrastructure such as upgrading associated roads, rail and port facilities.
- Would not change any of the pulp mill permits or legislation passed by the Tasmanian Parliament.

- Would not repeal notorious Section 11 of the Pulp Mill Assessment Act, which removes the common law right of appeal against the pulp mill, its construction or its environmental impact.

She said the logical organisation to assist any international joint-venture partner in the pulp mill by reducing its risk exposure was the Federal Government's Export Finance and Insurance Corporation.

Ms Giddings said when the pulp mill approval legislation had been passed by the State Parliament in 2007, she had been confident Tasmania was getting a good quality pulp mill with high environmental standards.

"Now we are getting an even better one," she said yesterday.

Gurns said the mill and its wood-burning power station will only use wood from eucalypt plantations, not from native forests. The bleaching process has also been adjusted so 40 per cent less chlorine is used.



Premier Lara Giddings in her Executive Building office yesterday highlights the importance of the pulp mill project. Picture: SAM ROSEWARNE

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Gunns woos Asian giants

SUE NEALES | February 23, 2011 02.00am

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TWO potential European joint-venture partners in the Tamar Valley pulp mill have confirmed they are no longer interested in the project.

It now appears the two most likely potential partners with pulp-mill proponent Gunns Ltd are Asian-based pulp and paper companies Asia Pacific Resources International Ltd and Asia Pulp and Paper.

Singapore-based Asia Pacific Resources owns plantations across Asia, and pulp mills in China at Shandong.

Its website says it plans to be "one of the largest, best-managed, most profitable and sustainable pulp and paper companies in the world".

Asia Pacific Resources and Indonesia-based Asia Pulp and Paper have faced criticism in the past for clearing native forests in Sumatra and for accumulating billions in debt in the late 1990s and early 2000s, adding fuel to the Asian economic crisis.

Late Monday night, the Federal Government confirmed in Senate Estimates in Canberra that it had recent discussions with Gunns about helping its foreign partner with financial guarantees.

Under questioning from Tasmanian Liberal senator Richard Colbeck and Australian Greens leader Bob Brown, officials from the federal Department of Agriculture, Fisheries and Forestry confirmed they met Gunns.

Officials from the Government's Export Finance and Insurance Corporation arm were also present.

Last week, Tasmanian Premier Lara Giddings said it would be appropriate for EFIC to facilitate future pulp exports by helping a foreign-owned joint-venture partner with financial risk guarantees.

Senator Colbeck said the estimates committee was not told many details of the agenda or outcome of the meeting between Gunns and EFIC.

"My sense was that this had been more a discussion about the project and what EFIC might be able to do for Gunns and its partners, rather than a request for assistance," he said.

"It seemed to have been more an exploratory meeting. I didn't get any sense that Gunns had lodged a formal application with EFIC."

Yesterday, Leif Broden, chairman of Swedish forest products company Sodra, re-affirmed that his company was definitely "not participating" in the \$2.5 billion project.

Finnish paper mill and energy company UPM also has confirmed it has "no specific plans in Tasmania" and is "not engaged in negotiations with Gunns".

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Pulp mill start aim next month

SUE NEALES | February 09, 2011 12:01am

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GUNNS Limited chief executive Greg L'Estrange has earmarked mid-March as the likely start date for the company's Tamar Valley pulp mill.

Mr L'Estrange told the *Mercury* yesterday the \$2.5 billion project was "closer than it had ever been" to a financial green light and construction start.

March is the deadline for the Federal Government to give an unconditional environmental approval to the pulp mill's right to operate.

The Gunns chief executive confirmed this was why a series of letters had been sent to pulp mill opponents and forestry organisations in the past fortnight, offering detailed new briefings about the controversial project.

The letter, written by Mr L'Estrange and sent to organisations such as TAP into a Better Tasmania (TAP) and Pulp the Mill Inc, said Gunns was seeking a "cuddly" social licence to operate.

"Gunns recognises community concern and that we need to be more transparent," Mr L'Estrange said yesterday.

"We've heard what the community is saying and as a modern company we want to embrace that; this is now a different project to the one people had concerns about."

Mr L'Estrange said the main design changes were that the pulp mill would use 40 per cent less chlorine dioxide in the pulp-bleaching process than previously proposed and only wood grown in plantations.

He said there were no plans to refine or tertiary-treat the 64 megalitres of effluent to be expelled daily into Bass Strait, with cheaper secondary treatment still the company's preferred option.

Federal Environment Minister Tony Burke will announce next month if the proposed pulp mill will be given full Commonwealth approval under national environmental laws.

Bank and joint venture finance from an international partner is understood to be dependent on the pulp mill's approval by the Gillard Government being declared unconditional.

Gunns was required to supply more detailed hydrological studies to an independent team of experts, proving its pulp mill effluent pipe into Bass Strait would not harm Commonwealth waters or endangered marine species.

Mr L'Estrange also denied the company had asked the State Government to underwrite the financial risk of the mill.

He said the issue of underwriting had never been raised between the State Government and the company, either formally or informally.

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Opposition to Tamar pulp mill 'inevitable', says report

ADVOCATE

By CHRIS PIPPOS

GUNNS Ltd's preferred joint venture partner in its \$2.5 billion pulp mill plan understands opposition "is inevitable", according to a key report which doesn't call on environmental groups to support the Tamar Valley project.

Forestry peace deal independent facilitator Bill Kilty yesterday released his interim report on the Statement of Principles, which was agreed to last year by 10 industry and environmental groups.

In relation to the pulp mill, seemingly the biggest obstacle to a forestry resolution, the report says Gunns Ltd has made it clear to the signatories that:

- Hampshire as an alternative site does not represent a viable economic alternative;
- Gunns will "represent the shareholders in the most effective manner if the mill is not capable of support", and;
- "they understand, as does the preferred joint venture partner, that some disension is inevitable in a democracy".

The report also calls for an independent person to review the pulp mill assessment, however Gunns, which is yet to secure finance, is running out of time to commence construction by August.

Premier Lara Giddings said the report, which is 201 pages long, provided "a clear picture of the magnitude of the task ahead".

"This really is a once-in-a-lifetime opportunity to end a conflict that has bitterly divided the state for far too long," Ms Giddings said.

"However, tough decisions and a flexible approach are needed on both sides if we are to have any chance of reaching an agreement.

"We must strike a balance between supporting jobs and investment and protecting our unique natural environment."

The report was welcomed by mainstream environmental groups and the Forestry Union.

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Wood, Graeme

From: Hayes Melita [Melita.Hayes@regional.gov.au]
Sent: Tuesday, 22 March 2011 3:50 PM
To: Wood, Graeme
Subject: Re: Kelty, 1st report [SEC=UNCLASSIFIED]

Joel has asked ft to give us maps/resource data to us

Sent from my BlackBerry Wireless Handheld

From: Wood, Graeme [mailto:Graeme.Wood@daff.gov.au]
Sent: Tuesday, March 22, 2011 02:34 PM
To: Aldred, Tom <Tom.Aldred@daff.gov.au>; Bleys, Annette <Annette.Bleys@environment.gov.au>; Dewsbury, Ruth <Ruth.Dewsbury@environment.gov.au>; Faichney Kirsty; jeannette.marshall@innovation.gov.au <jeannette.marshall@innovation.gov.au>; Mark.flanigan@daff.gov.au <Mark.flanigan@daff.gov.au>; Hayes Melita; murray.earn@innovation.gov.au <murray.earn@innovation.gov.au>; Nankivell, Rowena <Rowena.Nankivell@environment.gov.au>; Noordhuis, Yvonne <Yvonne.Noordhuis@innovation.gov.au>; Piscitelli, Cynthia <Cynthia.Piscitelli@environment.gov.au>; Pollard Rebecca; Ruscoe, Ian <Ian.Ruscoe@daff.gov.au>; Atkinson Simon; Zammit, Charlie <Charlie.Zammit@environment.gov.au>
Subject: Kelty, 1st report [SEC=UNCLASSIFIED]

Gunns' mill critical to talks

NICK CLARK Hobart Mercury | March 22, 2011 02:04pm

AN independent assessment of the Gunns pulp mill could overcome lingering bitterness about its approval, forest peace talk facilitator Bill Kelty has suggested.

In his first public statement about his role Mr Kelty said it would be easy to conclude that no agreement was possible from the peace talks.

He said that any agreement would require the environmental signatories to agree to the Bell Bay pulp mill.

"There are no others [mills] planned that I know of," he said.

Mr Kelty said the trade-off would be the saving of 672,000ha of high conservation value forest.

He said he had spoken to Gunns' potential joint venture partners but not to potential financiers.

"It was clearly understood by the signatories that they would support 'a pulp mill' but there is clearly now only one proposition available at the moment," he said.

Mr Kelty said the parties had to discuss the pulp mill to be able to meet the terms of their agreement or some alternative to that agreement.

Cheers g
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