

SE News
HD **Gunns 'erratic' over mill**
WC 464 words
PD 14 August 2014
SN The Advocate
SC FABURN
ED Advocate First Edition
PG 6
LA English
CY Copyright 2014 Fairfax Media Publications Pty Limited. . Not available for re-distribution.
LP

FORMER Forestry Tasmania managing director Bob Gordon yesterday told the inquiry into the Triabunna woodchip mill that timber **company** Gunns had become "erratic and unpredictable" in the **lead**-up to the **sale** of the mill.

Mr Gordon said the **sale** to environmentalists Jan Cameron and Graeme Wood was a "bolt out of the blue".

TD

He said Forestry Tasmania had an offer together with timber businessman Ron O'Connor, and had sourced a **sale** for woodchips in **China**.

On Tuesday, the committee heard that Mr O'Connor, co-owner of logging **company** Aprin, had secured \$16 **million** in finance to buy the mill, but it was subsequently sold to Mr Wood and Ms Cameron for \$10 **million**.

The inquiry heard from Forest Industries Association of Tasmania chief executive Terry Edwards that he believed conversations were held between environmentalists and Gunns boss Greg L'Estrange that if the **sale** went through they would "go soft" on the proposed Tamar Valley pulp mill.

"I don't know if Mr L'Estrange thought he had an agreement, but if he did, it didn't hold," Mr Gordon said.

He described the **sale** as "a very strange decision".

"The pulp mill was the obvious strategy," he said.

Mr Gordon said the move may have been made to increase the value of Gunns' plantations, because a domestic pulp mill could get substantially more for the plantation wood than exporting it.

Mr Gordon said he did not think there was a basis for claims made by Mr O'Connor that Mr L'Estrange sold the mill out of the industry to hurt Forestry Tasmania.

"I'm struggling to work out the logic of what Gunns' thought process was," he said.

Pulp mill analyst Robert Eastment told the inquiry that Gunns' decision to move away from native forest harvesting was to get a pulp mill up and running.

"They wanted environmentalists to give them a break," Mr Eastment said.

Triabunna Chamber of Commerce president Debbie Wisby said the closure of the mill "ripped the heart out of the community", but was a long time coming.

Ms Wisby said all tiers of government "did very little" to prepare the community for the impending closure.

She said new uses for the mill's wharf must be explored, and said a ferry route to Sydney or accommodating larger commercial fishing vessels could be an option.

"If we don't get something happening, we're going to go backwards," she said.

Ms Wisby said the inquiry needed to be "the final chapter, and not a drawn-out witch-hunt".

"There is so much work ahead that looking back isn't going to benefit my business, my family or my community," she said.

CO	gukil : Gunns Ltd
IN	i47101 : Pulp Mills ibasicm : Basic Materials/Resources ipper : Paper/Pulp i46 : Wood Products
RE	tasman : Tasmania apacz : Asia Pacific ausnz : Australia/Oceania austr : Australia
PUB	Fairfax Media Management Pty Limited
AN	Document FABURN0020140813ea8e0000c