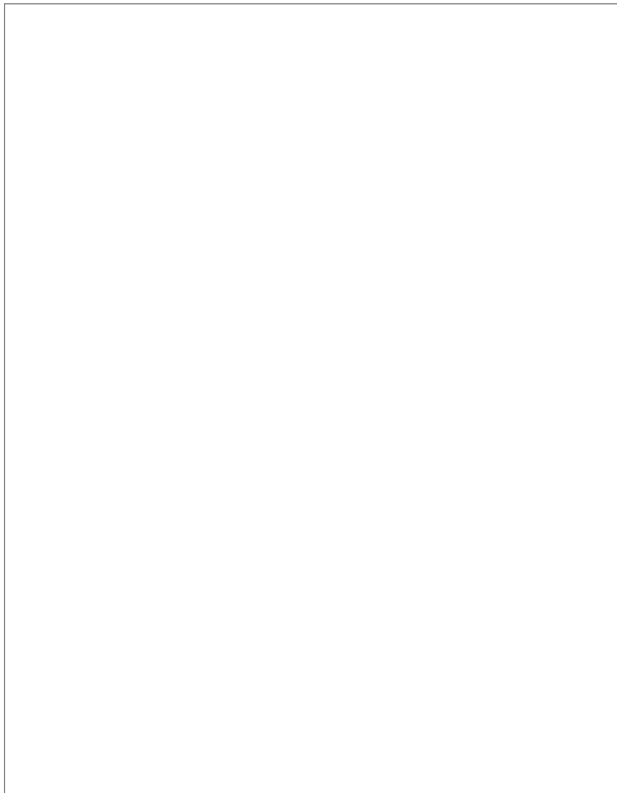


# 2013



**“It is in that building over yonder that the real power in Tasmania resides – policy, decisions, even legislation is formulated over there. It is then faxed to the branch office in Hobart where the most miserable collection of lickspittles in the 204 year history of government in Tasmania rubber stamps whatever Gunns sends them.” - Bob McMahon at 2008 rally outside Gunns' head office**

**26/4/2013: HUNDREDS SAY GOODBYE TO ANTI-PULPMILL WARRIOR BOB**

**Literally hundreds of mourners attended the funeral of TAP's Bob McMahon - the people of the Tamar valley saying goodbye and thank you to the man who, probably more than any other, saved this beautiful valley from having a huge smelly chemical factory built on our doorsteps. After several excellent speeches, the coffin was clapped from the building. RIP Bob and thank you.**

**18/4/2013: RIP BOB McMAHON**

**Anti-pulpmill warrior, leader of Tasmanians against the pulpmill, author and rock climber Bob McMahon passed away in his sleep yesterday. He will be sorely missed.**

### **9/4/2013: ADMINISTRATORS TO SELL PLANTATIONS**

The plantations will be sold piecemeal to whoever wishes to purchase them. The plan to try and amalgamate them in to a viable pulp mill supply has obviously been abandoned. Another nail in the pulp mill coffin. And today, a Tasmanian treasury report has said that the prospect of a pulp mill is highly uncertain - a bit of an understatement. It may be a while, but eventually there will be an announcement that the pulp mill assets, equipment in storage at Bell Bay and the site itself, will be sold off. We can then say this whole sorry saga is dead and buried.

### **26/3/2013: FOREST AGREEMENT IRRELEVANT SAY ADMINISTRATORS**

The administrators have told the MLCs, who are considering whether to vote the forest agreement in to law, that it will make no difference either way to their ability to sell the pulp mill permits. So far, no attempt has been made to sell the permits as, they say, 6 months down the track, they don't exactly know what they're selling. Will they ever?

### **20/3/2013: CREAN BITES DUST**

Regional development minister Simon Crean, a strong proponent of the Longreach pulpmill, today lost his job as a result of a leadership spill. Mr Crean has repeatedly stated he was determined to get the pulp mill going. You will not be missed Mr Crean.

### **8/3/2013: COMMENT**

The liquidators say that some companies might be interested in the (possibly expired) pulpmill permits if the wood supply situation can be clarified. The problem here is all the different companies, schemes and entities Gunns have dreamed up over the years to persuade investors to grow pulpwood. Most of it is not FSC and a lot of it isn't being maintained and will be useless. And even if this was sorted out, who is going to pay to run the operation with so little money to be made? Those in the know say that there isn't enough supply in Tasmania to keep a giant pulpmill going for the expected life of the project.

### **5/3/2013: GUNNS ARE LIQUIDATED**

Creditors voted to liquidate Gunns this morning. Gunns are no more. In theory the pulp mill site and permits can still be sold but there are various obstacles to overcome not least of which is that there are far more profitable places to build a pulpmill.

### **5/3/2013: COMMENT repeated from 24/9/12 with some extra information**

The demise of Gunns has been predictable for some time. It's sad for their employees and for all those companies and individuals that are owed money by Gunns. Blame will be apportioned to various groups but it is Gunns' management that must take nearly all the blame. Not only that but Gunns must take the blame for untold damage to the forestry industry in Tasmania and, ultimately, the way Tasmanians regard their government. It all started in 1875 when Gunns was formed as a building company:

\* Gunns diversified into forestry. Tasmania has wonderful timbers - some of the best in the World.

\* When John Gay took over the company it began to expand but at a cost.

\* Local sawmillers were bought out for their timber allocation. They were closed down with the resulting loss of jobs.

\* Gunns took over large woodchipping companies expanding their profits - and their debts.

\* The company's value increased with huge profits and bigger dividends but little attempt was made to pay off debts in these good times.

- \* Gunns continued to invest in more and more companies - like wineries. They were by far and away the most powerful entity in Tasmania.
- \* Tasmania's forests were reduced to woodchips to feed Gunns' profits. Protected wildlife is poisoned to stop them eating plantation trees.
- \* Large areas are cleared using napalm from helicopters. This produces air quality problems.
- \* Native forest and farms were turned in to plantations with the resulting loss of jobs and and destruction of local communities.
- \* In 2004 Gunns decided to build a pulpmill. There was NO COMMUNITY CONSULTATION on the location of this project.
- \* Nor was there any attempt to obtain FSC certification - a fatal error.
- \* Gunns decided to sue environmentalists to suppress opposition to their project. It became known as the GUNNS'20.
- \* Local media was threatennd and bullied to stop adverse comment.
- \* Gunns rorted the site selection process instructing the company charged with the task to ignore adverse factors at Longreach.
- \* A major State Government propaganda campaign was launched to persuade Tasmanians to accept the project. John Gay said 'We had to want it'.
- \* Premier Paul Lennon uses a Gunns' subsidiary to work on his private house. Not a wise move in the circumstances. Did he pay full whack?
- \* In spite of the threat of Gunns' legal actions, groups started to campaign against the mill.
- \* Gunns make NO ATTEMPT to engage with the local community. They use their financial muscle to keep local companies in line.
- \* Local charities are threatennd and restaurants blacklisted for not towing the Gunns' line.
- \* Liberal and Labor politicians PLEDGED TO ABIDE by the decision of the Tasmanian planning system - the RPDC.
- \* Leaked emails indicated that Gunns were hiding information about dioxin and Nox pollution from the RPDC.

Leaked emails are genuine

- \* The RPDC wrote to Gunns asking them to move their pulpmill away from the Tamar valley to Hampshire. Gunns refused.
- \* In reply, the RPDC produced a new set of guidelines specifically for the Tamar valley.
- \* Gunns produced their IIS in 2006, a year behind schedule. The RPDC dismissed it as inadequate.
- \* Gunns revamped their IIS. They were late presenting it to the RPDC. Gay tried to

put pressure on the RPDC.

\* The RPDC find the project is critically deficient but this is suppressed by the Premier's office but Gunns were almost certainly told.

\* Gunns withdrew from the RPDC process citing delays (which had all been caused by Gunns!!).

\* Circumstantial evidence emerged later that there had almost certainly been collusion between Gunns and the Government - A CRIMINAL OFFENCE.

\* The Government immediately recalled Parliament and fast-tracked the approval process.

\* A company with ties to Gunns' advisers and the equipment provider was chosen to 'approve' the project.

\* Even though everything in Gunns IIS was taken at face value and not individually assessed, Sweco-pik found deficiencies.

\* There was NO proper assessment of air quality in the valley or of inshore waters. There was NO risk assessment.

\* The financial study was benefits only. The information used was years out of date.

\* The CEO of Sweco-pik admitted the fugitive emissions (smells) has not been assessed and that the mill would smell at times.

\* The assessment was against the original guidelines not the Tamar valley ones.

\* It said at the beginning that it's conclusion was only valid if no new guidelines had been released - which they had.

\* The bombshell that the project was CRITICALLY DEFICIENT was leaked from the RPDC by boss Simon Cooper.

\* Later, Mr Cooper would be denied a job as a magistrate by the Government as payback.

\* IN SPITE OF THEIR PREVIOUS PLEDGE, Liberals and Labor vote through the pulp mill approval act.

\* This contains a clause to stop any form of legal action against the approval process and possibly beyond - unprecedented.

\* Federal environment minister Malcolm Turnbull tells Peter Cundall that the mill is in the WORST possible place.

\* Gunns donates a large sum to the Liberal party.

\* The Federal minister approves the project but with conditions - these effectively stop the project in its tracks.

\* Gunns tries to suppress a marine survey that shows Tasmanian coastal waters would be polluted on a daily basis.

\* ANZ withdraws finance in response to a customer campaign. Other Australian banks show no interest.

- \* It was found that the Government was secretly putting in infrastructure for Gunns' water pipeline.
- \* Later, they purchased extra land down the side of a new bypass to fit the pipeline in.
- \* Former RPDC member and pulp and paper scientist Dr Warwick Raverty denigrates the mill - worst possible site.
- \* Gunns try to stop him speaking about the project in public - with good reason: He called Gunns a BUNCH OF COWBOYS.
- \* Gunns' project manager tries to assault Dr Raverty when they meet by chance.
- \* Gunns searches World for partners and finance.
- \* Gunns loses customers at home and abroad. Share price plummets and John Gay is forced to resign.
- \* Final possible JVC pulls out in January 2011. Gunns finally admits it in June 2011.
- \* Gunns unilaterally cancels contract for wood supply with Forestry Tasmania.
- \* In a letter to FT, Gunns' chairman says that the contract has expired as the PULPMILL HAS NOT COMMENCED.
- \* Forestry Tasmania tell the Tasmanian Government that Gunns have not paid any bills for 6 months and are probably insolvent.
- \* The wood supply contract is magically resurrected so that the Government can pay Gunns millions in compensation.
- \* The Liberal opposition opposes this but then magically fall into line.
- \* The Government hands over the money despite the contract having already been cancelled and knowing Gunns are probably insolvent.
- \* Gunns starts work on site but permits have almost certainly expired. \$23m. is spent with little hope of the project being completed.
- \* The rest of the Federal money is handed to Forestry Tasmania in lieu of debts. A nice little windfall for FT's black hole of debt.
- \* Gunns NOW says that the pulpmill had commenced in spite of the chairman's letter to FT.
- \* The Government agency EPA agrees after a long delay - pressured by the Government?
- \* Gunns are taken to court by Environment Tasmania who claim the permits have expired.
- \* Gunns tries to force ET to pay massive legal fees up front (in order to stop the case) - The Judge says no and that ET have a good case.
- \* Companies and individuals all over Australia are owed money by Gunns.

\* In 2012, a possible white knight appears but withdraws after diligence. Shares have remained suspended since then.

\* 24th September 2012 - GUNNS BANKRUPT.

**26/2/2013: GUNNS OWE \$3bn.**

Gunns will be voted out of existence this week at a creditors meeting. It turns out that the amount of money lost has far exceeded the worst fears and, apart from workers' entitlements and the banks, nobody will get anything back. There is also a suggestion that there have been improper dealings in the last year as the company imploded and the directors and management may face some action.

**1/2/2013: LANDOWNERS SHAFTED**

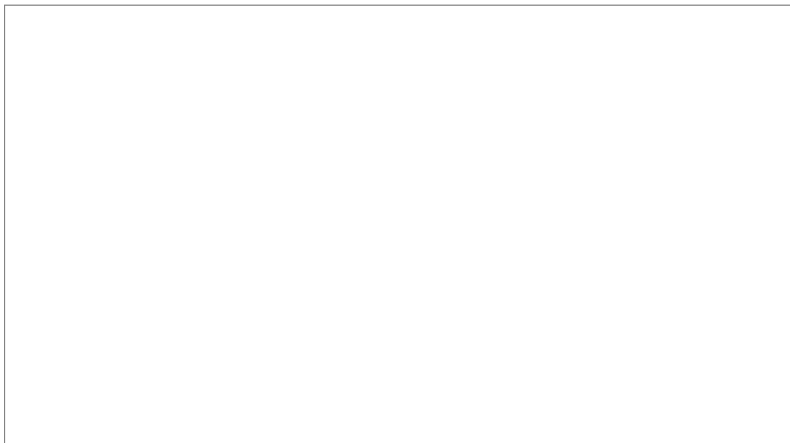
Landowners who leased land to Gunns for plantations have been told that no rent will be paid. But legally, the trees may well belong to the investors! What a shambles! The lawyers should do well.

**31/1/2013: GUNNS SURVIVE ANOTHER MONTH**

The administrators of Gunns Ltd have applied to put off the final liquidation vote for another month annoying creditors. They cite difficulties with unravelling all Gunns' schemes and assets. The forest industry meanwhile is obviously looking for other ways of using their uneconomic plantations with a scheme to produce ethanol for fuel. Looks like an option that would have to be heavily subsidised to work.

**23/1/2013: LE PONG AFFECTS THE BRITS**

Mercaptan, an extremely smelly and colourless gas and one that is released from pulp mills from time to time, has been leaking from a factory in Rouen in northern France. The resulting pong, nicknamed 'Le Pong' as it comes from France, has affected the whole of south east England 100kms away. Hundreds of Brits have rung up reporting gas leaks! Imagine what such a release would have done in the closed airshed of the Tamar valley - we've dodged a bullet (hopefully).



**22/1/2013: NO MOVEMENT ON MILL FRONT**

In recent developments in this long and sorry saga, farmers are threatening to sue the administrators because they are not being paid for land that they have leased to Gunns, there has been no progress in sorting out the various plantation arrangements or in selling any of the plantations - and the administrators have been concentrating on selling off what they can of Gunns' tangible assets. If anyone was interested in buying the pulp mill permits at a knock down price you would think they would have appeared by now. Those permits are, of course, subject to

legal challenge. One wonders if the administrators have their heart in trying to sell the permits as they are likely to cost as much to sell as would be gained.

# 2012

## **21/12/2012: GUNNS' MILLS SOLD**

The administrators have now sold Gunns' sawmilling assets - the part of the company that actually made a profit. No attempt has yet been made to sell the pulp mill permits. One would have thought that if anyone's interested, negotiations would have started by now. Problems face any prospective purchaser: The high Australian dollar, the uncertain wood supply, the lack of FSC, local opposition, a court case over lapsed permits - to mention a few!

## **5/12/2012: GUNNS' MIS IN A MESS**

Launceston lawyer Ross Hart says that Gunns' plantation affairs are at a standstill because of the complex morass of agreements with its managed investment schemes. It could take years to sort out who gets what. Probably the lawyers will be the only ones to gain!

## **5/12/2012: PULPWOOD SUPPLY AGREEMENT 'TORN UP'**

According to Kim Booth, this agreement to supply wood for the mill no longer exists.

## **3/12/2012: GUNNS' CHAIRMAN RESIGNS**

Gunns' chairman Christopher Newman has resigned. Gunns' board can no longer make any decisions anyway so it will make no difference.

## **24/11/2012: GUNNS OWES LOCAL CREDITORS \$70m.**

The latest report from the administrators to ASIC states that Gunns owes \$70m. to insured creditors and \$490m. to the banks. There has been no further announcement about the pulp mill project but people in the know say that there isn't enough wood to supply a pulp mill of that size.

## **25/10/2012: WIND FARM PROPOSAL FOR PULP MILL SITE**

The ABC reported today that a company is interested in the pulp mill site to build a wind farm with over 100 turbines. The company says it is an excellent site with easy access by ship for construction and electrical infrastructure already in place.

## **ABC**

## **24/10/2012: GARRATT SAID HE HAD TO APPROVE A PULPMILL HE DIDN'T APPROVE OF**

Former Federal Environmental minister Peter Garratt, in conversation on the programme 'Kitchen Cabinet' tonight, admitted that he did not approve of the pulpmill but nevertheless had to approve it. Malcolm Turnbull in 2007 had the same problem!

## **19/10/2012: PULP MILL TO BE SUBJECT TO STRATEGIC REVIEW**

The administrators said this may take quite a while in view of the complications with plantations etc. before a decision is taken on whether the permits can be sold. Whilst most of the review will take place 'in-house', some expert advice will be obtained.

## **11/10/2012: GUNNS OWE \$709m. AND COUNTING**

At the creditors meeting yesterday, the administrators of what is left of Gunns Ltd said that so far, they had found debts of over \$700m. and counting. So, no wonder the banks pulled the plug as CEO Greg L'Estrange had only managed to 'possibly' get maybe a third of that in re-financing. There is substantial interest from various parties in Gunns' remaining assets like vultures round a carcass including some, according to the administrator, interested in the pulp mill project. Very unlikely in the view of this commentator because (1) there basically isn't enough wood to feed it with the demise of MIS, (2) what there is has not been maintained, (3) the plantation set-up is a financial quagmire, (4) virtually none of it is FSC, and (5) the permits are subject to legal challenge.

#### **30/9/2012: GUNNS JUST ABOUT TO ANNOUNCE RE-FINANCING**

According to sources, after 6 months, Gunns were on the verge of announcing a re-financing package when the banks pulled the plug. Of course, Gunns' announcements have always promised riches just round the next corner and the banks were probably getting fed up with this. The banks knew the details of the supposed package and must have decided it wasn't going to work. Meanwhile the administrator of Gunns' plantation estates admits that it could take years to sort out. There are Gunns owned trees on Gunns owned land, Gunns owned trees on leased land and investor owned trees on Gunns owned land. All in all about 22 different schemes and arrangements. The pulp mill is nothing without the trees.

#### **28/9/2012: BOB McMAHON OF TAP FEATURES IN THE AGE**

##### The Age

**28/9/2012: L'ESTRANGE GOES - TCT CONFIRM THE PERMITS CASE WILL CONTINUE**  
Gunns' CEO Greg L'Estrange has parted company with Gunns but he will be called as a witness in John Gay's insider dealing case in the near future. And the Tasmanian Conservation Trust have confirmed that the case against the permits will continue if a buyer is found for the project - casting a shadow of doubt in the minds of those so inclined. Pulp mill manager Timo Piilonen says the mill could still be a profitable - but on \$2000 a day he would say that, wouldn't he?

#### **24/9/2012: COMMENT**

The demise of Gunns has been predictable for some time. It's sad for their employees and for all those companies and individuals that are owed money by Gunns. Blame will be apportioned to various groups but it is Gunns' management that must take nearly all the blame. Not only that but Gunns must take the blame for untold damage to the forestry industry in Tasmania and, ultimately, the way Tasmanians regard their government. It all started in 1875 when Gunns was formed as a building company:

\* Gunns diversified into forestry. Tasmania has wonderful timbers - some of the best in the World.

\* When John Gay took over the company it began to expand but at a cost.

\* Local sawmillers were bought out for their timber allocation. They were closed down with the resulting loss of jobs.

\* Gunns took over large woodchipping companies expanding their profits - and their debts.

\* The company's value increased with huge profits and bigger dividends but little attempt was made to pay off debts in these good times.



- \* Gunns continued to invest in more and more companies - like wineries. They were by far and away the most powerful entity in Tasmania.
- \* Tasmania's forests were reduced to woodchips to feed Gunns' profits. Protected wildlife is poisoned to stop them eating plantation trees.
- \* Large areas are cleared using napalm from helicopters. This produces air quality problems.
- \* Native forest and farms were turned in to plantations with the resulting loss of jobs and and destruction of local communities.
- \* In 2004 Gunns decided to build a pulpmill. There was NO community consultation on the location of this project.
- \* Nor was there any attempt to obtain FSC certification - a fatal error.
- \* Gunns decided to sue environmentalists to suppress opposition to their project. It became known as the Gunns' 20.
- \* Local media was threatennd and bullied to stop adverse comment.
- \* Gunns rorted the site selection process instructing the company charged with the task to ignore adverse factors at Longreach.
- \* A major State Government propaganda campaign was launched to persuade Tasmanians to accept the project. John Gay said 'We had to want it'.
- \* Premier Paul Lennon uses a Gunns' subsidiary to work on his private house. Not a wise move in the circumstances. Did he pay full whack?
- \* In spite of the threat of Gunns' legal actions, groups started to campaign against the mill.
- \* Gunns make no attempt to engage with the local community. They use their financial muscle to keep local companies in line.
- \* Local charities are threatennd and restaurants blacklisted for not towing the Gunns' line.
- \* Liberal and Labor politicians pledged to abide by the decision of the Tasmanian planning system - the RPDC.
- \* Leaked emails indicated that Gunns were hiding information about dioxin pollution from the RPDC.
- \* The RPDC wrote to Gunns asking them to move their pulpmill away from the Tamar valley to Hampshire. Gunns refused.
- \* In reply, the RPDC produced a new set of guidelines specifically for the Tamar valley.
- \* Gunns produced their IIS in 2006, a year behind schedule. The RPDC dismissed it as inadequate.
- \* Gunns revamped their IIS. They were late presenting it to the RPDC. Gay tried to put pressure on the RPDC.
- \* The RPDC find the project is critically deficient but this is supressed by the

Premier's office but Gunns were almost certainly told.

\* Gunns withdrew from the RPDC process citing delays (which had all been caused by Gunns!!).

\* Circumstantial evidence emerged later that there had almost certainly been collusion between Gunns and the Government - an offence.

\* The Government immediately recalled Parliament and fast-tracked the approval process.

\* A company with ties to Gunns' advisers and the equipment provider was chosen to a 'assess' the project.

\* Even though everything in Gunns IIS was taken at face value and not individually assessed, Sweco-pik found deficiencies.

\* There was no proper assessment of air quality in the valley or of inshore waters. There was no risk assessment.

\* The financial study was benefits only. The information used was years out of date.

\* The CEO of Sweco-pik admitted the fugitive emissions (smells) has not been assessed and that the mill would smell at times.

\* The assessment was against the original guidelines not the Tamar valley ones.

\* It said at the beginning that it's conclusion was only valid if no new guidelines had been released - which they had.

\* The bombshell that the project was critically deficient was leaked from the RPDC by boss Simon Cooper.

\* Later, Mr Cooper would be denied a job as a magistrate by the Government as payback.

\* In spite of their previous pledge, Liberals and Labor vote through the pulp mill approval act.

\* This contains a clause to stops any form of legal action against the approval process and possibly beyond - unprecedented.

\* Federal environment minister Malcolm Turnbull tells Peter Cundall that the mill is in the worst possible place.

\* Gunns donates a large sum to the Liberal party.

\* The Federal minister approves the project but with conditions - these effectively stop the project in its tracks.

\* Gunns tries to suppress a marine survey that shows Tasmanian coastal waters would be polluted on a daily basis.

\* ANZ withdraws finance in response to a customer campaign. Other Australian banks show no interest.

\* It was found that the Government was secretly putting in infrastructure for Gunns' water pipeline.

- \* Later, they purchased extra land down the side of a new bypass to fit the pipeline in.
- \* Former RPDC member and pulp and paper scientist Dr Warwick Raverty denigrates the mill - worst possible site.
- \* Gunns try to stop him speaking about the project in public - with good reason: He called Gunns a bunch of cowboys.
- \* Gunns' project manager tries to assault Dr Raverty when they meet by chance.
- \* Gunns searches World for partners and finance.
- \* Gunns loses customers at home and abroad. Share price plummets and John Gay is forced to resign.
- \* Final possible JVC pulls out in January 2011. Gunns finally admits it in June 2011.
- \* Gunns unilaterally cancels contract for wood supply with Forestry Tasmania.
- \* In a letter to FT, Gunns' chairman says that the contract has expired as the pulpmill had not commenced.
- \* Forestry Tasmania tell the Tasmanian Government that Gunns have not paid any bills for 6 months and are probably insolvent.
- \* The wood supply contract is magically resurrected so that the Government can pay Gunns millions in compensation.
- \* The Liberal opposition opposes this but then magically fall into line.
- \* Gunns starts work on site but permits have almost certainly expired. \$23m. is spent with little hope of the project being completed.
- \* The rest of the Federal money is handed to Forestry Tasmania in lieu of debts. A nice little windfall for FT's black hole of debt.
- \* Gunns now says that the pulpmill had commenced in spite of the chairman's letter to FT.
- \* The Government agency EPA agrees after a long delay - pressured by the Government.
- \* Gunns are taken to court by Environment Tasmania who claim the permits have expired.
- \* Gunns tries to force ET to pay massive legal fees up front (in order to stop the case) - The Judge says no and that ET have a good case.
- \* Companies and individuals all over Australia are owed money by Gunns.
- \* In 2012, a possible white knight appears but withdraws after diligence. Shares have remained suspended since then.
- \* 24th September 2012 - Gunns bankrupt.

Tasmania's forests are now too depleted to support a viable timber industry for more than a few decades. Thousands of jobs have gone and billions wasted on industry support and MIS. What a pathetic shambles. Not only that, Tasmanians have lost trust in their political masters and Tasmania is regarded as a basket case in Australia. It will take decades to repair.

#### **24/9/2012: BANKS PULL THE PLUG - GUNNS ARE BANKRUPT**

In an announcement today on the ASX, Gunns are going in to voluntary administration. The Gunns' story is over. The pulp mill story may yet continue until the permits are extinguished but it's unlikely any company would wish to take over this poisoned chalice. This has been the likely outcome for quite some time now.

#### **7/9/2012: GUNNS NOW SUSPENDED FOR 6 MONTHS**

The shares remain suspended and it's now very unlikely they will ever be listed again. Meanwhile, it is reported that Gunns have sold one of their sawmills in South Australia. Once all their assets are sold (apart from the Tasmanian plantations which are non-FSC), the banks will surely pull the plug.

#### **31/8/2012: GUNNS POSTS A \$904m. LOSS**

Posted very late this Friday is Gunns' preliminary final report. It may indeed be the final report from Gunns. It admits that the future of the company depends on negotiations on re-financing the company. Who would put money in to this enterprise? They have nothing to offer as an incentive any longer. The end is nigh.

#### **30/8/2012: GUNNS SHAFTS ITS HYBRID HOLDERS**

Holders of FOREST hybrids issued by Gunns in return for quarterly interest payments have been told their holdings have been converted in to Gunns' shares - likely to be worthless. This makes Gunns' accounts look slightly less horrific but the end must surely be nigh.

#### **8/8/2012: TCT TO CONTINUE CASE - GUNNS LOSES APPEAL**

The Tasmanian Conservation Trust have said that the permits case will continue even if Gunns goes belly up. The project will only truly be dead once the permits are gone. Today, Gunns lost their appeal to the Supreme Court that TCT should have to pay a large amount in to the court in case they lost the case. And Gunns said today the company was still solvent (they would, wouldn't they?) - even though they owe money to people all over Australia according to some sources.

#### **7/8/2012: COMMENT - IT LOOKS LIKE THE END FOR GUNNS**

If Gunns now have a negative value and only a small operating profit, it looks as though the end will not be far off. There seems to be general agreement in the press that Gunns will now never build its pulp mill. In the opinion of this commentator, Gunns have known this for 18 months and since then the object has been to keep the company alive and squeeze as much cash as possible out of governments and shareholders with the promise of pulp mill riches. There is of course still a valid set of permits and it is possible that these may pass to another company. There is a challenge to them in the High Court but will this go ahead if Gunns have gone to the wall? It doesn't seem likely that another company will try to do what Gunns failed to do in eight years and as time goes by, the plantations will deteriorate.

#### **6/8/2012: FOREST AGREEMENT FALLS OVER**

On the day that Gunns announces that their pulp mill dream is almost certainly over, the agreement that was started to facilitate the project has fallen over. Surprise, surprise. The pulp mill may be dead but Tasmania's forests are still in danger of being trashed.

#### **6/8/2012: MILL MAY NOT PROCEED - GUNNS**

In a statement to the ASX today, Gunns have admitted for the first time that the project may not proceed! They would hardly do that if there was the slightest chance that it would. Accordingly there are adjustments to the value of their assets including changing the \$250m. spent on the project becoming an expense rather than an asset. This looks as though it will make the company worthless or even negative value. The end is nigh and administration beckons!

#### **27/7/2012: GUNNS GREEN TRIANGLE SALE**

Gunns have sold part of their green triangle share for \$64m. No doubt the banks will mop that up. And yesterday, the permits' costs case was heard in Hobart. The Judge has reserved his judgement.

#### **23/7/2012: BANKS GETTING EDGY**

According to Business Spectator, the banks who hold Gunns' \$500m debt have asked an insolvency specialist to look at Gunns' books. And today it was announced that one of Gunns' directors has resigned. Jumping ship before it sinks?

#### **Business Spectator**

#### **16/7/2012: VULTURES CIRCLING GUNNS**

According to the article below, hedge funds may be looking at Gunns. They might be interested in buying Gunns' debts at a reduced price and either taking control of Gunns' assets or recapitalising the company to increase its value. The former seems more likely.

#### **Stock and land**

#### **12/7/2012: PORTLAND WOODCHIP FACILITY SOLD**

According to today's Mercury, Gunns have completed the sale of the Portland Victoria wood chip port for \$60m. This was an integral part of their supply chain to the pulpmill and whilst Gunns will still be able to use it, they will have lost control. With the plantation estates being devalued, it is possible that Gunns will soon have a negative value with little chance of trading out of the hole they've dug themselves into.

#### **9/7/2012: GUNNS SENT A BILL BY ATO**

Gunns Ltd have been sent a bill for \$65m. by the Australian tax office for transactions in 2007. Gunns are disputing it and yet another court case looms. It could be the final straw for Gunns and it will have to feature in their accounts which already look like dire reading.

#### **2/7/2012: GUNNS IN DEEP S\*\*T**

In their latest ASX update, Gunns have announced a review of the value of their plantations. Similar assets around the World have declined in value substantially so expect the worst. Gunns have now sold their Tasmanian headquarters in Launceston for \$14m. - not a good look if they are planning to build a major project a few kilometres up the road. They have announced that there will be no dividends for their Forest shares GNSPA - a sign of severe cash shortfall. They still say that they are, four months down the road, in negotiations for a capital injection. But who is going to invest with all this bad news?

#### **3/6/2012: THREE MONTHS OF SUSPENSION**

This week will mark the 3 month anniversary of Gunns' suspension. The contract difficulty with the Heyfield sawmill has now been resolved. However, an article in last weeks' Examiner suggested there was 'street talk' that Gunns was having difficulty raising funds. It is now a month since the story in 'The Age' appeared which was pretty optimistic but nothing has transpired so it begs the question: Was the story planted to encourage investment? Gunns' spokesperson last

week said there was no prospect of an announcement any time soon. There is talk that Gunns have extended the contract of CEO Greg L'Estrange simply because they couldn't find anyone else to do it - even at \$1m. a year.

#### **22/5/2012: DELAY ON HEYFIELD**

Gunns have signed a contract to sell their sawmill in Heyfield in Victoria but it seems to have run into legal difficulties. The purchaser claims that Gunns are not sticking to their side of the bargain. No sign of the capital raising yet - it's taking a long long time - if it's happening at all.

#### **15/5/2012: CONTRACT EXTENDED FOR L'ESTRANGE**

Gunns have extended the contract of CEO Greg L'Estrange by another 6 months. Apparently the re-financing is going to take some time!

#### **6/5/2012: GUNNS TO RAISE \$400m.**

According to The Age newspaper, Gunns have persuaded investors to stump up \$400m. to keep them going. This will at least keep the banks off their backs for a year or two. Of course, most of this money will go to the banks and the rest towards paying off Gunns' other immediate debts so there will not be any left for a pulp mill.

#### **Paddy Manning - The Age**

#### **30/4/2012: SAME OLD BEFORE**

The suspension continues. No date for further updates is given. No update on the pulp mill as promised. This doesn't have a good look about it. I should think investors are getting very twitchy. How long will the ASX allow this to go on?

#### **29/4/2012: ANOTHER UPDATE DUE TOMORROW**

Gunns, in their last ASX release, told their shareholders to ignore the previous information about the pulp mill. So what will they come up with tomorrow, if anything? Perhaps it's going to only cost half as much and make twice the profit! But the sensible course would be to shelve the project for the present and concentrate on what's left of their other businesses. But when has good sense ever come in to the equation with this project?

#### **24/4/2012: MATTHEW HORAN RESIGNS**

Gunns' press officer for many years and a gung-ho 'mill will be built' spokesman Mat Horan has resigned. The ASX statement yesterday also said that Gunns would be looking at their options in view of the adverse court ruling. Have their lawyers told them the case is likely to be lost? And if so, could a decision have been made to shelve the project for the present until a Liberal government is elected and renews their permits (if they get elected) and the financial situation improves? They would meanwhile concentrate on their remaining assets. By then, of course, the project will cost \$4bn to build. Speculation.

#### **23/4/2012: SHARES STILL SUSPENDED**

In the latest release to the ASX, Gunns briefs shareholders on the court case and also says that they should 'disregard financial information concerning the pulp mill' in previous releases. The situation will be updated when the equity raising is announced. In the statement on 27th February, CEO Greg L'Estrange said the 'future value of Gunns was clearly driven by the pulp mill project'. Is there a change of plan? Can't wait!

#### **22/4/2012: COMMENT**

It would be a brave company that relisted its shares after a seven week break with the news of the last few days. Companies who are thinking of investing will want to know the result of the court case one would think. And the result of the integrity commission has resulted in much negative

comment in the press. An update is due tomorrow but it's likely it will be more of the same. CEO Greg L'Estrange has only 10 weeks left. It will be interesting to see who Gunns will replace him with.

#### **19/4/2012: GUNNS COURT COSTS APPLICATION DISMISSED**

Gunns bid to have the Tasmanian Conservation Trust pay a security bond before the case on the permits was thrown out today. The Judge said the case had merit. The case will now proceed as soon as court time is available.

#### **18/4/2012: INTEGRITY COMMISSION UNABLE TO FULLY PROBE PULP MILL APPROVAL DEBACLE**

This was completely predictable as the State government were hardly likely to give the commission the powers to fully probe this debacle - too many skeletons would be unearthed. However the facts still stand: MPs signed a pledge to respect the decision of the RPDC yet they voted for the approval even after hearing that the RPDC said the project was critically non-compliant. Ethical behaviour? Gunns said they were satisfied with the RPDC process after the final directions hearing but started preparing promotional material that day for use after they withdrew. Ethical? Premier Lennon tried to get the RPDC to drop public hearings whilst supporting them in an interview on the radio. Ethical? Gunns said that the project would have to commence by June 2007 or it would be abandoned - that was five years ago! The list goes on and on and shows a total lack of integrity in most of our politicians and Gunns' management. In fact, the whole debacle, which now includes having an integrity commission without teeth, makes Tasmania the laughing stock of Australia. This is Matthew Denholm's take on the story:

#### **TASMANIAN PULP MILL ESCAPES TOOTHLESS WATCHDOG**

Matthew Denholm, Tasmania correspondent

From: The Australian

April 19, 2012 12:00AM

TASMANIA'S anti-corruption watchdog has declared itself a toothless tiger, complaining it lacks sufficient powers to properly investigate whether the Lennon government colluded with Gunns to fast-track its pulp mill. The extraordinary comments cast serious doubt on the adequacy of the Integrity Commission, created by former premier David Bartlett in response to the pulp mill and other scandals. In a report leaked yesterday, the commission's acting chief executive, Russell Pearce, said while in some cases collusion might constitute misconduct, in others his team lacked sufficient powers to launch a productive investigation. The report said that, although the act of parliament governing the commission purports to give it powers to ask questions and demand information, it also maintained rights against self-incrimination. In other words . . . the IC has no effective coercive powers to compel evidence. Any investigation of this or any other related allegation would be at real risk of being frustrated by the inability of the commission to compel answers, and would be unlikely therefore to achieve a definitive outcome. The report, leaked by complainants to the Tasmanian Times website, revealed the IC considered delaying its assessment of the allegations in anticipation that at some point parliament might grant it sufficient powers. However, with a review several years away, this would further delay an investigation into what were already historic allegations, dating from 2007. To further delay finalising this matter in the hope of legislative amendment at some future time is not considered a reasonable outcome, Mr Pearce said in the report. The same lack of power was used by Mr Pearce to explain the commission's decision not to investigate related allegations that a planning chief's appointment as a magistrate was dumped as payback for his release of information about the mill. One complainant, Friends of the Tamar Valley, last night called for a review of the commission's powers, or at least of the interpretation of them relied on to deny a full investigation. Vanessa

**Bleyer, lawyer for the group, said: The IC is saying that it is a toothless tiger. We have a situation where the misconduct complained of escapes scrutiny because the IC thinks it doesn't have the powers to investigate it. (It means) the IC is not there to do what it was created to do: investigate alleged misconduct by public officials. While dismissing the complaints about the mill process, the commission said that, in relation to two of them, its lack of coercive powers was a reason for the decision not to proceed to an investigation. One complaint alleges then-premier Paul Lennon secretly colluded with Gunns to have it withdraw the pulp mill from the state's planning umpire, allowing him to justify the fast track of the project. Unknown to the public, by March 9, 2007, the state's planning commission had drafted a letter to Gunns informing it the project was critically non-compliant. It later emerged, via Freedom of Information, that this letter was not sent, at the request of Mr Lennon's chief bureaucrat, Linda Hornsey. Gunns then withdrew from the planning body on March 14, citing unacceptable delays, and the government responded by introducing an alternative fast-track assessment by consultants. Mr Lennon, Ms Hornsey and Gunns have strongly denied any wrongdoing. Planning chief Simon Cooper has given evidence to a parliamentary committee that Mr Lennon told him before March 14, 2007, that Gunns would quit the planning process on that day. Mr Lennon has denied this, saying he had no knowledge before March 14. In 2009, an upper house committee found credible evidence that Mr Cooper's planned appointment as a magistrate was sabotaged as payback for his release under FoI of the March 9 letter to Gunns.**

**A columnist, PB, in the online Tasmanian Times has made a list of some of the complaints not addressed by the Commission:**

- 1. A Gunns lobbyist, Tony Fletcher, was given access to Parliament during the PMAA debate and also accompanied members of the Legislative Council during their fact finding tour of pulp mills in Brazil, Chile and Finland**
- 2. Members of the Legislative Council were wined and dined by Gunns in familiarisation days in the lead up to the vote on the PMAA**
- 3. A Swedish company with a pecuniary interest in the pulp and paper industry, SWECO PIC, was appointed to assess the emissions guidelines under the Act**
- 4. SWECO PIC's assessment of the emissions guidelines under the Act failed to assess the mill for compliance with all the guidelines, identified at least eight failures to comply with the guidelines and recommended only that the project can proceed to further consideration by the Tasmanian Parliament rather than reporting that the project should proceed as required by Section 4.3 of the Act**
- 5. SWECO PIC's assessment also failed to take into account critical matters highlighted by themselves such as noise emissions, impacts on surface or estuarine waters, effects on flora and fauna, transport implications and social and economic effects, and does not include construction impacts and does not include impacts from off-site infrastructure development such as the raw water supply pipeline, effluent pipeline or quarry together with the effect of odours from fugitive emissions, wood supply issues including the effect on our native forests and plantations impacts, the location of the mill in the Tamar valley, the failure to address the RPDC Final Scope Guidelines and non-compliance of a significant number of items assessed by SWECO PIC**
- 6. SWECO PIC also failed to comply with section 4.2 of the Act which required it to take account of the latest developments, technology and limits such as the site specific Draft Scope Guidelines for the Integrated Impact Statement (IIS): Proposed bleached kraft pulp mill in Northern Tasmania by Gunns Limited dated April 2005 which were specifically developed for the proposal**
- 7. Potential fraud when SWECO PIC issued a separate letter noting that the project should proceed which is dated the same day as its report of 25 June 2007 in the header. However, the**



letter's footer is dated 2 July 2007 indicating that the letter may have been issued retrospectively with the date backdated to suit:

[http://www.justice.tas.gov.au/\\_\\_data/assets/pdf\\_file/0006/86109/C350643.pdf](http://www.justice.tas.gov.au/__data/assets/pdf_file/0006/86109/C350643.pdf)

8. The ITS Global Review of the Social and Economic Benefits of the Mill under the Act failed to take into account any of the Costs associated with the mill

9. The series of internal emails (subsequently posted on TT) between Gunns and its consultants revealing the misrepresentation/withholding of information to the RPDC regarding the site selection process and impact of toxic emissions

**16/4/2012: SHARES REMAIN SUSPENDED!**

By next Monday it will be nearly 7 weeks. In their statement Gunns say that their proposed name change and possible relocation of their headquarters to Melbourne may be announced when the capital raising measures are in place. It's an act of desperation to change your name and it shows how much Gunns is on the nose.

**15/4/2012: WILL SHARES REMAIN SUSPENDED?**

The longer they remain suspended, the more likely it is that they will never re-list. What is the delay? Obviously Gunns are having great difficulty persuading investors to subscribe a third time after the first two just disappeared into Gunns' black hole of debt. All the politicians are still talking it up but Gunns' CEO Greg L'Estrange hid himself in a minibus at the latest site inspection and refused to come out to answer questions. Not a good look.

**10/4/2012: SHARES REMAIN SUSPENDED**

Oh dear! And, in an article in the Tasmanian Times, Warwick Raverty points out that World consumption of chemical bleached pulp is falling fast due to developments in electronic technology. This industry is going the way of the candle-makers.

### Tasmanian Times

**6/4/2012: CRIKEY - IT DOESN'T LOOK TOO GOOD**

Share analysts Crikey point out that, with three huge pulp mills being constructed, the pulp market will be over-supplied in a year or two. They point out that the current capital-raising attempts are an exercise in debt-reduction and will probably make no difference at all as far as the project is concerned. Gunns are updating the market on Tuesday and the longer they remain unlisted, the more likely it is that they will never get back.

### Crikey

**2/4/2012: SHARES REMAIN SUSPENDED**

This deal seems to be taking a while to put together. I wonder why! Meanwhile the Federal Government have denied they are going to put money in to the project.

**1/4/2012: PROPOSAL FOR FEDERAL FUNDING FOR PULP MILL**

Denison MP Andrew Wilkie says that there is a proposal to fund the project with Federal money which may be taken to cabinet for approval. There are at least five good reasons for the Government to reject this option.

1/. The inter-governmental agreement signed just recently by PM Julia Gillard states no federal money would be used on the project

2/. It is an unpopular project and site protests could lose the Government votes at next year's election

3/. It has not passed the 'Equator Principles', an international treaty that the Government is a signatory to

4/. The wood supply is mainly non-FSC and so will be difficult to sell

5/. Lobby groups will attempt to stop pulp sales internationally - it worked before and it will again.

It is said that the main push for this is coming from Minister Simon Crean who is an old labour party dinosaur and general boofhead. However, Crean denies all knowledge of this as does Gunns. Perhaps it's an April Fool!

#### **29/3/2012: COUSINS TOLD CHANDLER THE PROJECT NEEDS FURTHER ASSESSMENT**

Gunns asked RCC to consult Geoffrey Cousins, a Telstra director and former opponent of the mill, about the project. Unfortunately for Gunns, Cousins came out with a list of conditions that would need to be fulfilled before the pulp mill could go ahead. This included a new assessment and public hearings. Gunns would never agree because the project has not been properly assessed and would be pilloried in public hearings. Why did Gunns refer Chandler to Cousins? Perhaps they thought they had a convert. How incompetent.

#### **26/3/2012: SHARES STILL SUSPENDED**

Surprise, surprise! Gunns now hopes to raise \$400m. but how it intends to do this has not been specified. It says that a major reduction in debt will give it more flexibility in attracting a joint venture partner. It will be interesting to see who is prepared to stump up that sort of capital when the last two raisings just disappeared in to Gunns' debt black hole.

#### **24/3/2012: AUSTRALIAN POINTS OUT SOME HOME TRUTHS**

In an article in the Weekend Australia, Matthew Denholm points the finger of blame firmly at Gunns and the State government for the failure of the project to attract an investor. He says that the assessment and approval process (or lack of) is the main reason why it is so unpopular and is unable to attract a JVP. The facts are that Gunns withdrew from the RPDC assessment when they heard the pulp mill was was critically non-compliant, that Premier Lennon leaned on the head of the RPDC (unsuccessfully) and that a friendly government assessment was then put in its place. Even then the project failed eight critical criteria but was still passed by a compliant parliament with those issues being dealt with by 'permits'. What an absolute joke - there is no rigorous enforcement agency in Tasmania to police the permits! Since then Gunns have refused to go back to rectify these issues or compromise on the siting of the mill or the use of dioxin producing chemicals. Gunns knows that the project in its present form would never pass a rigorous assessment. The shares relist tomorrow - or perhaps not. We shall see.

#### **19/3/2012: GUNNS' SHARES REMAIN SUSPENDED**

The release to the ASX says that, at last, the green triangle sale is proceeding. It has been for many months now. It is, of course, subject to the usual disclaimers - shareholder approval, etc. The release also said that RCC withdrew because it did not meet the social criteria of their previously stated evaluation framework. In other words it was on the nose. Meanwhile the shares remain suspended while discussions with institutional investors continue. Having lost most of their money in the last two share placings, it would be optimistic company to put more money in. The work on the site at Longreach has now stopped for the present, the court case about the permits is due next month. Gunns' CEO Greg L'Estrange has confirmed he is leaving at the end of June. At the AGM he said that Gunns expected to have a JVP by the end of March - instead they are struggling to raise funds to keep the broken down wagon on the road.

#### **13/3/2012: GUNNS' SHARES SUSPENDED AGAIN!**

As expected, Gunns pulled the plug on share trading with an announcement that negotiations with shareholders were continuing with the aim of a rights issue. Commonwealth Securities obviously did not get the message before the start of trading and had the shares at 10 cents before the suspension (down 35%). The shares relist on Monday (perhaps - but probably not).

### **12/3/2012: GUNNS' TRADING HALT EXPIRES TOMORROW**

However, the money is on the trading halt being extended while negotiations with potential financial backers (if there are any) continue.

### **7/3/2012: COMMENT - IT'S ALL THE GREENIES' FAULT!!!**

How devastating it must be for Gunns to have an independent corporation with no preconceived notions coming in to help them out and then withdrawing when it finds out a bit about the project and Gunns. What a message this sends to anybody considering an investment. Gunns are crying foul but all that is happening is that they reaping what they sowed. Gunns rorted the site selection process between Longreach and Hampshire, the chief cause of all their problems. They sued environmentalists to suppress opposition - it did the opposite. They tried to suppress again and again critical information on the project. They withdrew from the proper planning authority with the knowledge they would be refused and then were offered an easier process from the State and Federal governments. They keep claiming popular support but have never produced evidence to back this up. They have lied, cheated and bullied their way to get their permits and pipeline access. They still have not done a risk assesment, and there is no proper assessment of the stink, the airshed or inland waters. They ignored for years the necessity of switching to FSC. The shares are suspended until next week and unless Gunns can come up with more finance they might never return to listing. The banks that renewed their loan (at a cost to Gunns of \$39m.) in the expectation of an influx of capital will be chewing their fingernails. Meanwhile, our brainless politicians are blaming the Greens, not because the Greens caused all the above problems and more, they obviously didn't. But they told RCC about them. It's a case of shooting the messenger again. When is Tasmania going to get decent political leadership? (17/3/12: Later reports said it was because the institutional investors were unhappy.)

### **7/3/2012: GUNNS IN TRADING HALT - RCC PULLS OUT**

Gunns have requested a trading halt (again) pending an announcement. The Richard Chandler Corporation have informed them that they will not be part of their equity raising. RCC have probably been scared off by the virulent local reaction or perhaps they found out that Gunns have no joint venture partners interested and not likely to get any. Gunns say they are talking to other possible participants in equity raising but once they look at Gunns' books .....

### **27/2/2012: GUNNS RECORDS ANOTHER HUGE LOSS**

Gunns lost \$173m. in the first six months of the financial year compared with \$4.6m. in the same period last year. Meanwhile the trade mission to Asia, surprise, surprise, came back having achieved nothing except receiving a healthy dose of reality: Tasmania's timber products are on the nose because of the high Australian dollar, lack of FSC status and the past and present behaviour of the idiots who are running the industry in to the ground with the help of Government ministers who seem unable to read the writing on the wall.

### **22/2/2012: MISSION MEETS RCC**

The special Tasmanian trade mission, sent to try and rescue the failing forestry industry, has met with the Richard Chandler Corporation and discussed their proposed injection of funds in to Gunns. The RCC must have been blown away by the incredible business acumen of the Tasmanian delegation! The RCC issued a statement saying they would have a good look at Gunns' books (gulp!) and try and engineer a sustainable outcome for Tasmanian forestry. No mention was made of the pulp mill.

### **20/2/2012: JUST HOW ETHICAL IS GUNNS?**

It seems that Gunns, whilst paying its CEO \$20,000 a week and spending \$3m. a month shovelling earth around at Longreach to prepare for a pulpmill that they have no finance or joint venture partner for, owe 'little' people (people who cannot afford to take them to court) in

**Tasmania money. The link below indicates that CEO Greg L'Estrange's assertion just a couple of months ago that Gunns was not short of cash was a porky pie:**

### Weekly times

#### **10/2/2012: JUST HOW ETHICAL IS THE RICHARD CHANDLER CORPORATION?**

**Anti-pulp mill group Tasmanians against the pulpmill (TAP) claim to have found evidence that the RCC is not all that it makes itself out to be. The following link would appear to indicate that they have been thrown out of Monaco and Dubai.**

### The Spymaster of Monte Carlo

#### **9/2/2012: COMMENT - \$280 MILLION DOES NOT A PULPMILL MAKE**

**RCC have given Gunns a lifeline and maybe a year's breathing space. It does not make the pulpmill more likely. If RCC thought the project was a brilliant investment, they would put the money in themselves. Any corporation contacted by RCC will ask the same question. The deal is one that any company that was not desperate would refuse. It virtually hands over control and dilutes the shareholder base. It could be that RCC see Gunns' plantations and realise that with some careful manipulation, they could come their way at a bargain price. Gunns have been trying to find a JVP for 5 years without success and nothing has changed - except it's much more expensive, not so competitive because of the high Australian dollar and Gunns have sold or are selling their supply of plantation wood. Even if Gunns gets \$280m. it will be used to retire debt as will all the proceeds from asset sales. Last time Gunns tried to raise capital on the ASX it was a dismal failure. Matthew Denholm in the Australian thinks it might be a ploy:**

### The view in the Australian

#### **8/2/2012: GUNNS ANNOUNCE SHARE OFFER/CASH INJECTION**

**The Richard Chandler Corporation (RCC) will take a 40% share in Gunns in return for a cash injection. Gunns will also try and raise capital on the share market via a rights issue. The total cash raised could be \$280m. This will effectively take the pressure off Gunns for the present. They will, however, still need a joint venture partner and finance to build a pulp mill.**

#### **6/2/2012: GUNNS' SHARES SUSPENDED PENDING ANNOUNCEMENT**

**According to Gunns' statement to the ASX, an announcement regarding equity will be made on Wednesday. Have they found someone brave enough to inject some capital in to this failing company?**

#### **2/2/2012: GUNNS' FACE COURT IN APRIL**

**Gunns now face a serious legal attempt to cancel their building permits in the Supreme Court in April. Today Gunns gave up trying to get it put off indefinitely.**

#### **30/1/2012: GUNNS' FINANCE RENEWED**

**Gunns' financiers, mainly the ANZ Bank, must know that they will get more of their money back in the long term if they allow Gunns to continue operating rather than sending them in to administration with a fire sale of their assets. Not that Gunns deserves to survive - it's a pragmatic decision. But the time of the extension is interesting - just 11 months.**

#### **18/1/2012: ANZ TARGETTED AGAIN**

**Gunns' bankers are once again being targetted by anti-mill groups. The bank has to decide whether to roll-over Gunns' main debt which is due on 31st January. If Gunns go into administration it will be difficult to sell off assets at a good market price so the ANZ may decide to let Gunns live a little longer - although they must be balancing that against the inconvenience**

**and loss of business that continuing to support Gunns entails - a poison chalice indeed!**

**13/1/2012: GUNNS CLAIMS A GREAT VICTORY!**

**The case against Gunns by the group 'Pulp the mill' was dismissed yesterday although the group had decided to withdraw because of the Supreme Court action by the Tasmanian Conservation Trust. Gunns have issued a press release claiming the group failed to produce any evidence - but they did not explain the reason why. This is exactly the sort of one-sided and misleading press release that got the public off-side with the project in the first place. Nothing changes with Gunns - pathetic.**

**12/1/2012: GUNNS' SHARES JOIN PENNY DREADFULS**

**Gunns' shares are now down below 10 cents. There has been no announcement on refinancing yet, it is due by 31st January.**

**5/1/2012: GUNNS' SHARES SUFFER ANOTHER COLLAPSE**

**Gunns' shares ended today on 10.5 cents - a drop of 20% on the recent trading range. It doesn't look as though there is any good news in the pipeline at present. The loans due to the ANZ bank are due to be paid this month. Gunns cannot possibly do this so will the bank pull the plug or sustain them and hope that something turns up? We shall see.**

# 2011

2011

**29/12/11: HAMPSHIRE MILL TO RE-OPEN?**

**A report in the Advocate newspaper suggested Gunns were thinking of opening the Hampshire woodchip mill. The only wood available would be the plantations that are touted for use in the proposed pulp mill. If they reopen the mill, it is a virtual admission that the pulpmill is not going ahead and that the policy of selling all assets to avoid bankruptcy continues.**

**23/12/11: COMMENT**

**Here we are: another year gone by with no sign of a joint venture partner. Without the State government's injection of funds (on very dubious legal grounds), it is doubtful Gunns would have been able to make a start on earthworks. In fact, the cost of the project will be escalating by \$20m. a month so Gunns spending \$3m. a month on earthworks means they are going backwards fast. Greg L'Estrange has only got a contract to 30th June 2012 so surely it will all be over by then. With the looming economic turmoil in Europe, the chances of Gunns getting this project up are zero and they almost certainly know this but are trying to stave off looming possible administration.**

**23/12/11: GUNNS' PROFITS SINK AGAIN**

**Gunns' operating profit is down 40% to \$30m. according to the latest market update. The figures do not include interest payments so it is likely that they are in fact running at a loss. The 'Green Triangle' sale is now marked down for 31st January 2012 - the day Gunns' debts are due. The**

share price is languishing around the 12 cent mark. Meanwhile, the Pulp the mill group have called off their court case against Gunns as it is just duplicating the one coming before the supreme court next year.

#### **12/12/11: LAUNCESTON COUNCIL VOTE DOWN MOTION OF SUPPORT**

Launceston City Council voted against a motion to support the pulp mill. The LCC had originally voted not to support to project until Gunns did a proper risk and traffic assessment. Gunns have never bothered to do these so the Council stance remains the same.

#### **29/11/11: GUNNS FINALLY ABOUT TO COMPLETE GREEN TRIANGLE SALE**

Later than originally stated, the sale of the 'Green Triangle' timber assets in Victoria is about to go through with a consequent debt reduction of \$120m.. Gunns hope to sell other assets before January to reduce debt to between \$300 and \$400m. - Plus the pulp mill debt of course at \$240m. which means that if Gunns admits it's all over, their assets will barely cover their liabilities. Events in Europe suggest it was not a good idea to tie the pulpmill in to their resolution - things are going from bad to worse there. Gunns' share price has halved in the last month after a short revival.

#### **24/11/11: L'ESTRANGE GETS ANOTHER SEVEN MONTHS**

Gunns' CEO Greg L'Estrange has only had his contract extended by 6 months. So it is likely the fate of the pulp mill project will be decided one way or the other by then. The AGM had protestors outside as usual even though it was held in Melbourne.

#### **24/11/11: SAME OLD STORY AT AGM**

Gunns are still talking constructively with pulp mill partners according to Gunns' CEO Greg L'Estrange at their AGM in Melbourne today. Ho Ho! The excuse is the financial turmoil in Europe but this doesn't hold water as the Scandinavian countries where a likely partner would come from are not really affected by the crisis. They hope they will be in a position to announce a JVP by the end of March 2012 - another date. The projected cost is still \$2.3bn for the project - the same as two years ago. Who are they trying to fool? Project cost inflation is running at 10% so by now the project will take \$2.8bn to build. To pretend otherwise is pathetic. Debts are being reduced by asset sales but they will still owe over \$300m. plus the pulp mill debt (\$240m.)with a greatly reduced asset backing. Will they survive?

#### **22/11/11: GAY TO FACE COURT**

Former Gunns CEO John Gay is to face charges brought by ASIC of insider trading. He sold three million shares @90 cents - just before a profit downgrade resulting in a share price crash. There is also a shareholder action proceeding against Gunns for not releasing information before the share price crashed.

#### **21/11/11: CHIP MARKET COLLAPSES**

The Bell Bay exporting facility has refused further deliveries as the woodchip export market has completely dried up for the present.

#### **6/11/11: GOVERNMENT CONSIDERS NEW CHIP FACILITY**

The latest crazy idea from this incompetent State government is to build a new wood chip exporting facility in the south to replace Triabunna, the non-opening of which is the subject of a blame game. The truth is that Forestry does not want to deal with Triabunna because they will not process timber from areas supposed to be protected. All this has nothing to do with the pulp mill but just shows how Forestry controls the State government agenda. A new facility would be an economic disaster with the taxpayers picking up the bill - again.

#### **5/11/11: RAVERTY SAVAGES CRIKEY**

**Pulp mill expert Dr Warwick Raverty has written a rebuttal to Stephen Mayne's article in crikey pointing out that he has been badly misled by Gunns. Locals say that the site workings are very, very slow but on the day Mayne arrived, every man and his dog were there to put on a show of getting things done!**

### **The Tasmanian Times**

#### **2/11/11: CRIKEY DECIDES MILL IS BEST THING SINCE SLICED BREAD**

**Crikey founder Stephan Mayne has, on the basis of a two hour visit to the site at Longreach and some Gunns' hospitality, given the project the thumbs-up. It is obvious from the article that Mayne has swallowed Gunns' propaganda hook, line and sinker and not bothered to inform himself from other points of view. What a boofhead!**

#### **26/10/11: NEW LEGAL ATTEMPT TO STOP MILL**

**The Tasmanian Conservation Trust, obviously backed by some deep pockets, are taking the commencement issue to the High Court of Tasmania and then, if they lose, to the Federal Supreme court. A decision that the mill had not commenced by 30th August (which it quite clearly had not) would mean the end of the project for the present.**

#### **25/10/11: GUNNS AGM TO BE HELD IN MELBOURNE ON 24th NOVEMBER**

**Either Gunns are scared of continuing demonstrations and awkward questions at their AGM or they are getting ready to leave Tasmania for good. It might backfire as there are plenty of demonstrators in Melbourne! Their yearly report presentation is particularly lavish this year and in it they say they hope they will sign up a joint venture partner before the end of the year. I bet they do (hope). They could be in administration by then according to some sources.**

#### **20/10/11: ASX - PLEASE EXPLAIN**

**Gunns have been asked if there is any reason their share price has risen sharply in the last week. The company have replied they have no idea and that no announcements are forthcoming. The likely reason is that asset sales are due to be concluded at the end of October and the announcement may give the shares a boost. Some funds have realised and bought in advance. Others have assumed somebody knows something and jumped on the bandwagon.**

#### **6/10/11: HUGE HEALTHCARE CUTS**

**Just days after these revelations, the government announced there would be \$60m. taken out of the health budget - about the amount that Gunns have benefited (with cancelled debts) from their 'compensation' deal. Have the government got a death wish?**

#### **4/10/11: GUNNS, GOVERNMENT AND FORESTRY COOK UP COMPENSATION DEAL**

**It now transpires that Gunns wrote to Forestry Tasmania in April giving up all their native forest rights. The minister, Bryan Green, was informed in May. So then, when Gunns realised that they had potentially missed out on compensation, the contracts were renegotiated to allow the Government to 'compensate' Gunns to the tune of \$23m. - over double if you count the cancelled debt to FT. Also in the letter is the admission that the pulp mill had not commenced - contrary to their claims when the permits expired. The whole thing stinks.**

### **The letter and ministerial briefing**

#### **2/10/11: NOT HAPPY GUNNS**

**Gunns' auditors in the yearly financial statement, released at close of business on the last possible day, have several warnings for investors in the company. The auditors point out that Gunns have to repay over \$500m. in the next 12 months by selling assets or by re-financing. According to their books, Gunns have assets valued at over \$900m. but, so far, those sold have been at a large**

discount to their valuation. Part of these assets is the money spent on the pulp mill project, over \$200m., which would have to be written off if the project folds leaving Gunns with debts almost as large as their supposed assets. No bank would back a company under these circumstances so no wonder Gunns are desperate to keep the pulp mill dream alive. Gunns' CEO Greg L'Estrange says he is talking to two possible joint venture partners but it is difficult to see anyone being interested in the current economic climate. The cost of the project has not been updated for two years now - it is likely to be close to \$3bn. now and the fact that Gunns are still saying \$2.3bn. would indicate they are living in fairy land.

#### **28/9/11: EPA SAYS PROJECT HAS COMMENCED**

Well, surprise, surprise! Why has it taken so long? Could it be that they got legal advice which they didn't like and so fell back on advice from the solicitor-general - basically part of the government? This after Lara Giddings said that they would not get involved and the decision would be apolitical. Of course, the S-G's advice has not been released. Another backroom deal.

#### **27/9/11: UPPER HOUSE REJECT FORESTRY AGREEMENT**

This does not affect the payments to Gunns and Forestry Tasmania. Why? Good question. But Gunns have said in the past that the agreement is necessary for Gunns to find a JVP (if there are any interested in investing in this shambolic mess).

#### **21/9/11: GOVERNMENT ORDERED TO DISCLOSE LEGAL ADVICE**

Tasmania's upper house of parliament has ordered the government to release legal advice relating to the buy-back of Gunns' native forest rights. The fact that the government is trying very hard not to is in itself suspicious. More backroom dodgy deals?

#### **19/9/11: GUNNS' SHARES GO BACK ON MARKET FOR WILD RIDE**

Gunns's shares fluctuated wildly today after five weeks suspension from 17c to 27c but ended up at the same value as their suspension value - 20.5 cents. The statement that came with it said nothing that hadn't been said before many times. Gunns claim to have several joint venture partners interested which is strange because just a few weeks ago, they admitted they had none and they said they were going to build it alone. Of course, nobody in the market believed this so now it's back to JVPs waiting in the wings. Meanwhile, nothing has been heard from the EPA which is supposed to be deciding if Gunns' permits have lapsed. The EPA is a government body and will decide in favour of Gunns because that is government policy - yet another rort. The fact that it is taking so long is an indication that the best minds are at work trying to prove that two plus two equals five.

#### **14/9/11: LEAKED EMAILS EMBARRASS GUNNS**

Leaked emails from the early days of the assessment of the project appear to indicate Gunns trying to hide the possible pollution effects of the mill. And, in another embarrassment, protesters stopped work on the pulp mill site.

#### **Tasmanian Times**

#### **14/9/11: GUNNS ACCEPTS NEW OFFER**

Believed to be \$23m. to Gunns plus resolution of the disputed debt with Forestry Tasmania.

#### **9/9/11: GUNNS GET NEW OFFER**

The State government has made another offer for Gunns' native forest rights. As usual, no details are disclosed and Gunns have as long as they like to reply.

#### **7/9/11: PULP THE MILL GO TO COURT**

Gunns are now facing a court action to stop earthworks at the mill site. The permits have expired



but this arrogant company is carrying on with the work regardless. The State government and EPA are too spineless to do anything about it. They have even suggested that Gunns may get more compensation as they've rejected the previous offer. Sounds just like when they pulled out of the State assessment process and were rewarded with a much easier one. And Gunns didn't bother sending the information in for the shareholders action either and that has been postponed for a month. The shares are still frozen. Just how much and for how long is this appallingly behaved company going to get away with it? Their public image has sunk to new lows taking the government with them. It can only surely be weeks now before a final collapse.

#### **5/9/11: GUNNS REJECTS STATE OFFER**

Gunns has rejected the State government offer to buy out their native forest rights. The most likely reason for this is to give them an excuse to keep their shares off the ASX. It is nearly five weeks now and when if and when they are re-listed, there is likely to be a huge dumping.

#### **4/9/11: EARTHMOVING MACHINES ARRIVE**

Three large earthmoving machines arrived today at the Longreach site. The permits have expired and conservation groups could launch an injunction at any moment. What are Gunns up to? Quite simply they need to put on a show to get their shares back on the market otherwise it's all over. So they will be making a big mess on the hillside overlooking the estuary to try and save the company. They have no hope of getting any further and, in fact, may be bust before they get the bill for the current work.

#### **31/8/11: GUNNS SAYS THEY'VE STARTED**

In a statement to the ASX today, Gunns claim they started earthworks at the site on the 29th. That's rubbish. The permits have expired but Gunns are going to try and bluff their way through the difficulties. It should be up to the government to sort out this mess as they created it in the first place but Lara Giddings says that it would be political interference. Well, Lara, we've had nothing but political interference in this project for the last seven years - why stop now? Lara is now down to 19% in the polls so may not last much longer as Premier. Gunns are considering an offer from the State government to buy back their native wood quotas but as it includes a settlement with Forestry Tasmania, who claim they are owed \$25m. by Gunns, the amount is unlikely to be more than a few million. Gunns' shares have now been suspended for four weeks - it looks as though it could be all over soon.

#### **27/8/11: DESPERATION RULES**

Gunns are now in desperation mode. They have announced they have awarded a contract for the earthworks - only \$20m. worth instead of the promised \$30m. The works will take seven months so it's going to be fairly slow going (\$3m a month). Their 'presentation' said that \$30m. would be spent on the project this year so it looks as though that's all that's going to happen. The alternative, doing nothing, was not an option as they would be wiped out in the stock market. They claim that they are talking to a joint venture partner: Well, they would wouldn't they? - because blind Freddy can see Gunns cannot go it alone. The date stated for final closure is March 31st 2012. The discussions cannot have progressed much if it's going to take 7 months.

But why have they left it until the last minute to start earthworks? In fact it's unlikely that any work will be done on the pulp mill footprint before Wednesday when the permits will have expired. Surely if they were confident that the project is going ahead they would have made sure they did a few weeks work before Tuesday. The EPA now say Gunns can work on the site until they have received legal advice (how incompetent - they should have been ready for this weeks ago). But, of course, an injunction could be served by a anti-mill group stopping work until it's sorted out. It doesn't seem likely that the EPA, a government agency will stop the project in view

of the government's bending and twisting of the rules in the past! In fact, the government are almost certainly pulling the strings to get what they want without getting the blame.

Gunns may have been trying to get the State government to pay them out for their native wood contracts (no payout = no mill) but it hasn't worked. They've had their bluff called. Or maybe Gunns are hoping an injunction will delay the project for a while to save them money which they cannot afford. JP Morgan say that starting the mill before financial closure is a risk too far. Whatever the reasons and the motives, without the hope of a mill, Gunns are stuffed so they have to keep pretending. In short, Gunns have done what they had to to keep their heads above water (at the fairly minimal cost of \$3m. a month). Once the shares are relisted on the ASX we shall see if Gunns have done enough to keep the wolves from the door.

#### **25/8/11: GUNNS POSTS LOSS OF \$355m.**

Gunns have just posted their yearly (unaudited - are they having problems with an auditor?) result and it shows a loss of \$355m. as opposed to a profit last year of \$28m. They are still talking up the pulp mill and still saying they are going to start in August. Just 5 days to go - the permits expire on 30th August. The shares are still not relisted with the same excuse as before - negotiations with the State government.

#### **23/8/11: ONE WEEK TO GO**

With a week to go until the permits MIGHT expire, the arguments are cranking up. It's difficult to see how a court could come to any other conclusion that the project has not been substantially commenced. In fact Gunns are still saying that they will start this week. But how can you substantially progress a \$2.5bn. project in a few days? Gunns needs to persuade shareholders that the project is still a goer otherwise, when the shares are relisted on Thursday, it could be armageddon.

#### **19/8/11: GUNNS DELAYS FULL YEAR RESULTS**

To delay your full year results suggests that they are being sexed up for market consumption because otherwise things as they stand may not go down too well! Gunns says its results will be released next Thursday and that hopefully their shares will be listed again. It all sounds bad news for shareholders. They also say that the 'compensation' will be put towards the pulp mill project - should pay for a few shovels!

#### **19/8/11: GUNNS STARTS THE BLAME GAME**

In today's Hobart Mercury Gunns are reported to have said that the timing and amount of 'compensation' for giving up their native forest concessions could affect their ability to build the pulp mill. That's all cobblers of course as even \$106m., which they were originally claiming, would only disappear in to Gunns' debt black hole. But it could mean that Gunns are preparing to blame the State government for the impending project demise. No tenders have been let yet with only a week and a half left before permits expire. Meanwhile, the shares remain suspended and the longer that goes on, the more likely it is that they will never come back and Gunns, and the pulp mill, will be dead.

#### **16/8/11: GUNNS INSISTS IT WILL START SOON**

Gunns obviously believes it will need to start this month or the permits will expire as, in today's Examiner (Gunns' main propaganda mouthpiece), they say they will start construction in August. They've got 2 weeks - why have they left it so late? Isn't it more likely that they are trying to coax money out of the State government for their native wood contracts? We shall see but meanwhile, another supplier, this time in South Australia, has stopped supplying Gunns with timber because of unpaid bills.

### **11/8/11: ARROGANCE, STUPIDITY AND IGNORANCE HAS CAUSED GUNNS' DEMISE**

An article in the Tasmanian Times has chronicled the reasons for Gunns' collapse from being one of the top 100 Australian companies to one that is fighting off liquidation. The main reason is of course the fatal and stupid decision to build the pulp mill at Longreach in the Tamar valley, potentially blighting the lives of 100,000 residents with smell and pollution, instead of the remote site at Hampshire where it would affect hardly anyone. This has been the main argument in this website all along but Gunns' management and the State Government have ignored all the warnings and adverse public reaction and tried to bully their way towards building the project. Having said that, it is now the opinion of this commentator that Gunns have shown such bad faith with their lack of community consultation, their attitude to local residents, their terrible treatment of local contractors, their cheating and lies, that they should not be allowed to run anything more complicated than a sawmill. There is now a suggestion that even if Gunns fails to start building the project by the end of August (looking increasingly likely), their permits will not expire as they have made substantial progress on the project! - If so it will be yet more CHEATING, SUBTERFUGE AND LIES, and this time new Gunns' CEO Greg L'Estrange will be implicated as well.

### **Tasmanian Times**

#### **8/8/11: GUNNS WILL NOT GET ANY FEDERAL MONEY**

The forestry agreement states that NO money from the Federal Government will be used to advance the pulp mill. And it appears that Gunns will not be getting any of the cash from the agreement but will rely instead on negotiations with the State Government for the native forest buy-back. It remains to be seen if Gunns have the cash to make the substantial start in August to keep their pulp mill construction permits valid. The shares remain suspended for the present until the situation is clarified.

#### **7/8/11: GUNNS GETS MONEY - AMOUNT TO BE KEPT SECRET**

The forest agreement has been signed with over \$80m. being spent on compensation to contractors affected including Gunns. But the amount Gunns are getting will not be revealed. So, Gunns may well stagger on for a few more months and there might be a hole dug in the ground at Longreach to keep the permits going. If I were a contractor for this work I would want payment up front!

#### **6/8/11: RUMOUR-MILL RAMPANT**

All sorts of rumours are circulating from: Gunns are about to go bankrupt; Gunns will get a large payout from the forestry agreement signed this weekend; Gunns have a venture partner and are about to announce a capital raising to fund their half of the mill. The most likely explanation is that Gunns are hoping to get a promised payout this weekend and avoid going in to administration - for the moment.

#### **4/8/11: GUNNS NOW IN TRADING HALT**

Gunns reason for requesting a trading halt is because an announcement is expected soon on how much 'compensation' Gunns will receive in the forestry agreement. Their shares have tanked in the last two days losing 20% of their value and it could be to stop the precipitous decline. Gunns new Bell Bay sawmill, virtually their only source of cash-flow, has been halted through lack of wood because Gunns are behind with payments. Greens MP Kim Booth has said he will try and bring down the state government if they give money to Gunns. High stakes.

#### **4/8/11: GUNNS ON THE NOSE WITH FEDERAL GOVERNMENT**

According to today's Examiner, the federal government are refusing to have anything to do with any compensation to Gunns for giving up native forest contracts. That means the state

government will have to provide the cash which will go down like a lead balloon with the electorate. If there is no compensation then the Triabunna chip mill will close. And could it be that Gunns are saying 'no compensation, no pulp mill'? Of course, the compensation would not pay for a pulp mill, most of it will just disappear into a debt black hole but it might pay for the start required to keep the permits alive. The tiny brains of state government ministers will be sorely taxed over the next few days.

#### **1/8/11: GUNNS TRYING TO SHORT-CHANGE WORKERS**

The union negotiating with Gunns about wages for pulp mill construction workers has said that Gunns are trying to get away with wages lower than those paid on the mainland and that negotiations that had been going on for a year are in stalemate. Construction workers' wages in Australia have boomed with the mining boom. The Australian reported last week that only one out of twenty projects worth \$2bn. or more ended under budget so it is likely the pulp mill project will cost at least \$3bn. maybe more.

#### **31/7/11: CRUNCH TIME FOR GUNNS**

As July ends and no work has been done yet on site, Gunns have 31 days to make a substantial start on the project or their permits will expire. Gunns have been advertising on TV and this could be a last ditch attempt to sway public opinion in their direction (to try and get a joint venture partner on board) or else it could just be for the Government's benefit - to show they are still serious about building the mill and a generous buy-out of their native forest harvesting rights would help! August should be an interesting month - Will Gunns spend \$30m. that they haven't got to keep their pulpmill proposal alive? Are Gunns waiting for a final verdict from potential partners? It seems unlikely after all this time. We shall see.

#### **21/7/11: CHICKENS AND EGGS AT TRIABUNNA**

The purchase contract states that the Triabunna woodchip mill cannot reopen until the forestry deal is completed to Gunns' satisfaction. In other words until Gunns receives adequate funds from the Government to buy back their native wood quotas. Gunns are playing hardball with the Government and the rest of the forest industry and we can now see why Gunns sold to the environmental consortium for \$6m. less than they would have got from forest interests. Meanwhile the forest unions are saying they will not sign the agreement unless the woodchip mill is reopened - a chicken and egg situation!

#### **20/7/11: GUNNS DENY THEY ARE DESPERATE FOR CASH**

Gunns' CEO Greg L'Estrange denies that Gunns are short of cash. Well, he would, wouldn't he? Gunns are selling down everything they own to try and stay afloat. There is a large debt due at the end of this year as well as other short-term debts. Gunns will be hoping for a generous buy-back payment from the Government for exiting native forest. Anyone who does the sums knows that Gunns are in deep financial trouble and may not survive for much longer in their present form. Even if a joint venture partner miraculously appeared at this late stage, it is doubtful Gunns could raise their share of the cash. No Australian bank is interested because they know there will be a campaign against them. Gunns is the most unpopular company in Australia after they, with the help of the State Government, rorted the local planning scheme to get their pulp mill approval. They still have not assessed the effect of emissions on the the Tamar valley's closed airshed or the odours or the effect on inshore waters. There has been no risk analysis and the economic analysis was benefits only. It does not comply with the Equator Principles. Gunns have sacked most of their pulp mill team, have sold FSC plantations they will need to feed the mill and have, according to some sources, stopped maintaining the (non FSC) rest. The project is deeply unpopular locally and there will be major disruptions if the project actually proceeds. The pipeline route is uncertain and subject to legal action. Gunns also face a shareholder action and a

possible claim from disgruntled contractors. Gunns have not informed the ASX that they intend to start work on the site at the end of July. If they did and it didn't happen they could be in trouble. Gunns' estimate of the cost of the mill is now two years old and it is now likely to be nearer \$3bn.

#### **17/7/11: GUNNS SAY THEY READY TO START**

According to Gunns' CEO Greg L'Estrange, Gunns are setting out tenders for earthworks at the Longreach site so they can make a substantial start before the permits lapse at the end of August. They've left it rather late. Are they going to find firms that can start at a drop of a hat? Also, the Winter weather has turned the site into a quagmire. It all seems rather unlikely. Meanwhile L'Estrange is rushing around all the pulp mill companies that have previously rejected the project trying to get them to change their minds. He knows that Gunns have no hope of building the mill on its own. If he doesn't get any interest by August will he dare risk wasting \$30m. of shareholders' money on starting a project that will probably fail? We shall see. If not, it will all be over.

#### **13/7/11: GUNNS SELL TRIABUNNA/HEADQUARTERS**

The Triabunna woodchip mill has been sold to a tourist consortium for \$10m. dashing the hopes of the forestry industry. Gunns has obviously lost patience with the dubious dealings surrounding the sale. Good for them! Also, Gunns announced that their Launceston headquarters would be sold to Bunnings and that they are negotiating with Forestry Tasmania to end their wood supply agreements.

#### **7/7/11: GUNNS SAY THEY ARE STARTING CONSTRUCTION - THE END GAME?**

Gunns have to make a substantial start to the pulp mill by the end of August or the permits will expire. In order to make a 'substantial start' by the end of August then activity on the site would need to begin by the end of July. At a meeting at the site yesterday Gunns claimed that they will make a start at the end of July. So Gunns are trying to find a way to keep the permits alive. They have no hope of making substantial progress on a project that will cost at least \$3bn - probably a lot more - but they are going to dig a few holes in the ground and then claim that they have made a substantial start. Gunns are slowly going broke and need the myth of the mill to prevent a final collapse. A hand-out by the Government might save the company but they will still have no hope of building the mill. But they will have no hope of a hand-out if they admit the mill is dead.

#### **30/6/11: ANZ BANK BAILS OUT GUNNS**

Gunns have announced that the ANZ Bank have covered their \$55m. repayments due today taking the Bell Bay sawmill as collateral. Also the Government has announced that it will lend the money for the purchase of the Triabunna chipmill but this could be in doubt as Timber Communities Australia involved in the forest agreement has indicated it is not satisfied and is not going to sign. Gunns indicated that the sale was conditional on a satisfactory forest resolution. Gunns and the rest of the timber industry seem to have fallen out but Gunns still owns assets that the industry needs if it is going to continue. Gunns will therefore be holding out for adequate compensation. Gunns are conducting an on-site briefing session on July 6th for local businesses interested in earning money from the pulp mill construction which they say will begin at the end of July. Could this be an attempt to impress the State Government (who seem to have few braincells between them) to persuade the Federals to give Gunns massive compensation to keep the company afloat? Once Gunns admit that the project is all over they can kiss goodbye to any handouts.

#### **24/6/11: FOREST AGREEMENT**

The latest forest agreement has been released, mistakenly it seems, as it was then withdrawn. It needs a lot of Government money to proceed and as both Federal and State Governments are

strapped for cash, it is far from certain it will proceed. The news was welcomed by Gunns but there was no mention of the pulp mill in their release. It's difficult to see how it will make any difference as the cost of the pulp mill must be close to \$3bn by now and Gunns' compensation, if they get any as the forest access was gifted to them anyway, would hardly be more than a few tens of millions.

#### **24/6/11: GUNNS SELLS PLANTATIONS**

Gunns have potentially sold their 'Green triangle' plantations providing the buyer can come up with the cash. The deal will go through by 31st October. The amount is \$107m, Gunns probably hoped for better, and it will be used to retire debt. The plantations were valued at \$250m so it has resulted in quite a loss. If the same discount was applied to Gunns' Tasmanian plantations, they would fall in value by \$400m.

#### **23/6/11: TRIABUNNA PURCHASER ASKS FOR GOVERNMENT LOAN**

Does this mean the banks will have nothing to do with it as the mill is unlikely to make a profit?

#### **16/6/11: COMMENT**

Gunns are in survival mode and need to raise over \$50m by June 30th to repay a loan. The only way they are going to do that is if the forestry agreement currently being negotiated allocates some compensation to Gunns for giving up native forest logging. That could occur in the next couple of weeks and keep Gunns alive - for a bit longer anyway. However, how likely are the Federal Government to give Gunns money that will almost certainly just disappear in to Gunns' debts? We shall see. Gunns now have 11 weeks to make a substantial start on the pulpmill or the building permits will lapse. Gunns and Forestry Tasmania appear to be each other's throats at the moment so co-operation between them has ceased. Forestry Tasmania will do their best to wreck any forestry agreement and the Government seem unable or unwilling to reign them in. The share price is now down to 25 cents. The end could well be nigh!

#### **14/6/11: TRIABUNNA MILL SOLD**

Gunns have confirmed that they have sold the Triabunna chip mill - No price information and the sale is conditional on the forest agreement being signed. Why? Could it be that it is a threat: no agreement and we'll go back to selling woodchips from old growth forest? The share price is now down to 27.5 cents.

#### **7/6/11: ANOTHER LEGAL CHALLENGE**

The Tasmanian Conservation Trust have challenged the Federal decision to approve the mill on two grounds. They claim the minister can only change the pipeline route for conservation reasons - not because Gunns asked them to. Gunns wanted a change of route to avoid landowners who would not let it through. The other reason is a clause allowing changes to be made to the project without public consultation. The Trust says that this would set a dangerous precedent.

#### **7/6/11: GUNNS' SHARE PRICE TANKS AGAIN**

It has now gone down to the level it was before the last bullish announcement.

#### **4/6/11: ANZ CONFIRM NO PULP MILL FINANCE - CHIP MILL SHUT PERMANENTLY**

Gunns' bankers, the ANZ Bank, have confirmed their original decision not to fund the pulpmill. It is thought that the project failed the Equator Principles test. The ANZ is a signatory to the treaty. Customers of the bank would leave in droves if the bank changed its mind. And Gunns have made their closure of their Triabunna woodchip mill permanent.

#### **1/6/11: GUNNS' LAST THROW OF DICE**

Gunns have admitted there is no joint venture partner or finance. So they are going to go it alone. Sell everything they own to finance the project. The only problem is that they already owe

over \$600m. They don't have anything like the assets to raise that sort of money and what they have is overvalued anyway. And how are they going to survive with no cash flow whilst the mill is being built? It's another ruse to stop the share price falling like a stone. It's over.

#### **28/5/11: CONFUSION ON EXPIRY OF PERMITS**

Apparently the pulp mill approval clarification bill 2009 was a bit of an oxymoron as it does not clarify what constitutes a substantial start to construction or whether the permits can be extended. Can you expect anything else from these shambolic Tasmanian politicians? Pathetic. As things stand, the permits expire on 31st August unless Gunns have made a substantial start on construction. Three months to go. We shall see.

#### **26/5/11: LIBS/LABS VOTE DOWN REPEAL OF PULP MILL APPROVAL BILL**

The Greens motion was voted down. This was to be expected as they know that the end of the pulp mill will probably mean the end for Gunns.

#### **24/5/11: GUNNS SELLING WOODCHIP CARRIER**

Gunns owns a woodchip carrier and this has now been put on the market. The ship would be necessary if the pulp mill were built to transport 1.5m tonnes of woodchips from Victoria. Would Gunns be selling if there was a remote possibility that the project will proceed? The share price is now 35 cents.

#### **18/5/11: WILDO'S WITHDRAW FROM NEGOTIATIONS**

The Wilderness Society, probably annoyed by Lara Giddings statement in Parliament that the statement of principles was all about getting Gunns' pulp mill up (and we thought it was about protecting the forests), have withdrawn from negotiations making them meaningless. Gunns' share price is now below 40cents, one tenth the price they were when the project was announced.

#### **15/5/11: ANOTHER LARGE DEMO' AGAINST MILL**

A crowd, estimated to be in the region of 6000, attended an anti-pulpmill rally in Launceston yesterday. The theme was the death of democracy and most of the crowd wore black. It seems that opposition to the mill is as strong as ever.

#### **9/5/11: ELECTIONS WORK AGAINST MILL**

An anti-pulpmill candidate, Rosemary Armitage, defeated the son of an ex-Gunns' Board member to take the seat of Launceston and the Government lost a minister meaning they might have to have another cabinet member from the Greens. A big demonstration is planned for this Saturday in Launceston against the project.

#### **21/4/11: GUNNS INCREASES OUTPUT OF MILL**

Gunns has requested changes in the permits to allow an increase of nearly 20% in mill output to 1.3m tonnes. Gunns' share price was slipping badly. An announcement was needed to shore it up. This was it.

#### **20/4/11: CLASS ACTION BY GUNNS' SHAREHOLDERS**

A class action against Gunns for failing to keep the market informed about last years' profit collapse has been brought by 300 shareholders. If nothing else, it will cost Gunns a lot to defend the action and result in bad publicity for the company.

#### **15/4/11: ADVERT KEEPS MYTH GOING**

An advert paid for by Tasmanian businesses (it's amazing how Gunns manages to get other people to pay for their promotions) extols the 'benefits' of the pulp mill. In the past, this sort of advertising has been counter-productive. It just reminds people that the approval process was based on lies and deception. Gunns will welcome anything that gives the impression that the mill is going to happen - but it isn't.

#### **10/4/11: RISING DOLLAR, SINKING PULP MILL**

The inexorable rise of the Australian dollar is making Gunns' job of attracting a joint venture partner more and more difficult. It increases the cost of the JVP's share whilst making hardly any difference to the cost of the project as only a small percentage will be spent outside Australia. But the main effect of the rise is to make the mill totally uncompetitive.

#### **5/4/11: KELTY REPORT FINAL NAIL IN COFFIN?**

Bill Kelty's report on the forestry industry in Tasmania recommends an independent, robust pulp mill assessment to include all the downsides and with compensation being paid to businesses adversely affected. As Gunns are running out of time it seems that there would not be a suitable timeframe for all this and it is possible that Gunns will go bust before any decision is reached.

These are the main points:

- \* There is concern in the community about the process used to approve the mill
- \* There is cynicism and division in the community
- \* Compensation should be considered for those disadvantaged by the project
- \* There should be an independent robust assessment
- \* Even then it cannot be assumed there will not be opposition to the project if it goes ahead
- \* An independent economic assessment which includes negatives should be carried out

Gunns have always claimed that their mill would not disadvantage anyone. Here, at last, is an official acknowledgement of some of the concerns of the community.

#### **31/3/11: WOOD SUPPLY DOUBTFUL AT BELL BAY - TRIABUNNA SHUT DOWN**

Gunns have a brand new sawmill at Bell Bay but unfortunately there may be a shortage of wood to mill as Forestry Tasmania are sending logs to China. Jobs may be affected. Also Gunns announced that the Triabunna wood chip mill would be shut for 8 weeks.

#### **30/3/11: GUNNS' SOCIAL ENGAGEMENT A FAILURE**

650 people crammed in to the Tailrace Centre in Launceston for a 'No pulp mill' meeting. This was more than the meeting 4 months ago giving the lie to Gunns' claim that their social engagement has resulted in less opposition to the mill. Christine Milne outlined why the mill does not make economic sense even at the most basic level - South American pulp producers will be able to undercut them easily and so the mill will not make money. And that is without the detrimental effects on the Tamar valley economy - loss of fishing, tourism, etc. Milne also said that Gunns had now told the ASX 20 times that a joint venture partner was imminent. No wonder the share price languishes - who would believe a single word they say?

#### **26/3/11: KELTY EXPOSED AS PULP MILL NEGOTIATOR**

Bill Kelty, a supposedly independent negotiator from the Federal government to help solve the forest dispute, has now been exposed as someone whose main interest it seems is to pave a way for Gunns' pulp mill. The pulp mill has absolutely nothing to do with the forestry agreement as it will now use only plantation wood. So why is Kelty trying to tie the two issues together? The Tasmanian forest industry has obviously no intention of stopping old growth logging and neither has the Tasmanian government. Even if they get a pulp mill which is very unlikely, they will find an excuse to keep logging. The environmental organisations would be advised to back off from any more negotiations until forestry and the Government start acting in good faith. And they should make it clear they will never endorse a Tamar pulp mill.... which will kill it for good. They can then negotiate about forests without the elephant in the room.

#### **24/3/11: LARA CHANGES HER TUNE EVERY DAY**



One day Lara Giddings, temporary Tasmanian Premier, says that the environmental organisation will need to agree to a Tamar valley pulp mill to save the forests, the next day she says that isn't the case. Then she changes her mind again. Could it be that certain people are contacting her and telling her to toe the line? It certainly seems she doesn't have an opinion of her own and that someone is pulling the strings. The whole situation is in such a state of flux that it is difficult to see anything useful coming out of it. The forest industry is obviously not going to stop logging native forests whatever happens so why would the Wilderness Society and Environment Tasmania endorse a Tamar valley pulp mill especially as they will lose all their support? And why would a joint venture partner want to join this crazy gang?

#### **22/3/11: KELTY SAYS INDEPENDENT ASSESSMENT REQUIRED**

Forest negotiator Bill Kelty says that an independent assessment of the pulp mill proposal (hasn't he heard what happened to the first one?) might help sway public opinion behind the project - very doubtful. He says he has briefed a possible joint venture partner on the situation. Gunns don't have time on their side and an independent assessment is likely to take a while. The only independent assessment to date was the RPDC which found the project 'seriously non-compliant' so no wonder Gunns' CEO Greg L'Estrange doesn't want another.

#### **20/3/11: PROTEST AT BATMAN BRIDGE**

About 1400 people attended a protest at the Batman Bridge near the pulp mill site today and were addressed by speakers including Kim Booth, Peter Cundall and Richard Flanagan.

#### **18/3/11: ANOTHER BENEFITS ONLY STUDY RELEASED BY GUNNS**

Gunns certainly don't seem to learn from their past mistakes. Another benefits only study has been released showing the benefit to Tasmania will be \$10bn. over 20 years. However, the figures in the report are just so ridiculously exaggerated they are totally unbelievable. Expect politicians to use them but they won't fool bankers.

#### **17/3/11: PAX POPULUS REPORT OUT**

The report by the public relations company showed that a large majority of households on the west Tamar do not want the mill whilst traders in George Town (who stand to make money out of it) do. The lack of trust and dislike of Gunns is well documented. A reply by Gunns' CEO Greg L'Estrange says they must do better but doesn't offer to sort out the main problems - wrong location and lack of proper assessment.

#### **15/3/11: GUNNS COOKED THE BOOKS**

Documents produced by the Greens appear to show that, in the original site evaluation, Gunns told the companies that prepared the assessments for Longreach and Hampshire to ignore information that would have favoured Hampshire. This site has always maintained that the choice of site was wrong. Now Gunns stupidity and arrogance has come back to bite them. Meanwhile, Gunns' Japanese contracts could be affected by the earthquake/tsunami. It's too early to tell.

#### **14/3/11: COMMENT - THE END GAME**

As Gunns' share price retreats from its highs generated by the final permits being passed, the final end game of this whole sorry saga approaches. Gunns are in survival mode. They owe \$630m, \$850m if you count the pulp mill debt. In theory they have assets to cover this but it is likely they are overvalued on the books. The last set of accounts showed they are trading at a loss so the debts are slowly increasing. They have sacked a large proportion of their workforce. Tasmanian plantations are not being maintained according to sources. They have sold or closed down most of their income producing assets. They have sacked most of their pulp mill staff. They have told a contractor that the mill is not going ahead. They have missed briefings without

**explanation. The two extra directors promised at the AGM have failed to materialise. They are moving their office to Victoria where they have plantation assets. Yet they cannot admit the mill is dead without breaking banking covenants. The one thing that might save them is if they get compensation for giving up logging native forest. The amount mentioned is \$200m - approximately the pulp mill debt. Co-incidence? Gunns say they have two potential joint venture partners - presumably both Asian companies as the Europeans have backed out. But why would Asian companies be interested in building a pulp mill in Tasmania where:**

- \* It will be more expensive to build and operate
- \* The environmental controls will be stiffer
- \* The wood supply will be more expensive and not as reliable
- \* The local population are hostile and will campaign vigorously at home and abroad
- \* The local and national Government have a Green component
- \* The local exchange rate is high
- \* The local company has nil experience in building and running large projects and in fact are in financial trouble.

**Even if a JVP miraculously appears, Gunns will still have to find finance. CEO L'Estrange mentioned the ANZ Bank but I don't think so. Not after the last campaign against them. Gunns have until August to start building or State permits will expire. To organise a large project like this takes a long time. Tradesmen are in short supply in Australia and occupied rebuilding Queensland and Victoria after national disasters. Nobody wants to start a project in or before Winter because of the potential rain. The question is: Will the Greens allow the Labor government to extend the permits?**

**Meanwhile, Gunns have been savaged by an article in the national press: Paddy Manning**

#### **10/3/11: GUNNS GET FINAL TICK - BUT SO WHAT?**

**AS expected, the Federal Government ticked off the final permits on the project. Gunns have had approval to build its mill for over two years and yet nothing has happened. There was never any question that these permits would be passed so really nothing has changed. Gunns need a joint venture partner AND finance to be able to build. After three years they have all but exhausted any possibilities. Making the permits tighter will hardly impress future backers - it makes it more expensive to build and run. Opponents are too entrenched to be impressed - wrong location, corrupt assessment are what they care about.**

#### **5/3/11: WILDO'S, ENVIRONMENT TASMANIA SAY NO**

**After very strong public feedback, both ET and the Wilderness Society say they will not endorse Gunns' pulp mill. And the Greens have come out strongly against it threatening to bring down the Tasmanian government if they support it in any material way. Gunns have, typically, refused to say what changes they require in the permits but it is believed to be what has already been announced ie. plantations and 40% less chlorine. How can Gunns ever get the trust of the community when they have this secrecy culture? It just adds to distrust. All this furore will have the effect of putting off any potential partner - if there are any. This commentator believes not and that all this fuss serves Gunns very well as a very cheap way of keeping up appearances to stop the collapse when the truth comes out. Gunns are obviously hoping to sell some assets before then.**

#### **3/3/11: GUNNS SCRAPES THE BOTTOM OF THE BARREL**

**The day before Minister Burke was due to announce whether to approve the marine permits, Gunns decided to send in more information. Information they must have known about for weeks. What's going on? Gunns are mucking everybody around. It's probably a delaying tactic because**

**Gunns have no backers and the lack of permits was a good excuse for no progress. Unfortunately for them, Burke has only delayed it a week. Gunns were probably hoping for a month.**

#### **2/3/11: APPROVAL PROCESS TAKEN TO INTEGRITY COMMISSION**

**The Australian reported today that issues relating to the approval of the pulp mill have been reported to the integrity commission. This includes the accusation that Paul Lennon leaned on the RPDC chairman to speed up the approval and abandon public hearings and that Lennon knew that Gunns were going to pull out of the RPDC process before it was officially announced. Lawyers acting for Friends of the Tamar valley have lodged the complaints. The approval of the final marine effluent permits are expected to be announced on Friday.**

#### **23/2/11: EUROPEAN PARTNERS ARE OUT**

**The Mercury today reported that all European interest in the project had ceased and that Gunns were 'wooing' Asian companies. In fact, there is no evidence that Gunns are even talking to these Asian companies. Why would Asian companies want to build a pulp mill in Tasmania? It would cost a lot more, have more environmental regulations and red tape, is committed to European suppliers of equipment, and would be tied in to an expensive and probably unreliable source of wood chips. This commentator believes that Gunns had European interest and possible finance up until a few weeks ago but they have pulled out leaving Gunns with nothing but they cannot admit it or the company is finished. Meanwhile the Government side of things has carried on - replacing Bartlett with Giddings, getting finance guarantees and speeding up the forest agreement (Forest agreement: The Wilderness Society will not agree to a Tamar pulp mill - they would lose a lot of their income). No doubt the marine effluent modules will be approved next week and Gunns will lose another excuse for delays in financial closure.**

#### **21/2/11: GUNNS CANNOT ADMIT MILL IS DEAD**

**A financial article on Gunns in today's Launceston Examiner admits that Gunns' directors cannot announce that the mill project is dead because the resulting \$220m. pulp mill debt will result in banking covenants being broken and the company going in to administration.**

#### **20/2/11: MERCURY PLAYS GUNNS' TUNE**

**An article in the Hobart Mercury says that Gunns have had communications with the Federal department of infrastructure about the pulp mill. The headline is 'Taxpayers may help pay for mill'. Well, it would be truly strange if they hadn't. Almost certainly, all that took place whilst Gunns still had hopes of a backer. All this fuss is helping Gunns make it look as though the project is still a possibility thus staving off administration.**

#### **19/2/11: LARA LENNON BACKS DOWN FROM LOAN GUARANTEE**

**In an interview in today's Mercury, Tasmanian Premier Lara Giddings, said that she backed the pulp mill to the hilt but backed down on her previous statement that she would consider guaranteeing loans for the project. A dose of reality has obviously hit Lara who is looking more and more like previous Premier Lennon's representative in Parliament. Maybe she got the job to replace David Bartlett on condition of unconditional support for the project. Unfortunately for poor old Bartlett he probably lost his job for nothing, another victim of the obsession with the mill of the Labor party dinosaurs, as the mill looks doomed.**

#### **18/2/11: COMMENT**

**Looking at Gunns' financial statement, it seems that assets were sold for \$77m. but the debt was only reduced from \$659m. to \$630m. ie \$29m. Where did the other \$38m. go? Some went on the new sawmill but most of it must represent Gunns' loss for the half-year - maybe \$30m. Given that Gunns are probably paying perhaps \$22m. interest on their debt, it follows that the company, even without debt payments, is running at a loss. This is a situation that must be remedied**

quickly or Gunns are gone. It appears that Gunns, out of cash, tried to sell its new sawmill and lease it back but the deal fell through and the share price had to be suspended whilst Gunns found the funds to keep going. There are stories that contractors have not been paid. If Gunns cannot borrow say \$40m. against a profitable asset then how can they hope to borrow billions for a pulp mill. The extra directors that Gunns said it was engaging to give them expertise in large projects and international finance have not materialised. The pulp mill, in the view of this commentator, has gone. Gunns may well follow in the not too distant future. CEO Greg L'Estrange's contract expires 30th June.

#### **15/2/11: GUNNS POSTS LOSS OF \$4.5m.**

In spite of including capital appreciations of land, equipment and the saw mill they didn't even own on December 31st, Gunns have posted a small loss. The delay was apparently due to a short-term financial facility being arranged. This has all the signs of a company in desperate straights and in survival mode. Gunns need to sell assets to survive and their Tasmanian assets do not look very attractive to a potential investor given that their FSC status is dodgy. They are still talking up the pulp mill but their financial saviours seem to be stuck in 'due diligence' limbo. The story is that employees made redundant by Gunns have said they have no finance. There doesn't seem to be any mention of a joint venture partner.

#### **11/2/11: TRADING HALT IN GUNNS' SHARES**

Almost certainly nothing to do with the pulp mill, the trading halt might indicate that Gunns half-yearly results need a bit of a last minute boost to prevent a share market drop. Is the pulp mill still a possibility? Gunns says so but there are conflicting rumours. We may well know within a few weeks.

#### **8/2/11: HERE WE GO AGAIN: CONSTRUCTION WILL BEGIN IN MARCH - OR PERHAPS NOT**

The Mercury today printed a story that the likely start date will be mid-March whilst the ABC said that Gunns still did not have a start date. Another Gunns' spokesman said that it may be months before the marine study results are known. L'Estrange said in the Mercury that finance depended on a Federal Government unconditional approval. Gunns' half yearly results are released soon. The share price languishes. Conclusion: Gunns are trying to keep the project in the spotlight to prevent a collapse into administration.

#### **7/2/11: GUNNS SENDS OUT BEGGING LETTER**

A letter to various groups involved in the pulp mill debate including arch opponents TAP has been sent out by Gunns. It points out the survival of the company is at stake. So what's going on here? It could be that CEO L'Estrange is looking for someone to blame when he finally has to announce the project is dead. Or perhaps it's just a cheap way of pretending that the pulp mill is still a possibility.

#### **2/2/11: GUNNS' SHARE PRICE CRASHES - AGAIN**

Gunns' share price has crashed by about 15% in the last couple of days on a huge turnover. They have failed to sell a WA facility and so have closed it but they have completed the purchase of the old FEA mill at Bell Bay which is very profitable. So what is going on? Could it be that the news that the pulp mill is not going ahead is leaking out? Gunns' statement to the ASX did not mention the project which is unusual.

#### **27/1/11: NEW PREMIER SUPPORTS PULP MILL**

New Tasmanian (according to local info' temporary) premier Lara Giddings has said she supported the proposed pulp mill. She obviously has not talked to Gunns, in fact, she admitted as much. She said her Government would consider guaranteeing a loan for the pulp mill. In view of

the dire budget situation, it doesn't look likely. Meanwhile, the persistent plugging of the pulp mill by certain correspondents on Tasmanian Times seems to have stopped. Perhaps they know something or maybe they're just on holiday. The Launceston Examiner, that excuse for a local paper that acts as a mouthpiece for Gunns, is still plugging away. Obviously Gunns haven't told them: IT'S ALL OVER.

#### **18/1/11: GUNNS HAVE GIVEN UP**

Further information, which for the moment must remain confidential, indicate that Gunns have given up hope that the project will go ahead. Gunns will try and keep pretending because they are trying to raise funds to buy the FEA sawmill at Bell Bay. Expect them to keep it up until they get the marine effluent go-ahead to give them all the permits. But I doubt if any company would wish to build at Longreach after Gunns' failure.

#### **16/1/11: INSIDE INFO' - IT'S ALL OVER RED ROVER**

According to a source close to Gunns, the pulp mill is all but finished. Gunns may keep up the pretence for a while to stop a share market rout. We've had inside info' and rumours before but, with the latest news (Botnia, FSC, sackings), it looks as if this sorry saga will soon be over.

#### **14/1/11: GUNNS SACKS PULP MILL TEAM**

Gunns have announced that they are making redundant members of their pulp mill management team with the excuse that the assessment phase is over (it was 3 years ago) and that they are moving towards the construction phase. One of the management team, Les Baker, has been with Gunns for many years - far longer than the project. So the question is: Are Gunns trying desperately to cut costs as the project looks like failing or are they making room for new expertise? In this commentator's view the former is more likely - we shall see.

#### **10/1/11: COMMENT**

2011 is shaping up as the year that this debacle will be settled one way or the other. The marine study results will be announced in March and, whilst nobody is expecting the Federal Government to stop the mill, extra conditions may be imposed adding to the cost. The Feds will be concious of the threat of legal action if they don't do the right thing. Many think that Gunns will go bankrupt in the next year or two if it cannot get finance. The lack of FSC for their Tasmanian assets could be a big stumbling block. Gunns' spin doctors will probably claim public acceptance of the project sometime this year (but it's difficult to see how) but whether the potential financiers fall for this is another matter. The Forest agreement may be finalised this year but the lack of Federal money is a huge obstacle. Without it finance may be impossible.

#### **10/1/11: GUNNS WITHDRAWS FSC ASSESSMENT FOR TASMANIA**

Rather than having the humiliation of the assessment of their Tasmanian assets turned down, Gunns have withdrawn from the process just asking for their Victorian and Western Australian assets to be assessed. Where this leaves the pulp mill is debateable but it certainly is not good news for Gunns and their share price has drifted below 60c.

#### **9/1/11: BOTNIA DENIES PULP MILL INVOLVEMENT**

Major pulp and paper manufacturer Botnia have issued a statement that they are NOT involved in Gunns' project. Gunns' project manager Timo Piilonin works for Botnia. It remains to be seen if he will stay if Botnia has definitely decided against involvement.

#### **5/1/11: GUNNS PLAN TO WELD PIPES TO STOP ODOURS**

Doubts have been expressed about the long term effectiveness of welding joints together to stop smelly gasses escaping from joints. It may work initially but after a while with pipe movements due to temperature changes and ground movements, there are likely to be splits in the pipes and welds which may leak worse than a flexible joint. A retired engineer living in the Tamar valley

has commented that it would be impossible to weld all the joints and strainers, filter, valves and pumps cannot be welded. If this simplistic solution works then why haven't other pulp mills employed it? - Either because it doesn't work or it's impractical.

# 2010

2010

## GUNNS' SHARE PRICE

### **29/12/10: NEW POLL SHOWS PULP MILL NOT WANTED**

An internet poll in the Examiner newspaper recorded over 80% of the population don't want a pulp mill in Tasmania.

### **19/12/10: L'ESTRANGE SELLING HOUSE**

Gunns' CEO is selling his house in Launceston. Is he about to do a runner if either the project collapses, Gunns collapses or the project is started and open warfare breaks out? Meanwhile, the interviewers from the PR company are hearing tales of bullying, corruption, lack of consultation and general arrogance from Gunns. Their ears must be ringing!

### **12/12/10: GUNNS HIRES ANOTHER PR COMPANY**

Another PR company is attempting to engage with anti-pulp mill groups and the reasonable conclusion is that Gunns is behind it. It is thought that the recent meeting at the Tailrace has prompted this action. The groups Friends of the Tamar, Pulp the Mill and Tasmanians against the pulp mill are all likely to refuse meetings unless concessions are offered. There is no point otherwise.

### **7/12/10: NO MONEY FROM FEDERAL GOVERNMENT**

There is no funding for Tasmanian Forests says Canberra. They have already had enough and they will have to sort out the deal without massive funding. This could be the death of the agreement. Gunns are not happy as, it is rumoured, they needed funds to keep going.

### **6/12/10: FEDERAL GOVERNMENT APPROVE FOREST PEACE PLAN**

It has been announced that the Federal Government have approved the 'peace' plan. There is no mention of any funding and it is thought the final details will have to be thrashed out over the next few months. Meanwhile it has been revealed that Gunns failed to come up with the cash for their latest purchase, the FEA sawmill at Bell Bay. They have been given another 14 days. The rumour is that their bankers, the ANZ Bank, turned them down. Which begs the question - if they cannot raise \$45m. how are they going to raise their share of the \$2.5bn (and rising). We shall see.

### **1/12/10: MORE TROUBLE AND MORE LEGAL CHALLENGES AHEAD FOR GUNNS**

In a strongly attended anti-pulpmill meeting in Riverside tonight, lawyer Vanessa Bleyer said that there were at least three legal challenges awaiting the pulpmill if it proceeds. At the meeting, scientist Warwick Raverty said the main problem with the mill will be the smell. Another piece of

**bad news for Gunns is the loss of an order to supply Japan with 1,200,000 tonnes of woodchips which includes plantation. Gunns are in big trouble financially according to some analysts.**

**28/11/10: NO COMPENSATION FOR GUNNS**

**Premier Bartlett has told Gunns that they will get no compensation for their decision to exit native forests. This will be a blow to Gunns who are struggling with over \$600m. in debts. They have announced the schedule for closing their northern chip mills.**

**25/11/10: NO PULP MILL PARTNER YET**

**Gunns' shareholders were confronted by more than 100 protesters at their AGM today. It was announced at the AGM that 'due diligence' was taking longer than expected (!!!) but potential stakeholders had approved Gunns' project as being sound.**

**24/11/10: GUNNS LAYS OFF 150 WORKERS**

**Gunns announced today the sacking of 150 workers at their chip mills. No details were supplied.**

**14/11/10: MERCURY TOURS MILL SITE**

**The Hobart Mercury today has an article on the mill site at Longreach. It points out the problems that will occur such as noise, construction disruption and the visibility of the stack. (It does not mention the 500m high plume that always accompanies pulp mills.)**

**Hobart Mercury**

**10/11/10: COMMENT**

**It looks as though the latest finance negotiations have come to nothing as the optimism from around the beginning of October seems to have evaporated with Gunns' CEO Greg L'Estrange now admitting that Gunns' shares were not a short term buy. How long does it take to assess a financial loan anyway? The latest possible financial partners seem to be taking forever - or perhaps they've walked away like all the rest and Gunns have not owned up as the effect on the share price could be devastating.**

**31/10/10: PROTEST AT PULP MILL SITE**

**A gathering today at the pulp mill site made it quite clear the protests are not going away because of the forest agreement.**

**29/10/10: ANOTHER PROFIT WARNING**

**Gunns issued another profit warning causing their shares to sink 8% before recovering.**

**19/10/10: FOREST AGREEMENT SIGNED**

**Finally, the long awaited forest agreement has surfaced and as expected there is mention of a pulp mill being desirable down the track but NOT Gunns' Tamar project. Gunns' AXS release, not surprisingly claims this supports the project but they could be in for a shock. The organisations concerned will make it clear that they still do not support the current proposal and the local residents will never support it.**

**18/10/10: GUNNS CLOSES SCOTTSDALE MILL**

**Gunns announced today that it would close its Scottsdale sawmill. It is expected to put 85 workers out of a job.**

**16/10/10: L'ESTRANGE BACKS AWAY FROM TIMELINE - ADMITS MILL COULD BE BETTER**

**In an interview in 'The Australian', Gunns' CEO Greg L'Estrange has now backed away from company claims that finance will be obtained by the end of this year. Mr L'Estrange also admitted that the mill could be better as he said that Gunns would be willing to discuss air and**

water pollution and odours with local groups with the intention of improving the performance of the mill.

#### **1/10/10: GUNNS SAYS FINANCE BY END OF YEAR**

Gunns now say they expect to get finance for their project by the end of the year. We've heard that before. They also said that they did not expect it would cost any more than their original estimate 5 years ago (1.4bn). A year ago they said it would cost 2.5bn including interest. Gunns seem to be defying the laws of economics!

#### **11/9/10: GUNNS NOW WANTS TO JOIN ROUND TABLE**

On Stateline last night, Robert Eastman said that Gunns now wanted to join in the talks on the future of forestry. No doubt they will want an agreement that gives a green light to the Tamar valley pulp mill because they have already made concessions. However, the concessions were forced upon them by market pressures so there will be no obligation to give anything in return. The fact is that Gunns will never achieve a 'social licence' for a pulp mill in the Tamar valley because of their past behaviour in withdrawing from the proper planning process under false pretences after saying they would abide by the decision.

#### **10/9/2010: GUNNS SLASHES WOODCHIP PAYMENTS**

Gunns announced that payments for woodchips from sawmills are reduced because there is longer a good market for them. This will have a potentially disastrous effect on some sawmilling operations.

#### **8/9/2010: GUNNS DESSERTS OLD ALLIES**

Gunns have announced that they will no longer be members of the Forest Industries Association of Tasmania much to the annoyance of the other partners. Gunns say the logging debate is over and they will be using plantation wood in future. Maybe Gunns is so short of cash that they can no longer afford the fees?

#### **26/8/2010: LEAKS AND RUMOURS HIT NEWSPAPERS**

The Hobart Mercury and the ABC website reported this morning that an agreement in principle had been reached between environmentalists and the Timber industry which included a Tamar valley pulp mill. In fact, this is untrue as the agreement, not yet signed, only mentions that A pulp mill, not a Tamar valley one, and the Wilderness Society (and the Greens) totally oppose the existing proposal. This leak came probably from elements in the Timber industry trying to destabilise the groups that have proved such strong and effective opposition to the project. Even if true, the project still needs to gain finance and would still face strong opposition and protests.

#### **14/8/2010: PIPELINE ROW IN PARLIAMENT**

Green MP Kim Booth attacked Premier David Bartlett in the Tasmanian Parliament today for buying the land for Gunns' water pipeline. Mr Bartlett replied by attacking Mr. Booth (a common tactic when you know you're in the wrong) and calling it a conspiracy theory. He did not actually deny it as if, in future, documentation was produced, he would have to resign. The facts are these. Then Gunns CEO John Gay said at the AGM that the pipeline issue had been resolved. The landowner made it quite clear he was not prepared to let it through. The only conclusion is that a secret backroom deal had been reached. Conspiracy theory Mr. Bartlett? Conspiracy fact.

#### **16/8/2010: GUNNS' PROFIT DROPS AGAIN**

Gunns' profit has halved from last year to \$28m. It is however an improvement on what was expected earlier in the year. Gunns have now sold their wine business, Tamar Ridge, to Brown Brothers for \$32.5m. further reducing their debt.

#### **11/8/2010: FORESTRY AGREEMENT NEAR**



Talks between Forestry interests and environmentalists are nearing completion according to the Examiner today. There are several possible outcomes. There was mention of a pulp mill but no mention of the Tamar project. There will be no long term peace if a pulp mill is built in the Tamar valley so let's hope common sense has prevailed.

#### **5/8/2010: TAP SAY 'NO DEAL' AS WELL**

Anti-pulpmill group TAP have joined with 'Pulp the Mill' in refusing to meet Gunns to discuss the project. TAP say Gunns have had 6 years to talk to the community but have not done so.

#### **5/8/2010: DIER SAY GUNNS CAN USE LAND FOR PIPELINE**

The State Government department that bought the land for the Dilston bypass now say, not surprisingly as that was their purpose all along in spite of denials, that Gunns can build their pipeline alongside the road.

#### **2/8/2010: NEW POLL SHOWS MILL STILL ON THE NOSE**

The latest opinion poll shows that the pulp mill is still just as unpopular with only 26% saying they thought the Federal Government should help out with 55% against.

#### **27/7/2010: PULP THE MILL REFUSE TO MEET GUNNS**

'Pulp the Mill', anti-mill group who have organised several demonstrations against the mill, have refused an invitation to meet with Gunns. Spokesperson Lucy Landon-Lane said there was no point in talking to Gunns as the Tamar valley was not a suitable location for any type of pulp mill.

#### **14/7/2010: GUNNS HAVE PROBLEMS WITH FSC**

Public meetings indicate that it will take years for Gunns to achieve full FSC certification and that their public image is as disastrous as ever. At a meeting in Launceston last night Gunns' spokesperson Francis Duffy ruled out Gunns returning to a proper assessment of their badly thought-out Tamar valley project. Meanwhile, a conference between the forest industry and conservationists is close to agreement according to the Australian.

#### **12/6/2010: GUNNS' PROFITS ON THE RISE**

In their latest statement to the ASX, Gunns say that improving trading conditions will increase their profits by \$20m. On the pulp mill they say that three equity partners have indicated how much they would be prepared to invest in the project subject to further investigations. Further information will be available when it becomes definitive. In other words, not much progress. No joint venture partner was mentioned. They had hoped to announce a joint venture by the end of June - another deadline about to be missed.

#### **11/6/2010: COUSINS CLAIMS CREDIT FOR GUNNS' COUP**

Anti-pulp mill businessman Geoffrey Cousins claimed credit for getting rid of John Gay and Robin Gray off the Gunns' Board in a 'Lateline' interview last night. However, Gunns' CEO Greg L'Estrange is still insisting that the proposal is World's best practice even though Sodra, according to Mr Cousins, say that Australian standards are not nearly high enough. The Gunns' share price has settled down in the 45c range now and turnover has returned to normal. Meanwhile, plantations on the mainland that are managed, but not owned, by Gunns are being put up for sale. Gunns told the ASX that these would be used to make the mill plantation only.

#### **28/5/2010: GUNNS' SHARES RECOVER LOST GROUND**

Gunns' shares rose over 40% today and a massive number of shares changes hands. Could this be the start of a takeover or is everyone just glad that Gay has gone? Gunns still say that they are proceeding with the pulp mill but CEO Greg L'Estrange wants the firm to have a 'social licence'. It will never have a social licence until you drops plans to build a pulp mill in the Tamar valley

**Mr. L'Estrange.**

**27/5/2010: GAY RESIGNS - IS THIS THE END?**

**In a momentous week, Gunns' share price has dropped like a stone, institutional investors are selling shares and now John Gay has retired from Gunns and all its subsidiaries including the pulp mill vehicle Southern Star. A few weeks ago John Gay said that if he went the pulp mill would too.**

**18/5/2010: GUNNS CLAIMS FSC SALE**

**In a statement to the ASX Gunns said it had sold woodchips to Japanese companies that would be used in products with FSC status. However, FSC Australia chairman, Michael Spencer, has made it clear in the Tasmanian Times that, as yet, no Tasmanian products have FSC status.**

**19/5/2010: PERFECT STORM JUST GOT WORSE**

**It has been announced that Gunns are now going to face a class action from IMF Australia because of their unexpected drop in profits and alleged failure to disclose. The share price dropped another 9%.**

**10/5/2010: INSTITUTIONAL INVESTORS NOT HAPPY**

**As predicted below, institutional investors are not happy that John Gay and Robin Gray are still there and want them out completely. Meanwhile Gunns have had to close their woodchip mills again due to lack of business, Forestry Tasmania is flagging a loss and a forum has been convened to see what can be done to revive the Forestry industry in Tasmania.**

**24/4/2010: GUNNS SHUFFLES THE DECKCHAIRS**

**Gunns have attempted to defuse institutional shareholders demands that John Gay and Robin Gray resign by announcing a re-structuring. A new company will be setup to promote the pulp mill with John Gay as MD. Gunns will have 51% of this company. Gay will resign from Gunns as will Gray. Gunns will sell everything that is not bolted down and use it to retire debt and buy its share of the pulp mill company. It's difficult to see how this changes anything and we shall see if the institutional investors are happy. I would not be if I was a shareholder with even more of Gunns' profits being diverted to the pulp mill which is looking increasingly unlikely.**

**1/4/2010: PERFECT STORM HITS GUNNS**

**Chip exports have collapsed, Managed Investment Schemes are on the nose, customers are insisting on FSC certification which Gunns does not have and now the Greens hold the balance of power in the Tasmanian Parliament. Institutional investors are trying to force changes on Gunns' board. The chip mills are closed. The one candidate who hung his banner on the pulp mill (Scott Maclean) was soundly rejected as was the minister who spent time trying to prop up Gunns' exports just before the election, David Llewellyn. How long can all this go on?**

**16/3/2010: GAY'S DAYS NUMBERED?**

**A group of institutional investors have visited Launceston to demand John Gay's resignation. Gay refused. However, if the the investors have the numbers then Gay will eventually be forced out. The question is 'Have they got the numbers?'. Gay has been given until 9th April to resign or an extraordinary general meeting will be called. If Gay is forced out, the mill project may well be over as Gay is the chief advocate. This may well be the reason for the 'administration' rumour as these interstate investors may have been mistaken for bank administrators. Who can tell? Interesting times.**

**Gunns'shareholder revolt**

**11/3/2010: GUNNS IN ADMINISTRATION??**

**An article published in today's Tasmanian Times claimed that an 'impeccable' source reported**

that Gunns has been placed in administration by its main bankers the ANZ Bank. An announcement would not be made until after the State election on March 20th to avoid damage to the Liberal or Labor party. The article was removed after a few hours so we will have to wait and see.

#### **7/3/2010: FSC MAJOR PROBLEM FOR GUNNS**

Gunns decision to ignore the growing power of the FSC label on wood products is starting to cost them dearly. Their latest ASX statement states that they will now apply for FSC (Forest Stewardship Certification). The problem is that, in spite of statements to the contrary by Forestry Tasmania, the State is light years away from the standards expected from FSC. Gunns have not yet applied for FSC and probably will not do so until their financial restructure has occurred. It could be that Gunns are hoping that part of their business could get FSC leaving the rest to carry on as before. This, according to a source close to FSC, is very unlikely. Meanwhile Gunns have lost their woodchip contracts because they do not have FSC and might well be operating at a loss. Gunns say they hope to announce a joint venture partner for the pulp mill by the end of June. They said the same thing last year. Potential JVP Sodra have said that unless Gunns get FSC there will be no deal. Another potential problem for Gunns is that, if they are going to import timber from Victoria to make the mill plantation only, the port of Portland will have to be upgraded as at present it is too small for the volume required.

#### **22/2/2010: AUSTRALIAN STORY IMPLICATES PLANTATION TREES**

The ABC program 'Australian Story' tonight suggested that poisons from plantation trees, genetically modified E.Nitens, have reached the ground water in the area around St Helens in Tasmania. The implications for forestry are explosive and surely the Government will be forced to investigate this properly and ban these plantations if it is true.

#### **22/2/2010: GUNNS' PROFIT DROPS 98%**

Gunns' half yearly statement says that profits have dropped from \$33m. to \$0.4m. The company is having to be totally restructured because of the pulp mill proposal. Overseas investors will be encouraged to invest in Gunns' forestry assets - that will not be popular with the public. No dividend is being paid and the shares have dropped 22% with eight times the normal trading volume. In other words investors are reading between the lines and do not like what they see.

#### **11/2/2010: 800,000 TONNE WOODCHIP FIRESALE**

A deal (without any details as usual) has been announced to sell woodchips which will keep the industry going another 3 months - after that who knows. The rumour is that Gunns owe Forestry Tasmania \$20m. and that negotiations with bankers are in progress regarding Gunns financial position. A full audit of their assets might be on the cards - a sign that banks are starting to worry about their loans to the company.

#### **10/2/2010: LIES, MORE LIES AND DECEPTION ON PIPELINE CORRIDOR**

A freedom of information request has found out that the Government have been doing what they said they would not do - ie compulsorily purchase land for the Gunns' water pipeline. The letters show that the DIER have been secretly negotiating with Gunns to buy extra land for the pipeline alongside the new Dilston bypass. This is almost certainly against the law and a legal challenge might eventuate. Both Mr. Bartlett and opposition leader Mr. Hodgeman have refused to rule out allowing Gunns to use the corridor. There are still sections of the pipeline route that Gunns have not acquired.

#### **Mercury**

#### **29/1/2010: GUNNS DROPS COURT CASE**

Gunns have decided to drop their court case against the remainder of the Gunns20. The bad

press generated would be very damaging to their pulp mill proposal.

**26/1/2010: MINISTER BACK FROM JAPAN WITH SOME UNPALATABLE TRUTHS**

Resources Minister David Llewellyn has returned from Japan blaming opponents of the Tamar pulp mill for lost business and with a message for Gunns and Forestry Tasmania: switch to FSC. It's ten years too late Mr Llewellyn. The lost business is entirely due to your, and FT and Gunns, total lack of foresight. There were no meetings with potential financiers.

**22/1/2010: GAY RUSHES OFF TO JAPAN**

Gunns' MD John Gay, together with Forestry boss Bob Gordon and Minister David Llewellyn, has gone to Japan. The forestry industry say it is to try and get back lost woodchip contracts but there is a suspicion that pulp mill finance might be on the agenda. Meanwhile it has been revealed in a 'freedom of information' request that the State Government have paid for a pipeline culvert to be built on the East Tamar Highway. Gunns, profits about \$64m. last year, claimed they could not afford the \$239,000 it cost to build. If the mill does not go ahead, it is unlikely the taxpayer will get back the cash. There is also a rumour that Gunns owes Forestry Tasmania \$20m. Does any other company in Tasmania get this favoured treatment? Gunns' share price has gone down sharply in the last few days.

SO:

Gunns asks the DIER to pay a bill for them - by email. The department agrees by email without further investigation. Gunns makes a \$64m. yearly profit and can afford to blow \$2m. suing environmentalists. They hope to raise \$2.5bn to build the mill but they cannot afford \$239,000!!

The Government dispenses taxpayers' money by return email but keeps it secret. Meanwhile it resists spending more on safety measures for the Dilston Bypass which could save lives, and, when asked by a local landowner if the culvert is for the pipeline, they reply no. A blatant lie!!

Mercury

**7/1/2010: NORDEA POSSIBLE BACKER**

Swedish bank Nordea have been touted as a possible loan source for the project but, in a statement today, they have distanced themselves from Gunns.

# 2009

2009

**18/10/2009: ARGENTINA TAKES BOTNIA TO WORLD COURT**

Argentina has taken its case against the Botnia Pulp Mill in Uruguay to court claiming unacceptable smells and pollution.

## Damage to ecosystem

### **12/10/2009: GUNNS SACK 22 LONGREACH WORKERS**

Gunns gave notice to 20 workers at their Longreach site - a sign that times are bad indeed.

### **16/10/2009: MONOPOLIES BOARD INVESTIGATES TAKEOVER**

The Monopolies Board is investigating Gunns' takeover of Elders' forestry assets in response to farmers who think it will give them a monopoly.

### **12/10/2009: ATTACK WAS DRUNKEN PRANK**

The Police arrested a youth for vandalising Gay's house at the weekend. The arrest makes Paul Lennon, who said in an article in the Examiner that anyone who thought it wasn't anti-pulp mill protestors was kidding themselves, look completely ridiculous as well as the paper for printing this rubbish.

### **12/10/2009: GUNNS' CHAIRMAN SUFFERS ATTACKS**

Gunns' Chairman, John Gay, has suffered attacks on his home and is threatening to go and live in Victoria. Or could it be because he know his pulp mill will smell?

### **07/10/2009: GUNNS APPLIES FOR FSC**

After insisting for years that its own self-administered forest certification was the best, Gunns have now had to back down and apply for FSC (Forest Stewardship Certification). This is without doubt a move to impress a potential partner but, as things stand, any plantations established after 1998 will not qualify.

### **4/10/2009: ROWDY DEMONSTRATION AT COMMUNITY FORUM**

Hundreds of West Tamar residents turned up to tell the State cabinet that they were unhappy about the pulp mill. The Police appeared to lose control of the crowd for a while as demonstrators surged into the grounds. However, TAP chairman Rod Hutchins was able to persuade the crowd to retreat.

### **2/10/2009: GUNNS BIDS FOR GT SOUTHERN**

Having missed out on Timbercorp, Gunns have bid for assets of another failed timber company. Gunns is desperate to build up its plantation inventory to impress a joint venture partner. However, Gt Southern's assets are widely dispersed which is a disadvantage.

### **25/9/2009: GUNNS MISSES OUT ON TIMBERCORP ASSETS**

Gunns has not been selected as the preferred bidder for Timbercorp's assets. The company therefore misses out on an opportunity to acquire more plantation wood.

## Gunns misses out

### **23/9/2009: VIDEO OF EFFLUENT POLLUTION AT BOTNIA MILL IN URUGUAY**

## Botnia mill pollution

### **23/9/2009: GUNNS LAYS OFF WORKERS**

Gunns needs to lay off 35 workers because of low demand and because plantations are not growing as quickly as predicted.

## ABC

### **22/9/2009: GUNNS INTERESTED IN TIMBERCORP**

Gunns Ltd have made a bid for failed MIS company Timbercorp. Gunns are trying to build up their plantations so they can say that the mill will be plantation fed. What they will do could be another matter unless they have someone breathing down their necks as they have a supply agreement with Forestry Tasmania at \$15 a tonne and plantation wood is \$35 a tonne.

## Timbercorp offer

### **16/9/2009: SODRA LAY DOWN CONDITIONS**

Sodra say that it is 'possible' that Gunns' mill will satisfy two environmentalists' conditions according to project opponent Geoffrey Cousins. The mill may be able to be fully plantation-fed and it could be made totally chlorine-free. However, moving the mill away from the wine and fruit growing area of the Tamar would be more difficult.

## Sodra conditions

### **15/9/2009: ANOTHER PROMISE BROKEN**

Treasurer Michael Aird will be promoting the project to European bankers this week in direct contravention to a State Government promise that it would do no more to help the pulp mill project. As well as this, Mr. Aird trotted out the old lies about jobs (2000 created - it's actually 1250 during construction and 290 in operation). This is an indication that Gunns are still having problems getting finance in spite of their announcements.

### **13/9/2009: TAP REPLANT PIPELINE CORRIDOR**

Tasmanians against the pulp mill replanted the area trashed by Gunns in the Trevallyn Reserve in preparation for their pipeline!

### **8/9/2009: SODRA IN TASMANIA**

A Sodra representative is checking out the situation in Tasmania this week according to sources.

### **8/9/2009: ARGENTINES CONTINUE TO PROTEST**

Protests will continue against the Botnia pulp mill in Uruguay whatever the outcome of a case in the International Court.

## Argentine Protests

### **7/9/2009: PROTEST PICNIC**

Nearly 700 people attended a protest picnic on the Trevallyn Reserve near where Gunns have trashed a pipeline corridor. TAP spokesman Bob McMahon promised TAP would fight the pipeline from the Trevallyn Dam to the sea - whatever it took.

## ABC news

### **5/9/2009: LAWYERS FOR FOREST LOSE APPEAL**

Anti-forest group Lawyers For Forests last their case against the Federal approval of the mill. They might appeal to the High Court.

## ABC

### **5/9/2009: MILLIONARE BUSINESS WOMAN BACKS ENVIRONMENT**

Tasmania's clean, green image was in danger of being tarnished or lost due to excessive logging and appalling animal welfare practices according to Jan Cameron.

## The Australian

### **1/9/2009: GUNNS' PROFIT DOWN**

Gunns have announced a reduced profit due to low sales of woodchips and MIS. A takeover of ITC Timber, a division of Elders, is going ahead provided Gunns can get the the required capital from additional share issues. The idea is to increase plantation stocks for the proposed pulp mill. Gunns' possible equity partner Sodra are still considering their options but, according to sources, have not yet even decided whether to fully investigate the current proposal.

### **28/8/2009: GUNNS' SHARES IN TRADING HALT**

At the companies' request, Gunns' shares are in a trading halt pending news of an acquisition.

ABC news

**27/8/2009: PROTESTERS ARRESTED IN HOBART**

Protesters calling for a Royal Commission on the approval of Gunns' proposed pulp mill were arrested by Police. It is unlikely either Labor or the Liberals would agree to a Royal Commission as it might turn out that quite a few of them were involved in shady dealings up to their necks!

Tasmanian Times

**24/8/2009: FORESTRY TASMANIA SPRUIKS MILL**

A report from Forestry Tasmania, released two months early, has said that profits would have been greater with a pulp mill up and running - perhaps another \$9m. more. Rather underwhelming! Could this be an attempt to make sure that the Bartlett Government renews the building permits which expire after two years (at the beginning of September). This is thought by some commentators to be the reason why Gunns have done some work on their site at Longreach and next to the East Tamar Highway at Mt Direction. Legal opinions differ on whether Gunns need to make a substantial start to avoid losing their permits or not.

ABC

**4/8/2009: SUPPORT FOR THE MILL PLUMMETS**

An opinion poll conducted on behalf of the Greens has support for the pulp mill down to only 14% with 12% undecided. Nearly three quarters of respondents Australia-wide said no to the pulp mill.

**4/8/2009: GUNNS START CLEARING**

Gunns have announced that some preparatory work is being undertaken at their pulp mill site at Longreach. Some pipeline easement work may already have started. However CEO Greg L'Estrange admitted Gunns do not have a joint venture partner or finance so the work may just be an attempt to prop up the venture in the eyes of potential partners or it may be an attempt to flush out the tactics of the environmental groups. Another possible explanation is that the work at Longreach is for a natural gas liquifying plant that Gunns intend to build to supply their log trucks - a project which is nothing to do with the pulp mill. No statement has been made as yet to the ASX which probably means it is all a stunt.

Hobart Mercury

**1/8/2009: PULP MILL PROTEST AT ALP CONFERENCE**

Anti-pulp mill protestors made their presence known at the ALP conference in Sydney:

Tasmanian Times

**28/7/2009: GUNNS HAVE NOT STARTED MARINE SURVEY**

According to a reliable source, Gunns have yet to start their marine surveys that are necessary to get operational permits. Apparently, there are no Australian companies that are qualified so Gunns will have to get in a foreign entity - that will make it very expensive as it runs for 12 months.

**28/7/2009: CHILE PULP MILL GUILTY OF POLLUTION**

Celco, who run the Valdivia pulp mill responsible for the deaths of thousands of swans, has had its appeal turned down and is now faced with large fines from the Chilean Government. TAP's Bob McMahon tells us why the outcome would be very different here:

Tasmanian Times

**27/7/2009: JOURNO' TELLS HOW HE WAS MUZZLED**

Ex-Examiner journalist, Tom Ellison, says that his reporting on the pulp mill was censored by the Examiner.

Tasmanian Times

**24/7/2009: L'ESTRANGE THREATENS SPONSORSHIPS**

New Gunns' CEO, Greg L'Estrange, in an article in the Examiner, said that Gunns was reviewing its financial support for local clubs and events. The implication was that this was because of lack of support in the community for Gunns and its pulp mill!

**17/7/2009: GUNNS ON THE MOVE?**

A Gunns' representative has been informing locals that Gunns will be starting work on their pipeline in the Trevallyn Reserve and clearing bush from their Longreach pulp mill site soon. As far as this website knows, no permission has been received from the West Tamar Council for this work to proceed. Perhaps Gunns thinks it doesn't need permission.

**17/7/2009: JUDGE KNOCKS BACK PERMIT QUERIES**

Justice Peter Evans in a judgement this afternoon confirmed mill opponents worst fears - that section 11 of the pulp mill approval act effectively kills all democratic rights to query the project or its effects.

ABC

**29/6/2009: GUNNS LIES TO THE AUSTRALIAN**

Gunns were asked by the Australian on Monday if they had FSC certification. They replied that they had. This was printed in Tuesday's edition and, of course, complaints followed and a retraction had to be printed. Have they told Sodra the same lie?

Australian - Gunns' story at the bottom

**29/6/2009: COMMENT**

Gunns has promised the ASX a statement on progress on the project would be forthcoming by the end of June. Reading between the lines, it appears that Gunns are down to one possible suitor and that there are vital sticking points one of which could very well be control of the project. An experienced Pulp and Paper company would not be happy allowing novices to control the project. The company may also be wary of lobbying by opponents. What has changed is that Gunns have not set themselves any more deadlines - although building must start before the end of August or construction permits will lapse unless the State Government (which has promised not the help the project any more) extends them.

Mercury

**29/6/2009: NEW POLL SHOWS MILL OPPOSITION:**

A new statewide opinion poll conducted by ERMS on behalf of TAP shows opposition to the mill is as strong as ever and that support is still at only 25% - a figure that hasn't changed much in 4 years. Meanwhile Gunns have announced that they have a 'potential' joint venture partner and are negotiating finance. In other words nothing has changed.

Mercury

**26/6/2009: FORESTRY MINISTER SUPPORTS PULP MILL**

Federal Forestry minister Tony Burke issued a statement that he supported the pulp mill. This is likely to be as a result of Union pressure on the Government with Gunns coming up to a yet another self-imposed deadline.



**23/6/2009: FROM THE FSC NEWSLETTER:**

One of the world's largest market pulp manufacturers, Swedish company SÅ¶dra, has made clear its expectations should it decide to become involved in the proposed Tasmanian pulp mill. Following press reports last week that it was a potential partner for Gunns in that company's pulp mill project, SÅ¶dra issued a news release saying: "If SÅ¶dra is to engage in any pulp mill project our high environmental standards have to be met. These standards include among other things FSC certification and environmentally friendly bleaching technology (TCF preferred). TCF means totally chlorine free. Involvement in any project in the southern hemisphere would require 100 percent plantation forests to be used." Should Gunns seek FSC certification for its plantations this could be expected to involve significant change. An analysis of 16 forest management certificates issued under the FSC system in Australia and New Zealand up to 2007 showed that some 500 changes were required prior to certification with the largest area of change required being protection of biodiversity. Other areas requiring change included community relationships and chemical use.

**22/6/2009:GUNNS DUMPS MORE JOBS**

Another indication that all is not well with the company. Notice how sympathetic the Unions are to Gunns as opposed to other companies with redundancies. Why?

Mercury

**12/6/2009: SODRA EFFECTIVELY SAY NO**

Giant pulp and paper company Sodra have put a section in their website that says that Sodra would only invest if:

- \* The wood used is FSC certified (it isn't)
- \* The wood is 100% plantation (it isn't)
- \* The plant is the latest technology ie Totally Chlorine Free (it isn't).

So it looks as though Gunns will have to find their partner elsewhere.

ABC

**12/6/2009: GUNNS PLANS GO IN TO EPA FOR APPROVAL**

Gunns have sent their plans for checking with the State Government. A decision is expected fairly soon.

The Mercury

**11/6/2009: GUNNS MAY BE PINNING HOPES ON SODRA**

According to the Australian newspaper, Gunns are hoping to sign a joint venture deal with Swedish pulp and paper company Sodra. Sodra would put in \$3/400m with Gunns putting in more than that to make them the majority partner. The rest of the money would come from a banking consortium led by the Maquarie Bank. It does not explain where Gunns will find the \$500m. or so that they will require. Gunns recently sold assets to reduce debt to the ANZ Bank.

Gunns about to get JVP?

**4/6/2009:FUTURE OF TAS. PAPER MILL IN THE BALANCE**

From FSC News:

Announcing completion of the sale of Australian Paper to Nippon Paper, Paperlinx said the sale would exclude two mills in Tasmania at Burnie and Wesley Vale. A statement said a detailed review of the mills was underway and was expected to be completed by the end of June 2009. It said potential outcomes of the review include retention of the existing business, partial closure, closure or sale. The mills were unable to obtain FSC Chain of Custody Certification several years

ago because their Tasmanian wood suppliers did not hold FSC Forest Management certification and did not meet requirements for FSC controlled wood. As a result the mills that produce, amongst other products, book paper were not able to pursue opportunities in the rapidly growing market for FSC certified book paper. It was a disappointing result. If State and Federal political leaders had been as committed to saving 600 jobs at these mills as they have been to building a new mill with half the workforce at Bell Bay the mills may have had a better chance to survive.

**2/6/2009: COMMENT - IS IT NEARLY OVER?**

June is the month that John Gay said that a joint venture partner (JVP) and/or finance would be announced. It seems unlikely that Gunns have either. Would the Unions be badgering the banks if Gunns had the money? Would they be asking the Federal Government for a loan (that story came from several sources)? It seems that JVPs are cagey too about the political situation in Tasmania with an election next year. Gunns' director Robin Gray suggested a Labor/Liberal coalition to 'fight the recession'. The real reason is likely to be to provide political certainty for the pulp mill. The parties rejected the idea.

On the other side of the coin, there is no indication that Gunns is gearing up to build the mill. No marine studies have been announced and apart from ship-load of equipment that Gunns ordered 2 years ago arriving, no other activity is apparent. Gunns have also stopped negotiating with landowners for the pipeline.

Another analysis says that Gunns will have to pay \$50m. tax on plantation sales unless the project is abandoned by 30th June and the expenses set against profits. There must be pressure to do this as any pulp mill looks a long, long way off - if it happens at all.

**1/6/2009: GUNNS HAS NEW CEO**

As expected, John Gay has handed over the day to day running of Gunns from 1st July to a new CEO, Greg L'Estrange, who joined the board last year. Gay will retain responsibility for the pulp mill development.

**11/5/2009:SWECO-PIC APPROVAL COULD BE INVALID**

Law lecturer Michael Stokes has found that the Sweco-Pic assessment fails to comply with Paul Lennon's fast-track bill.

**Approval could be invalid**

**9/5/2009: GUNNS ASK FEDS FOR MONEY**

There is a unconfirmed report that Gunns asked the Federal Government for finance but were knocked back. Meanwhile, the Forestry Union is going to lobby banks the 'help' get the money. Could be counter-productive chaps!

**2/5/2009: LAWYERS FOR FORESTS APPEAL AGAINST MILL APPROVAL DECISION**

The appeal will lead to more uncertainty for the proponent and may affect their ability to find a joint venture partner and/or finance.

**1/5/2009: COMMENT**

April has passed and still no announcement on the marine survey. You would think that a company that is confident on the project proceeding would want to clear this hurdle as fast as possible. The joint venture partner announcement has been put off until June. Gunns' CEO John Gay said he would retire by the end of June (although he would still be Chairman and it is suspected the main power behind Gunns). No negotiations have taken place on the pipeline for a couple of months. The pulp mill engineers seem to have gone home. One court case was decided in favour of the project (but LFF will appeal) but there is still one to go. Gunns are installing a

cafe in their main hardware store in order to attract customers - their competitors already have one and their stores are busier than Gunns. It is doubtful it will help much as there is likely to be a consumer boycott of Gunns with their determination to push through this unpopular project against public opinion having sidestepped the usual planning procedures.

**29/4/2009: GETUP PLACES ANTI-MILL ADVERT**

The on-line action group GetUp have, in conjunction with the Wilderness Society, placed ads in financial papers around the World to discourage investment in Gunns' pulp mill. This obviously rattled Gunns' cage as a counter press statement was issued by Gunns' CEO John Gay.

**27/4/2009: SHIP ARRIVES WITH 'PULP MILL EQUIPMENT'**

A ship arrived today at Bell Bay with what was described as equipment for the pulp mill. In fact it was bits and pieces left over from other projects that Gunns must have ordered two years ago - before they knew that they had the permits or the finance. It will now have to be put in storage. What shareholders will think of this is anyone's guess.

**21/4/2009: COMMENT**

Gunns obviously do not have a joint venture partner (JVP) yet. The JVP is likely to demand at least partial control of the project, control of the resource and a get-out if things go pear-shaped. A failed project could bankrupt Gunns. No marine survey has been announced yet nor is there any recent progress on access for the water pipeline. Premier David Bartlett has said that proposed new planning laws will definitely not be used to get the pipeline through. Crucial State permits expire in August. And yet the Gunns' share price (see above) has gone up.

**Coy on partner**

**21/4/2009: GUNNS TELLS ASX THAT PARTNER WILL BE ANNOUNCED IN JUNE**

A very short pulpmill project update to the ASX said that the joint venture announcement has been postponed until June.

**19/4/2009: PROTEST ON MILL SITE**

A group of anti-pulpmill protesters landed on the shore of the pulpmill site and displayed a large banner which was photographed from the air. The resulting photo made the local front pages and was sent to prospective joint venture partners.

**16/4/2009: GUNNS CLAIMS IT IS CLOSE TO DEAL**

Gunns, in an interview in the Australian, has said that the deal with a joint venture partner will now be announced by the end of June (In January it was the end of April). So the date has been moved back again by another 2 months - a recurring theme. Gunns will still have to find finance for their share of the project. The pipeline was not mentioned.

**Close to deal**

**9/4/2009: LFF LOSES COURT CASE**

Lawyers for Forests are considering whether to appeal after losing their case today in the Federal Court. The judgement took over 9 months to be delivered.

**7/4/2009: INFORMATION SENT TO ASIC ABOUT MILL APPROVAL**

An MLC parliamentary investigation into public appointments at the time of the pulp mill approval process has information suggesting that Premier Paul Lennon knew Gunns were going to withdraw from the RPDC process. The evidence gathered by the committee has been sent to ASIC, the Federal body that keeps an eye on shonky business practices and takes action if it thinks fraud has been committed. The sanctions can include fines and disbaring offenders from running companies. If Lennon knew in advance about the withdrawal then the implication might

be that there was a conspiracy to bypass the lawful planning process and that, at the time, the public, shareholders and the ASX were misled.

### Lennon lied

#### **4/4/2009: CRITICAL PERIOD FOR MILL**

After a quiet month, the pulpmill project is heading in to a critical period. There was a high court challenge last week in Hobart questioning the State Government's right to withhold information regarding the granting of permits to run the mill. The case draws attention to Section 11 of the Pulpmill Approval Act (PMAA) which many think removes the right of any citizen to object to or challenge any aspect of the approval, building, or operation of the pulpmill. Such a law is unprecedented in western countries and many think it unconstitutional. The people bringing the case were even threatened with jail for contempt of the Tasmanian Parliament! This section 11 was not even debated just guillotined through Parliament by former discredited Premier Paul (Mr.17%) Lennon. It is to the eternal shame to any MP who voted for this Stalinist-type law and they deserve contempt.

Also approaching is the decision in the Lawyers for Forests court case. If LFF lose they will appeal but if they win the pulpmill will have no approval status at all and this will severely impact on investors (if there are any).

Also reaching a critical point is the marine studies which will take 18 months to carry out and assess. Peter Garratt gave Gunns 26 months to do this 3 months ago. They will have to announce the arrangements soon or risk not having the studies done in time. Gunns are struggling financially at present and they may not be able to afford the few millions that it will cost and they may be waiting to see if finance is forthcoming. Peter Garratt will not be able to grant them an extension.

Finally, Gunns have gone on record (see ASX release below) as saying they will announce a joint venture partner soon (by the end of April). If they don't, they will lose credibility and it is even more unlikely they will attract financial support.

There have been rumours (perhaps from Gunns themselves) that Gunns have obtained a joint venture partner and even some finance (but they still do not have an agreed pipeline route) but if progress is not made by the end of April, the project could be doomed.

#### **4/3/2009: MILL FUNDS IN DOUBT**

Even Gunns' auditor, KPMG, have expressed doubts that they will be able to raise funding in the current financial environment:

### Mill funds in doubt

#### **20/2/2009: GUNNS HAVE NOW SPENT \$125m. ON PULP MILL**

Gunns half-yearly results show an increased profit due to its take-over of Auspine but a poor cash-flow situation. \$125m. has now been spent on the pulp mill (why has it suddenly increased \$27m. - could it be the cost of the equipment in storage at Bell Bay that Gunns ordered before they secured finance?) and John Gay says that an agreement with a venture partner will be signed off in a couple of months. We've heard that before and the market was not impressed with Gunns' shares (see above) hitting a new low. The interim dividend at 2 cents is only a third of last years'.

### ASX statement

### **20/2/2009: LEAKAGE OF CHLORINE DIOXIDE AT CANADIAN PLANT**

Evacuations became necessary as a leak of Chlorine Dioxide dissolved in water was detected at a moth-balled pulpmill in Canada.

#### **Chlorine Dioxide**

### **20/2/2009: TOUGH TIME FOR GUNNS**

Gunns' CEO John Gay is quoted in today's Launceston Examiner as saying that Gunns is experiencing difficult times. Their forestry operations have been suspended. Mr. Gay says that the slowdown has occurred faster than ever before. If Gunns are in trouble financially, how will they be able to afford the expensive hydrodynamic marine studies demanded by Environment Minister Peter Garrett?

### **9/2/2009: GUNNS INVITES TENDERS FOR STUDIES**

Gunns has invited tenders to do the marine studies necessary to get the operating licence. The firm will have to be approved by the federal government. The studies will take 18 months (and will probably show what all the other studies have shown - that the mill will pollute Bass Strait).

### **4/2/2009: WOODCHIP MARKET COLLAPSES**

This has now been confirmed by a statement from Gunns. The share price has lost 20% over the last few days (see above).

#### **Mercury**

### **3/2/2009: GUNNS TRYING TO RAISE MONEY**

Gunns are apparently so short of cash that they are trying to raise capital through the unsecured securities market.

#### **ASX announcement**

### **1/2/2009: WOODCHIP MARKET COLLAPSES?**

There are rumours that the woodchip market has collapsed and that workers may soon be laid off.

### **31/1/2009: GUNNS' STATEMENT TO THE ASX LABELLED MISLEADING**

The report to the ASX which Gunns sent after their Board meeting last week has been labelled misleading by the Greens and Environment Minister Peter Garrett has challenged what it says. The ASX is investigating. The whole affair looks like an effort at damage-control by Gunns knowing that the Herzfeld report would be released soon and the effect it would have on potential investors. In fact their damage control has caused even more damage with the Minister repudiating their claims over the media!

### **29/1/2009: HERZFELD REPORT RELEASED**

Gunns have finally released the Herzfeld report on effluent dispersion which indicates that permit conditions would be broken almost every day and plumes of effluent would spread in to Bass Strait and along the Tasmanian coastline. The release of this data by Gunns after months of trying to suppress it comes as the department reviews the decision not to release it. Were Gunns told it was going to be released? But Gunns claim that their latest work shows that it is out of date. What this report does indicate is that Gunns' previous work was totally inadequate. TAP's website gives a quick summary of the report:

#### **Herzfeld report**

### **23/1/2009: RUDD WAITS FOR FINAL APPROVAL**

According to the Examiner, PM Kevin Rudd refused to rule out the Federal Government helping

out with the costs of tertiary treatment of effluent but indicated any further decisions would have to wait until the results of the marine survey were received and evaluated. This would indicate that Gunns can expect no more help from the Federal Government until that time.

#### **19/1/2009: NEW STUDY OF PULP MILL EFFECTS**

There is a new study looking at why pulp mill effluent has a disastrous effect on fish populations.

#### **New pulp fact**

#### **17/1/2009: SHAREHOLDERS EXPRESS DOUBT ABOUT GUNNS' MANAGEMENT**

The linked articles indicate that some shareholders are not happy with the way Gunns is being run and think that John Gay and Robin Gray have too much influence.

#### **Envirowire**

#### **11/1/2009: GARRETT'S DECISION COULD SINK MILL - AUSTRALIAN**

Matthew Denholm explains in the 'Weekend Australian' why Peter Garrett's decision is likely to do more than just delay the project.

#### **Australian**

#### **9/1/2009: LEGAL THREATS STYMIE MILL**

Financiers are unlikely to finance the mill whilst the current legal threats are valid:

- \* The Greens have legal advice that work cannot proceed until all studies are completed. This means that should Gunns attempt to build the mill, work could be stopped by a legal injunction whilst the case is decided in court. The financial losses could run into tens of millions.
- \* Lawyers for Forests still have their case outstanding. If they win then the whole process will be null and void and again, Gunns will be forced to stop losing them millions. If LFF lose they will appeal so prolonging the process.
- \* Another angle is that the extra time that Garrett has given Gunns is not legal as only one extension is allowed.
- \* The changing of the pipeline route could mean that the State Government has to pass an amendment to the Pulp Mill Approval Act. Premier Bartlett has promised not to help the project any more.

#### **9/1/2009: PULP SURPLUS - PRICE CRASHES**

There is a surplus of paper pulp in the World and the price has crashed to very low levels. Workers are being laid off. Hardly the news to get financiers excited about investing in a new pulp mill.

#### **Pulp over-supply**

#### **8/1/2009: REBECCA COMES OUT SWINGING (AGAIN)**

Prominent actress Rebecca Gibney, who lives in the Tamar Valley, has an interview in this weeks' 'Woman's Day' on how she and her family have been opposing the mill and how this has led to her being abused and her car being vandalised. However, she says that most residents support her and encourage her. The article mentions this site.

#### **Woman's Day**

#### **8/1/2009: BOB MCMAHON WRITES IN 'THE AGE'**

TAP (Tasmanians against the pulpmill) spokesman Bob McMahon lashes the Government in an article in 'The Age'.

## Get off the Gunns merry go round

### **5/1/2009: GARRETT REFUSES TO PASS MARINE MODULES**

Peter Garratt today announced that the marine modules must be completed before final approval to operate the mill is given. Although Gunns in theory can construct the project, the final approvals are still perhaps two years away. In fact, Gunns will find it impossible to get finance until final approvals have been given and then they might have to add another stage of effluent treatment costing \$300m. or more. Gunns will have lost credibility with possible partners because of their assurance that all environmental permits would be gained this January. Instead it will be two years or more. Gunns are putting a brave face on the situation but they must be despairing. Marine surveys are expensive and it is likely they will show exactly the same as the CSIRO and Flinders surveys (see Effluent section), that is that Bass Strait only flushes 1% a day and is unsuitable for large amounts of effluent. Every month adds another \$20m. to the cost. They are now looking at \$3bn.

### **2/1/09: GARRETT CONFIRMS ALL MODULES IN**

Federal Environment Minister Peter Garrett has confirmed that all the modules have now been submitted by Gunns and a decision will be made by close of business on January 5th. Even if Garrett says yes it is unlikely the project will go ahead before the next State election in May 2010 as Gunns will not be able to gain water easements (and hence finance) and the present State Government have said they will not help with compulsory purchase. Several landowners are refusing to let Gunns through and the West Tamar Council have voted not to consider the matter again unless a change of circumstances arise. e Wood, founder of wotif.com, appeared on Sky Business Sunday this morning and said that the pulp mill assessment had not been done properly and, unless it was thoroughly assessed and found to be non-polluting and sustainable, it should not be allowed to go ahead. He said that 4000 new jobs in tourism could be created with a bit of effort from the State Government but not if all the trees are cut down.

The Age

# 2008

2008 - some of the links are now no longer available

### **30/12/2008: COMMENT**

As the year ends the pulp mill is no nearer construction than a year ago and even two years ago. The share price has recovered from its catastrophic lows of a few weeks ago. The next hurdle is the decision that has to be made by Peter Garratt by January 5th. It is believed that Gunns have got all their permits in for a decision but there has been no official confirmation. The Minister Peter Garratt has several options:

\* He can stop the project by announcing that the permits will not be granted because of deficiencies and further extensions will not be granted.

- \* He can announce all permits are granted and Gunns can go ahead.
  - \* He can announce an extension of another 3 months for Gunns to get their submissions right.
  - \* He could announce that Gunns have to do further work to prove their case.
- By January 5th Midnight we should know whether the fight will continue or if it is all over.

#### **24/11/2008: COMMENT**

The pulp mill is in hibernation. It looks increasingly unlikely that the permits from the Federal Government will be granted before the deadline in a month. The other deadline for State Government support has passed. Gunns issued a statement lambasting State Government ministers for talking down the project - an indication of just how touchy Gunns are. Things are not going their way. Forestry Tasmania extended their wood supply agreement (without any tenders for higher offers which in itself is outrageous) another 2 years but it's all meaningless without a pulp mill. The current situation is:

- \* Permits will almost certainly not be forthcoming by the 5th January deadline. Gunns will need yet another extension.
- \* A marine report from the CSIRO which shows possible pollution problems will eventually be released next year.
- \* Landowners have not accepted pipeline easement offers and are not likely to.
- \* The legal position of public land belonging to the West Tamar Council is far from clear.
- \* There is virtually no chance of Gunns financing the whole project alone.
- \* An equity partner would demand a majority share AND control of the wood supply.
- \* The price of wood pulp is falling.

Meanwhile the project is getting more and more unpopular with the public and Gunns are suffering a consumer boycott as a result. Is it all worth it?

#### **24/11/2008: GUNNS UP THE CREEK WITHOUT A PADDLE**

Nothing is going right for Gunns. Deputy Premier Lara Giddings has said that the mill looks increasingly unlikely to proceed and Gunns' share price has collapsed again to 65 cents. This values the company far below asset value and so makes it vulnerable to a hostile takeover. Such a takeover might result in the company being broken up and sold. And land owners on the East Tamar are rejecting Gunns' offer for pipeline easements meaning that they are going to find it impossible to get finance. Add to that the rumour that Gunns have \$30m. worth of plant sitting in storage at Bell Bay that cannot be utilised at present yet has to be paid for.

#### **21/11/2008: GUNNS WITHDRAW FROM AGREEMENT**

Gunns Ltd have told the ASX they will not seek to extend the sovereign risk agreement with the State Government. This is probably to limit the damage when it expires anyway on 30th November. Although the \$15m. compensation is small beer compared with pulp mill expenses it would be quite a deterrent for a future Government to have to come up with that sum. The share price has fallen to 75 cents (see above link) which values the company at \$500m. The mill will cost \$2.2bn. (at least - probably a lot more).

#### **21/11/2008: PIPELINE PROBLEM FOR GUNNS**

Legal advice received by the Government indicates that Gunns WILL need permission from the West Tamar Council to access their land for the water pipeline. WTC Mayor Barry Easter says the Council will not be re-visiting the earlier decision. Gunns made a great effort to get the Council to sign an easement agreement last month but effectively lost the vote 8-0.

Nick Clark



### **19/11/2008: EVIDENCE THAT IT WAS ALL A CON**

Damning evidence has been presented at a Parliamentary committee that appears to indicate that Parliament and public was totally misled about the approval process. We all knew that anyway but the politicians involved seemed to think if they said it enough, it would become true. Now it is all falling apart.

#### **We were all conned**

#### **They weren't fooling anyone but themselves**

### **18/11/2008: GUNNS FORCED TO DENY MILL IS DEAD**

Gunns has been forced to issue a statement about their plans to build the mill next year after their share price suffered a (another) dramatic collapse. The reason is not clear. It could be short-selling or else because Paul Lennon, appearing before a Parliamentary committee gave the impression the project was dead.

### **17/11/2008: ERMS POLL SAYS 73% OF TASMANIANS DO NOT WANT ANY MORE GOVERNMENT SUPPORT FOR MILL**

An opinion poll commissioned by the Wilderness Society has found that nearly three-quarters of Tasmanians want Premier Bartlett to stand by his promise and provide no more support for the project if it has not been started by the end of November. Only 20% of Tasmanians actually support the mill.

### **9/11/2008: LENNON ADMITS MISTAKES BUT DENIES PLOT**

Former Premier Paul Lennon, in an interview with the Examiner, admits that mistakes were made including the choice of Longreach (which this site has always said was a huge mistake) and also the way the pulp mill task force was run. He however denied that there was a plot to sideline the RPDC. Well, he would say that as it would otherwise be admitting to an illegal act.

### **9/11/2008: WE HAVE GOT THE MESSAGE - RUDD**

PM Kevin Rudd told a community forum in Launceston on Wednesday that the Federal Government had 'got the message' about the pulp mill. Whether this translates in to action we will have to wait and see.

### **8/11/2008: GARRETT EXPECTING DECISION IN JANUARY**

Federal Environment Minister Peter Garrett said that he expected a decision would be taken regarding the mill by January but that he also expected further studies would have to be taken in Bass Strait before a final approval is given.

### **7/11/2008: ARE GUNNS SERIOUS ABOUT THE MILL?**

Gunns are not spending any money on the mill according to their own figures. The amount spent announced at the AGM was \$90m. - this does not seem to have changed for some time. Yet work on a large project costs money. Locals say that surveys have been cancelled so how are Gunns going to get their permits? Another offer has been made to landowners for pipeline easement rights (the landowners say that there will be no decision until finance is obtained) but this costs nothing unless the mill goes ahead. What's going on? Could it be that Gunns don't want to admit that the \$90m. will be added to their already substantial debts just as the World economy looks set for a recession?

### **30/10/2008: MILL SHELVED FOR TIME BEING**

At Gunns' AGM today, John Gay admitted that funds were not available and that the project would be put on the back-burner for the present.

#### **Mercury**

### **27/10/2008: ANOTHER SMOKING GUN**

Steve Kons' previous driver told a Parliamentary committee that Mr Kons told him the pulp mill would be fast-tracked a month before Gunns withdrew from the RPDC process. It is illegal to interfere with an approval process so everyone who knew about this, if it is true, was theoretically breaking the law.

### **Mercury**

### **23/10/2008: MILL IS A GONER**

An Access Economics report says the mill is a 'goner'. Meanwhile Gunns, in the finest traditions of freedom of information, plan to try and stop the CSIRO report on the effects of the effluent on Bass Strait.

### **22/10/2008: PIPELINE CANNOT BE BUILT ON COUNCIL LAND - STOKES**

Senior lecturer at law at the University of Tasmania, Michael Stokes, says the pipeline cannot be built across Council land now the West Tamar Council has refused to sign an easement agreement.

### **Legal opinion**

### **21/10/2008: WEST TAMAR COUNCIL VOTE NO**

In a stinging rebuff to Gunns, the West Tamar Council voted unanimously not to sign the agreement presented to them (the day before the vote) to grant a pipeline easement. Gunns put a brave face on it but the fact is they made a great effort to get the agreement but now they will have to prove that the Pulp Mill Assessment Act gives them automatic access. Legal opinion is divided.

### **18/10/2008: COUNCIL TO VOTE ON PIPELINE ON TUESDAY**

After promising that the public would be consulted before any vote on the pipeline, the West Tamar Council have now announced that they intend to vote on it on Tuesday. Remember, last year they voted not to support the project but now it is suspected that they have bowed to Gunns' pressure to resolve the issue before the Gunns' AGM on 30th October.

### **12/10/2008: PULP MILL NOW ON VERY STICKY WICKET**

The last six weeks have seen a deterioration in Gunns' prospects of getting this project up. Gunns' latest statement to the ASX admits that funding has not been found and, as yet, no venture partners have been discovered. There are three problems that still have to be resolved before Gunns can proceed with the project. Even when if these are resolved it may encounter problems with delays in delivery and shortage of skilled labour.

#### **1/. FINANCE**

In the current credit crisis it is difficult to see Gunns getting the money. They may have to wait until it resolves. Even then it may take years before finance houses are willing to lend to a project that is at all risky. By then the cost may have escalated to a point where Gunns' Board are not prepared to take the risk. If there is a depression and the price of wood pulp slumps, the mill may become uneconomic.

#### **2/. PERMITS**

Gunns already have an extension of time until January 5th - which is Christmas as noone works between then and New Year. Gunns only have four permits approved and have another twelve to go. It seems unlikely that these will go through in the next 11 weeks. The ones that cover effluent discharge could be a problem as a CSIRO report is

thought to state that the effluent will not be properly dispersed and a tertiary treatment plant may be necessary. This could also cause problems in local waters as Aluminium is used in tertiary treatment and local waters already have aluminium content above recommended guidelines.

### **3/. PIPELINE**

Gunns have not yet negotiated with local landowners to allow the water pipeline to cross their property. Some are against the mill and Gunns may have to offer big money to change their minds. Also, there is a legal opinion that says the West Tamar Council can not give permission for a private project to cross public land. However, many West Tamar councillors support the mill and may ignore public opinion.

### **27/8/2008: PARLIAMENT SUSPENDED**

Parliament was suspended and the public gallery cleared before parliament voted on repealing the PMAA. The motion was lost and the Act remains in force. Premier Bartlett said that he would not support the mill if he thought that peoples' health in the Tamar valley would be adversely affected. He obviously considers himself more of a medical expert than the AMA which predicted that the pulp mill would result in extra deaths in the valley. How fortunate we are to have such a talented Premier!

### **27/8/2008: GUNNS' SHARES REMAIN IN VOLUNTARY SUSPENSION**

A statement by the ASX this morning said that Gunns shares, which were due to be re-listed this morning, are to remain suspended for another week. This surely is an indication that they have major financial problems with a loan repayment due in September.

### **24/8/2008: 10,000 MARCH AGAINST MILL**

Another huge demonstration against the pulp mill in Launceston shows that this issue is not going away. The event was organised by TAP (Tasmanians Against the Pulp mill), an organisation that appears to going from strength to strength.

### **10,000 march**

### **22/8/2008: GUNNS MAY HAVE TO ALTER PLANS**

Gunns may have to add a tertiary effluent treatment plant to their pulp mill plans adding hundreds of millions of dollars to the cost and resulting in further long delays. They are almost certainly going to miss the October 4th deadline for permit approval. Alterations to their existing plans could add months on to the process. As well as that, if Gunns bring in a European partner, they could find that using native forest would be unacceptable and that the mill would be plantation only. Gunns do not have enough plantations in Tasmania to feed the mill and, anyway, Gunns prefers to sell plantation wood to the Japanese as this commands a higher price. No financial deal can be sown up until Gunns have all the building and operating permits in place. It is extremely unlikely that Gunns will be able to start construction before 30th November and so will lose their sovereign risk deal with the State Government. Altogether, this mill is looking less and less likely to be profitable by the day and you wonder when they are going to have the sense the abandon the project.

### **Matthew Denholm**

### **22/8/2008: RUMOUR MILL ON FULL THROTTLE**

There is speculation on what Gunns will announce next week. It will be about fund raising - probably under pressure from ANZ wanting some of their money back. A rights-issue is unlikely to be underwritten (ie it would be up to existing shareholders to stump up) according to the

Australian as the prospect for the shares would not be that great so it could flop or result in the share price collapsing. Perhaps Gunns will announce that they have a partner for the project from Europe or China. Another rumour says that CEO John Gay will stand down but remain chairman.

#### Australian - second item down

#### ANZ started decline

#### Fund-raising

##### **22/8/2008: PERMITS UNLIKELY TO BE APPROVED BY DEADLINE**

Peter Garrett said today he thought it was unlikely the permits would be approved by the October 4th deadline. Also, tomorrow is the deadline for landowners to accept Gunns' offer for pipeline easements. Several landowners have said they will not sell.

##### **21/8/2008: GARRETT SUPPRESSES CSIRO OCEAN REPORT**

Federal Environment Minister Peter Garrett has refused a Green request to see a CSIRO report on the effect of the mill dumping 64,000 tonnes of effluent a day in to Bass Strait. That can only mean one thing - it must be damning. Once again the transparency we were promised has been trashed. Come on Mr Garrett, what's going on?

#### Mercury

##### **21/8/2008: STOP PRESS - GUNNS' SHARES SUSPENDED**

Gunns' shares were suspended this morning until at least next week. There will be an announcement about a capital raising of about \$3/400m. to reduce debt. This capital will be used to pay off debt to the ANZ Bank and it is thought it is because many Auspine shareholders took cash instead of Gunns' shares in the recent takeover. As a result, Gunns is crippled with huge debt. Could it be that ANZ, as well as refusing to finance the mill, has insisted on debt reduction? Gunns are also looking to sell \$170m. worth of plantations. The company also announced CEO John Gay would be standing down in the next year (but he would still remain chairman).

##### **21/8/2008: BARTLETT EXPRESSES DOUBTS**

Tasmanian Premier David Bartlett told a group from TAP (Tasmanians Against the Pulpmill) that he didn't think the project would get finance anytime soon. He also said that compulsory land acquisition was not going to happen. Many of the landowners have said that they are not going to let the pipeline through.

#### Mercury

##### **19/8/2008: MORE LANDOWNERS JOIN LEGAL BID**

Three landowners have joined Environment Tasmania in challenging the State Government's refusal to justify permit conditions.

#### Legal attack

#### Stateline

##### **18/8/2008: GUNNS SUBMITS PERMIT MODULES THIS WEEK**

Gunns has announced that it will be submitting its final permit modules this week. That leaves the Government about six weeks to approve them - that's assuming that they will not have to be sent back to Gunns for alterations. Meanwhile Gunns' share price has collapsed to \$1.93 (see above).

#### ABC

#### **16/8/2008: PULP MILL FACES MORE LEGAL ACTION**

Environment Tasmania has challenged the validity of Section 11 of the Pulp Mill Approval Act. If successful, it could lead to a mountain of legal challenges and claims for compensation. Section 11 effectively removes all rights to challenge or claim compensation with anything to do with the pulp mill. Opponents claim this is unconstitutional. EV had asked for information on the State permits for the mill but were refused because of Section 11. So much for transparency!

#### **Federal Court challenge**

#### **15/8/2008: GUNNS SELLING FOREST TO REDUCE DEBT**

Gunns have announced they are going to sell forests worth \$170m. to reduce debt. Their profit for the year is likely to be \$67m. down from \$74m last year. The share price crashed 10% today probably because of Wal King's statement yesterday.

#### **14/8/2008: PULP MILL WILL NEVER HAPPEN - WAL KING**

Leighton Holdings' CEO Wal King said at the company results meeting today that the pulp mill was unlikely to be built this year, next year or ever. Gunns replied that he is misinformed.

#### **Pulp mill dead**

#### **14/8/2008: GUNNS PRESSURED BY FEDS**

According to today's Examiner, the Federal Government have asked Gunns to provide a timeline for presenting their permit modules. The company has just over six weeks to present their modules and get them passed by the department, the independent experts group and the Minister. The deadline is October 4th and it is looking increasingly unlikely it will be met yet Gunns have said they will not seek an extension. What's going on? It's looking very much like last year when Gunns failed to produce material for the RPDC when asked. When Malcolm Turnbull approved the mill in October 2007 subject to permits he said that all Gunns had to do, if they had done their homework, was to shove it all in an envelope and post it to him!

#### **10/8/2008: JOHN GAY IN LONDON?**

There was an unconfirmed sighting of Gunns' CEO John Gay in London last week so he may still be searching for funds. British banks have been badly affected by the credit crunch so will be reluctant to lend for any project that has any sort of risk. Meanwhile, there is still no sign of the judgement in the 'Lawyers for Forests' court case challenging the Federal approval.

#### **7/8/2008: GUNNS LOSES FEDERAL FUNDING**

The Federal Government have cancelled the funding provided (\$5m.) to keep jobs in Scotsdale. Gunns sacked over 100 workers in spite of the agreement. This sends a strong signal to Gunns that it will have to keep agreements with the Federal Government or it will be penalised.

#### **3/8/2008: PROJECT MODULES SENT BACK TO GUNNS**

Ten of the project modules that need to be passed by the Federal Government have been returned to Gunns for modification according to the Examiner newspaper. It does not seem very likely that the October 4th deadline will be complied with but Gunns say they are confident that an extension will not be required. Minister Garrett has indicated that he would consider an extension. Meanwhile Gunns have extended their deadline for landowners accepting the offers for pipeline easements to August 23rd.

#### **25/7/2008: GUNNS NEGOTIATE EXTRA WATER RIGHTS**

In spite of the fact that the availability of water from Trevallyn Dam has not been properly assessed, Hydro Tasmania have agreed to supply Gunns with an extra 50% water so that gunns can sell water to farmers on the pipeline route. Some landowners have said that it will not make any difference - they will still say NO. In the West Tamar area pressure is building on the Council

to just say no to the pipeline passing through council-owned land. The Council voted to oppose the mill last year at a special meeting and residents are now insisting that Council uphold that decision.

**24/7/2008: COMMENT**

The report below is the same publication that announced that ANZ would help finance the mill to the tune of \$150m. just weeks before ANZ pulled out so can this report be trusted? It looks as though the main source of the story is Gunns Ltd itself (many of the claims sound as though they came straight from John Gay) so it could be just another attempt to bolster the share price. If so, it hasn't worked (see above)- in other words the Stock Market is not impressed. Or it could be an desperate attempt to persuade an Australian lender to put their hand up.

**23/7/2008: NEW FINANCE DEAL FOR MILL?**

According to the 'Business Spectator' today, Gunns are about to stitch up a finance deal with some European banks to finance the mill. The article says that the banks are enthusiastic about the deal because the mill CAN be totally supplied by plantations in Tasmania and South Australia. But Gunns have always said that they will be using 80% native forest, and in fact have a deal with Forestry Tasmania and a sovereign risk agreement with the State Government (just re-negotiated) with that aim. Please explain.

**23/7/2008: MORE CONDITIONS FOR MILL APPROVAL?**

Federal Environment Minister Peter Garrett has indicated that there might be additional conditions that need to be met before approval can be given. The process may well need extending beyond 4th October when the original approval process expires. The Greens are urging Mr Garrett not to extend the approval period.

**ABC**

**21/7/2008: MILL LESS LIKELY EVERY DAY**

A report from Access Economics says that the mill is less likely to be built with every passing day. Tasmanian Treasurer Michael Aird, who a few months ago said the mill was an absolute necessity for the economy, now says that it will not be a problem if the mill is not built.

**The Mercury**

**20/7/2008: FINNS GO BACK TO FINLAND**

According to locals, some, maybe all of the Jaako Powry workers' families from Finland who moved to Tasmania to help build the mill have left. So it appears that Gunns are not going to start building the mill any time soon.

**16/7/2008: GUNNS HAVE PIPELINE PROBLEM**

Landowners along the pipeline route are not going to let Gunns' pipeline pass through their land according to gardening guru Peter Cundall. There can be no mill without the pipeline. The State Government will be reluctant to help out because it will result in unpopularity. Meanwhile Gunns' share price (see above) has gone down again in spite of a speculative buy recommendation in Today's Australian.

**Peter Cundall**

**THE PIPELINE**

The cost of the pipeline has been greatly underestimated. Comparison with other projects would indicate a total cost of \$200m. for the water and effluent pipelines including the costs for all the associated infrastructure. Suggestions that it might pay the State to build the pipeline are nonsense as the water in it will be untreated and could only be used for irrigation and there are

areas of Tasmania that are in far greater need. An effluent pipe in the trench would not solve Launceston's problem as that is caused by the city having a joint sewage and groundwater system. At times of heavy rainfall the system cannot cope and untreated sewage ends up in the Tamar. A pipe to the sea would not help that problem. Because Gunns withdrew from the RPDC assessment, the project ceased to be 'of State Significance' and so the automatic right to put the pipeline through private land disappeared. Gunns now have to persuade the landowners along the route to let it through. Quite a few are against the pulp mill!

#### **10/7/2008: GUNNS TRIES TO WOO FARMERS**

Gunns have realised that there is opposition from farmers to their pipeline passing through their land and so has written to them saying they would provide water to them from the pipeline 'if possible'. (There's a pretty good chance that, in times of drought, it will not be possible even if the capacity of the pipe would allow it.) Gunns CEO John Gay said that, without the pipeline, there would be no mill.

#### **Mercury**

#### **3/7/2008: GUNNS SEEKING FINANCE PARTNER**

Gunns have submitted a statement to the Stock Exchange which says that the company is still actively pursuing finance options (ie. they don't have finance yet) and may take a partner (if they can find one that doesn't mind the stigma of the pulp mill). This statement is almost certainly an attempt to shore up Gunns' share price which has been falling recently (as one can see above, it didn't work) and does not say anything we don't already know. It may also be an attempt to counter adverse publicity arising from the 25th anniversary of the Franklin river battle. The statement to the ASX says that Gunns have complied with all the environmental requirements - This is not true, a fact that Peter Garrett confirmed. Meanwhile, Gunns have sacked over a hundred workers in Scottsdale, after saying their jobs were safe, with virtually no warning. This action may lose them a Federal grant and will not exactly make them popular with the State and Federal Governments. It is difficult to see why Gunns chose to announce the decision now whilst the mill project is still up in the air.

#### **2/7/2008: GUNNS' CEO GAY MAY RETIRE SOON**

In an interview, John Gay has said he might retire soon. He is 65. Could it be that if the mill fails to get up, Gay will retire rather than face the next AGM? In the interview he also admitted that some finance would have to come from shareholders. The share price has tumbled further.

#### **Mercury**

**1/7/2008: BARTLETT SAYS GUNNS MUST MAKE SUBSTANTIAL START BY NOV 30th**  
Premier Bartlett says that a hole in the ground will not qualify! Meanwhile Gunns' share price (see link above) plunged to a yearly low before recovering.

#### **ABC**

#### **1/7/2008: BOB HAWKE COMES OUT AGAINST MILL**

Former Prime Minister Bob Hawke, who stopped the Franklin dam, has come out against the mill proposal.

#### **Dambuster**

#### **30/6/2008: CABINET EXTENDS DEADLINE TO NOVEMBER 30th**

The State Government has extended the sovereign risk agreement to November 30th. Gunns wanted it extended until 31st May next year and Gunns' CEO John Gay has given no assurance that Gunns can raise the money. This is in stark contrast to previous statements.

## Mercury

### **30/6/2008: 75% OF TASMANIANS OPPOSE ANY FURTHER HELP FOR MILL**

The latest opinion poll by GetUp shows that the project is getting more and more unpopular as time goes by. Only 19% think that the State Government should give more support to the mill.

## Tasmanian Times

### **29/6/2008: COURT CASE AWAITING DECISION**

Lawyers for Forests say that the decision in the court case against the Federal approval of the project is pending but the actual date is unknown.

## Lawyers for Forests

### **25/6/2008: PIPELINE BENEFITS LIMITED**

A report commissioned by the State Government is rumoured to say that benefit to the State for building and owning the pipeline to the mill is limited. There is however a rumour that Gunns may have got finance for their mill in Europe but the banks involved have to investigate the project and so will not announce their decision for several weeks. This would be a risky strategy as fluctuations in the Euro/Dollar exchange rate could result in huge cost overruns for Gunns.

### **22/6/2008: NEARLY TWO THIRDS OPPOSE MILL**

Nearly two thirds of Australians oppose the pulp mill according to a poll organised by Get-up.

## The Age

### **19/6/2008: GUNNS GIVES UP HOPE OF GOVERNMENT PIPELINE**

Gunns has apparently given up hope of the State Government helping to build the water pipeline. This means they will have to negotiate with landowners to allow the pipeline to be built across their land several of whom have said they would not allow it at any price.

## Australian

### **18/6/2008: COMMENT**

Gunns is trying to get finance from abroad. This is a very risky strategy. Supposing a finance company lends the money but is then horrified at the inevitable protests that will take place and the ensuing bad publicity and then withdraws. Gunns' potential losses could be huge. Most projects this size are done by huge multi-national companies such as Visy which has the resources and flexibility to withstand a massive set-back. Gunns is only a small company and if their shares fall and the value of the company sinks below its debts then it could cause a collapse.

### **18/6/2008: GUNNS NOW ASKS THE GOVERNMENT TO SLOW DOWN!**

Surprise, surprise, Gunns have asked the State Government for an extension to the 30th November to start constructing the project. At stake is the \$15m. sovereign risk agreement which expires if the mill is not started by 30th June. Premier Bartlett says he will ask Gunns about the likelihood of the project going ahead. Why bother Mr. Bartlett? We know what the answer will be but opponents might question the truthfulness of the answer. The Cabinet will discuss it on June 30th. Last year, the Government fast-tracked the process at Gunns' request.

### **18/6/2008: COURT CASE STARTS TODAY**

'Lawyers for Forests' court case starts today challenging the original federal approval of the project by Malcolm Turnbull. If successful, it would force Environment Minister Peter Garrett to consider the whole project again.

### **13/6/2008: TASMANIAN BUDGET SCRAPS MILL INTERSECTION**

\$12m. designated for the junction to the proposed pulp mill at Bell Bay has been dropped from



the Tasmanian budget announced yesterday - another indication that the pulpmill looks a long long way off - if it happens at all. And State Treasurer Michael Aird said that if the pulp mill does not go ahead, it would make hardly any difference to Tasmania's economy. Previous Premier Paul Lennon claimed that Tasmania would virtually collapse without it!

### Australian

#### **10/6/2008: GUNNS' SHARE PRICE COLLAPSES**

Gunns' share price today collapsed to \$2.69, a 10% drop this week. This indicates the market does not think the project will go ahead anytime soon. It also makes it more difficult for Gunns to raise finance. These are the rumours doing the rounds: Equipment supplier Andritz have left, designers Poyry have returned to Finland and Smorgan told to stop work on the perimeter fence. Whether or not these rumours are true, unless Gunns commences construction by 1st July, the forest supply contract will expire.

#### **8/6/2008: ANTI-PULPMILL FIGHT GOES GLOBAL**

Internet action group GetUp have received so many donations to fight the pulpmill that they are now going global with their campaign. Adverts are being placed in London's Financial Times - one of the most highly read and influential financial newspapers in the World. The level of donations shows just how much this project is on the nose in Australia, not just in Tasmania.

### Mercury

#### **3/6/2008: COMMENT**

So much has gone wrong for Gunns' pulp mill project over the last couple of weeks that it is difficult to see how the project can succeed. Gunns' main political backer Paul Lennon has resigned and it is difficult to see him going if there was any hope of the project proceeding as it was his main policy. Also gone is Parliamentary Private Secretary, the top civil service job, Evan Rolley who was head of Forestry Tasmania. New Premier David Bartlett says that the pulp mill project will receive no further help from the State Government and that it would not be paying for Gunns' infrastructure or acting as guarantor on a loan. ANZ have pulled out and no other Australian Banks have jumped in. If Gunns get overseas finance it could cost them nearly double and will come with huge risks. Fuel prices have rocketed as have other costs and every month's delay adds millions more to the cost. Some parts of the World may be heading for a depression. Gunns' CEO John Gay is still sounding upbeat but he must be looking for a face-saving get-out. Perhaps a finance deal will be announced but rejected by the Gunns' Board as too expensive. We shall see.....

#### **3/6/2008: DESIGN FIRM TOLD TO STOP WORK**

Design firm Pitt and Sherry have not denied rumours that work on the pulp mill has been halted for the present. There is no comment from Gunns.

### ABC report

#### **29/5/08: ANZ PULLS OUT OF MILL FINANCE**

The ANZ Bank announced this afternoon that they would not be financing the pulp mill. Gunns' CEO John Gay announced that the company would be seeking finance abroad. This involves far greater expense and also currency risks.

#### **28/5/08: NO MORE PUBLIC MONEY FOR MILL**

New Tasmanian Premier David Bartlett has made it clear that there will be no more public money for the pulp mill.

### Mercury

#### **26/5/2008: PAUL LENNON RESIGNS**

Gunns' main political supporter, Tasmanian Premier Paul Lennon, has resigned. An opinion poll last week gave him an approval rating of just 17%. Mr. Lennon has paid the price for supporting the mill.

#### **25/5/2008: GUNNS WILL NEED TO GO ABROAD FOR FINANCE**

It is now virtually certain that ANZ will announce that they are not prepared to back the pulp mill in the next few days. And according to the Australian Business News Macquarie Bank will not be standing in. That means Gunns will have to try and borrow abroad meaning higher interest rates and a huge currency risk. A shift in the value of currencies could mean that Gunns find themselves with a debt of \$3bn. Hedging to reduce this possibility is expensive too. In the current state of World financial markets it is doubtful Gunns will get the money.

#### **23/5/2008: GUNNS' SHARE PRICE DROPS 6%**

Gunns' share price has dropped 6% on the rumours that the ANZ will not provide funding for the mill even though both Gunns and ANZ have denied that a decision has been made. The Bank Workers Federation has congratulated the Bank on making a good decision and conservation groups have also assumed that funding will not be available. If it is true then Gunns will be trying to find alternative funds in a market where the long-term loan market is virtually dead. Money from abroad will be prohibitively expensive.

#### **22/5/2008: ANZ TO DECLINE PULP MILL FUNDING**

According to the Business Spectator, the ANZ has declined funding the pulpmill. Gunns may be looking for a joint venture with a company such as Carter Holt or may just sell their approvals.

#### **Business Spectator**

#### **18/5/2008: MACQUARIE BANK MAY BACK PULP MILL**

There is speculation that Macquarie Bank may be prepared to be the lead financier to back the pulp mill:

#### **Australian**

#### **14/5/2008: ANZ ANNOUNCE NEW FORESTRY POLICY**

The ANZ Bank have announced a new forestry policy indicating that they will not fund projects that include illegal logging or logging of forests of high conservation value. This would seem to exclude the Gunns' pulp mill which will be fed a large percentage of Tasmanian native forest - one of the World's last remaining temperate forests.

#### **Australian**

#### **Mercury**

#### **6/5/2008: ANOTHER MATES DEAL ANNOUNCED**

The Government have announced a sovereign risk deal that will pay Gunns \$15m. if a future government interferes with wood supply to the pulp mill. The claim is that finance institutions asked for this. But did they? The ANZ have refused to confirm that they asked and it is a pathetically small amount compared with the cost of the mill at \$2bn. \$15m. would be just over a month's interest. It seems far more likely that the deal was made to discourage a future government from curtailing wood supply and that the announcement was made now because it would have to be disclosed in the budget coming up anyway. It's just another example of the Government bending over backwards to help Gunns. The mill has yet to be financed and is not likely to be this year (in spite of what Mr. Gay keeps saying) with the banks unlikely to give approval before all permits are granted (and then they might say no) - and the permit process

seems to be taking three times as long as predicted.

#### **4/5/2008: PRO-MILL CANDIDATE SUFFERS CRUSHING DEFEAT**

In an upper house election in the electorate likely to be most affected by the pulp mill, Rosevears, the sitting member Kerry Finch, who is against a pulp mill in the Tamar valley, was re-elected with nearly 75% of the vote. The candidate against him supported the project so giving pro-millers a chance to have a say. The result shows that support for the mill is still only about 25% - that hasn't changed at all over the last three years.

#### **2/5/2008: STATE GOVERNMENT REFUSE TO GIVE PIPELINE INFORMATION**

Paul Lennon's transparency promise has taken another battering with the State Government refusing to release information on a possible secret pipeline financing deal between the State and Gunns. The pipeline is likely to cost well over \$100m.

#### **Matt Denholm**

#### **1/5/2008: COURT GIVES GO-AHEAD FOR CASE**

Gunns' lawyers have failed in their attempt to stop 'Lawyers for Forests' challenging the Federal approval decision on environmental grounds. The case will be heard in June or July.

#### **ABC**

#### **Australian**

#### **30/4/2008: PRO-DEMOCRACY MEETING ATTRACTS 700**

A pro-democracy meeting held at Riverside last night attracted a large attendance. One of the main topics was the fast-track pulp mill approval process. Speakers included Warwick Raverty, Lindsay Tuffin, Bob McMahon, Terry Martin and Jeremy Rockliffe. The large very vocal audience made it quite clear that they are not happy with the present Government and the way it was supporting and promoting the pulp mill - and that this issue is not going to go away.

#### **12/4/2008: TAP POLL NO COMFORT FOR GUNNS**

An opinion poll commissioned by 'Tasmanians against the pulpmill' shows that the public are still very much opposed to the project. 61% said ANZ should not finance the mill (after eliminating don't knows) and only 1% thought spending money on infrastructure for the mill should come before health and education.

#### **Mercury**

#### **6/4/2008: WHERE TO FROM HERE?**

Gunns' CEO John Gay said this week that the banks will need to see all the permits in place before a decision on finance can be reached. At the present rate of progress that could be many months or even over a year away. And then the ANZ Bank could say NO. Meanwhile Gunns, which has only a modest operating profit, is bleeding from the costs of all the design work and permit preparations. If managed investment schemes are stopped and carbon credits introduced it may be that Gunns will be forced to have a re-think about the whole project.

#### **4/4/2008: LAWYERS FOR FORESTS UPDATE**

The first hearing in the case was on 4 February 2008. Gunns made an application for security for costs, which is an order that would require LFF to give a bank guarantee that would go to contribute to Gunns' legal costs if LFF lost the case. The Judge delayed deciding that application until a later stage in the proceeding. He said that at that stage he was of the view that LFF should not pay security for costs. Also on 4 February 2008, the Judge set a timetable - LFF is to file its evidence on 25 February 2008, the Minister is to file his evidence on 17 March 2008 and all the parties will be back in Court on 18 March 2008 at which time it is possible that the Judge will set

a date for the ultimate hearing of the case. The hearing scheduled for 18 March 2008 was changed to 30 April 2008.

### Lawyers for Forests

#### **2/4/2008: GARRETT GIVES GREEN LIGHT TO EARTHWORKS**

Federal Environment Minister Peter Garrett has given the go-ahead for earthworks to begin at the Longreach site. There has been no indication if Gunns will proceed - one problem might be that much of the rubble created will be used to build the wharf so that module may need to be passed first. Gunns have not confirmed finance yet and the ANZ have not given any indication at what point they will give a decision. If all permits need to be issued it could be a long long time.

### Green light

#### **28/03/2008: DESIGN WORK TO BE RELOCATED TO MELBOURNE**

Gunns announced today that the design work for the mill, 100 jobs, is being relocated to Melbourne - the excuse being that more expertise was available there. So much for jobs for Tasmanians. Or could it be that Gunns do not want their design engineers exposed to public antagonism to the project?

#### **25/03/2008: WORK ON THE SITE**

Gunns have started installing their perimeter fence around the mill site. Rowella was treated to the sound of chainsaws as the fenceline was cleared.

#### **25/03/2008: WHAT'S WRONG WITH TASSIE?**

The Gunns' pulp mill has featured in a poll as the strongest negative about Tasmania in a visitor's poll.

### Poll

#### **21/03/2008: GAY DENIES MISLEADING PUBLIC**

In an interview in the Hobart Mercury, Gunns' CEO John Gay says that more work will be done on the mill before it arrives which is why less workers are needed now. So the 3000 jobs and boost to the economy that would have resulted has been more than halved and the extra work is completed overseas. That wasn't in the promotional blurb. He is also said it would be built by the middle of 2010 (in spite of it taking longer to build) because the time started in January - in spite of no work on the site having started by Easter!

### Gay interview

#### **20/3/2008: LACK OF TRAINING MEANS FEW LOCAL PULP MILL JOBS**

Industry analyst Robert Eastment says that little or no training has been done to prepare the Tasmanian workforce for work at the mill.

### ABC

#### **19/3/2008: YET ANOTHER LIE EXPOSED**

It has now been announced that the number of jobs at the pulp mill site during construction will be less than 1300. The original documentation said 3000. How could they get this figure so completely wrong? Is it deception or ineptitude - or is there another explanation? The mill will take longer to build - another six months.

#### **15/3/2008: LENNON FAILS TO ANSWER COLLUSION QUESTION**

In an interview with Matthew Denholm, Premier Lennon refused to directly answer the question whether Gunns knew if they withdrew from the RPDC it would be replaced by a new easier approval process. The whole of Tasmania knows the answer to that question Mr Lennon, so why

hide the truth?

Matthew Denholm

**15/3/2008: LENNON ATTACKS 'NIMBY' ATTITUDE**

Premier Paul Lennon admits that the people of Launceston don't want the pulp mill but says it is a 'Not in my backyard' response. Cobblers Mr Lennon. The people of Hobart voted 75% against the pulp mill in a council poll and the only poll where the mill had a (slight) majority was in George Town where it will be built. Think again Mr Lennon.

Australian

**15/3/2008: HYDRO CANNOT GUARANTEE WATER FOR MILL**

Hydro Tasmania admits it cannot guarantee water for the mill in drought conditions.

Mercury

**14/3/2008: DEMO MARKS ANNIVERSARY OF RPDC DUMPING**

A very vocal demonstration outside Gunns' offices in Launceston today indicated that opposition to the project is as strong as ever. The main speaker was former RPDC panellist Dr. Warwick Raverty.

Mercury

Dr. Warwick Raverty's speech

**12/3/2008: FINANCE SET TO BE FINALISED - GAY**

The front page of the Examiner quotes Gunns' CEO John Gay as saying that finance for the mill will be finalised soon. Could Mr. Gay be trying to prop up Gunns' falling share price? If there are no problems with the finance why say anything at all?

**6/3/2008: PULP MILL WATER USAGE QUERIED**

The pulp mill could use up to 45% of daily average flows at certain times according to the Mercury. There is also disquiet at how little Gunns are paying for their water - in fact, they are only paying for lost electricity generation.

Mercury

**4/3/2008: GUNNS BEHIND SCHEDULE ON SUBMISSIONS**

The Federal team assessing the mill are only working on one Gunns' submission - the earthworks. The others due by now are Wharf construction (14th Feb), Accommodation facility (1st Feb), and Pipeline (26th Feb). These dates were on Gunns' website.

**4/3/2008: NEW APPROVAL MAY BE REQUIRED FOR PIPELINE**

A legal opinion is that the pipeline would have to be sent back to Peter Garrett for further approval if sewage is added to the pulp mill effluent. The Tasmanian Liberals have come out against State funding for the pipeline.

Mercury

**3/3/2008: PULP MILL UNREST BIGGER THAN FRANKLIN**

Groups opposed to the proposed pulp mill promise a huge and bitter fight if the project proceeds.

Australian

**3/3/2008: TASMANIAN GOVERNMENT MAY PAY FOR GUNNS' PIPELINE**

In a move that makes it look as though Gunns is looking for financial help from the Tasmanian Government, Premier Paul Lennon has announced that the Government will look at declaring

the pipeline essential infrastructure and pay the cost. This is likely to be far more than has been stated so they could get a shock. The reasons for doing so do not bear close scrutiny as there would be far cheaper options for irrigation and sewage disposal. In fact, the reason is that it would enable them to compulsorily purchase a corridor for the pipeline as some landowners have said they will not let it through their land.

The Mercury

**2/3/2008: GAY STILL GUNG-HO ON MILL**

Gunns' CEO says that there will not be any problems with the mill going ahead and expects it to be operating by 2010. He admits that final approval for finance has not come through from the ANZ but says it is a formality.

The Mercury

**1/3/2008: GAY SAYS PULP MILL PROJECT HAS MADE HIS LIFE A MISERY**

In an interview with the Mercury newspaper, Gunns' CEO John Gay says that he can longer go out in public.

The Mercury

**28/2/2008: GUNNS' PROFITS LOWER**

Gunns announced a reduced half year profit of \$14.9 million. Some broker recommendations have been downgraded.

**23/02/2008: PULP MILL WILL NOT BE IMMUNE FROM GREENHOUSE SCRUTINY - LENNON**

Tasmanian Premier Paul Lennon has asked Professor Ross Garnaut to assess the impact of the Tasmanian forestry industry on the greenhouse effect. He said that the recommendations will be implemented even if it adversely affects the pulp mill.

Australian

**22/02/2008: GUNNS ARROGANT UNPROFESSIONAL COWBOYS - RAVERTY**

Pulp and paper expert Dr Warwick Raverty says that Gunns have not received any recognisable support from other pulp and paper manufacturers in Australia probably because they could be afraid the Longreach project may give the industry a bad name with unacceptable odour emissions in the Tamar valley.

Tasmania Times

**19/2/2008: STOP LOGGING FORESTS MEETING TOLD**

An international forestry convention in Hobart has been told to stop logging old forests.

Mercury

**16/2/2008: PULP MILL STILL UP IN THE AIR**

A meeting of 290 contractors hoping for work on the pulp mill development has been told that the project still has to be voted on by the Gunns' Board and that finance had still not been finalised according to the Hobart Mercury.

**12/2/2008: WE CAN FIELD 6,500 - WILDERNESS SOCIETY**

Vica Bayley of the Tasmanian Wilderness Society says that they will protest for years if the mill is built.

Mercury

**9/2/2008: PROTESTORS SHARPEN THEIR CLAWS**

Preparations are being made to disrupt the building of the mill. Tasmanians against the pulpmill (TAP) are running training camps for peaceful protests.

### Australian

#### **8/2/2008: FEDERAL GOVERNMENT TO BLAME FOR DELAYS - GAY**

Gunns' CEO John Gay said that the timeline was out of date due to Federal Government delays in issuing permits and that no work would be carried out on the site until further permits were issued. He also said that the Gunns' Board would meet soon to approve the project which means they will have to disclose their source of funding to the Stock Exchange. There is also a rumour that Gunns are negotiating to sell their Tamar Ridge wine interests to Lion Nathan.

#### **7/2/2008: GUNNS PROVIDES TIMELINE FOR MILL**

Gunns have provided a time table for construction of their pulp mill at Longreach on their website. Gunns hope to start earthworks by the end of February and begin construction in August. It must be noted that Gunns have completely failed to meet any of their self-imposed deadlines in the past. Earthworks cannot begin until the Federal department passes further modules. Gunns have signed a contract with Poyry, the Swedish company that designed the mill, and have leased houses for their engineers so they obviously expect to be going ahead but, so far, there has been no confirmation of funding, a contract with the construction company or the Gunns' Board approving the project.

### Gunns site

The timeline for the submissions and construction is on page 8 of the overview section. It is already behind schedule:

### Overview - scroll to page 8

#### **6/2/2008: CELCO EXECUTIVES TO BE QUESTIONED ABOUT TOXIC LEAK**

The furore about the leak of toxic chemicals from the CELCO pulp mill that killed thousands of fish has involved executives of the company.

### Santiago Times

#### **5/2/2008: GEORGE TOWN ELECTOR POLL**

In a Council elector poll in George Town, the place nearest where the pulp mill is supposed to be built and where support for the proposal was considered to be strongest, nearly 50% of electors who voted opposed the mill. This has got to be a very disappointing result for supporters of the mill to get such a poor result in their heartland.

#### **4/2/2008: LAWYERS FOR FORESTS TAKE GARRETT TO COURT**

The group 'Lawyers for Forests' have started a legal battle against the Federal approval of the pulp mill on six counts. The case will be heard on March 18th.

#### **1/2/2008: MINISTER APPROVES SITE CLEARANCE**

In a statement released at 5.20pm on a Friday afternoon, Environment Minister Peter Garrett has approved the first two modules of the pulp mill plan. This means that Gunns can go ahead and clear the site. Another 14 modules will require the Minister's approval before further work can be done. The wisdom of allowing Gunns to clear the site before they have obtained the finance for the project has been questioned by environmentalists. The rumour is that ANZ are going to say NO and that the project is going to cost more than Gunns have budgeted for.

### The Australian

**29/1/2008: PULP MILL COULD COST TASMANIA \$300 million**

**A new study has indicated that Gunns' figures on the financial benefits of the pulp mill are extremely optimistic and, in fact, the overall effect is more likely to be negative than positive.**

**\$300m. cost**

**28/1/2008: FOREST INDUSTRY FUTURE BLEAK**

**A report in the Australian today says that, even with a pulp mill, competition from South America and Asia will mean low returns for Tasmanian forestry in the future.**

**The Australian**

**23/1/2008: DANNI ECUYER SAYS MILL NOT GOING TO HAPPEN**

**Former investment banker Danni Ecuyer says nobody is likely put money into the pulp mill in the present financial meltdown:**

**Danni Ecuyer**

**22/1/2008: OPPONENTS TAKE HEART FROM MORE MILL DELAYS**

**Further delays to the approval process and finance arrangements make it more and more likely that the pulp mill will never happen according to opponents:**

**Australian**

**18/1/2008: SO MUCH FOR TRANSPARENCY**

**The State Government has failed the transparency test again. A freedom of information request from the Greens on Gunns' construction permits has been refused. What possible reason can there be other than they're totally inadequate?**

**FOI refused**

**16/1/2008: IFT WINDING UP**

**The small group of businessmen and women called the 'Investors for the Future of Tasmania' (IFT) are calling it a day. The group tried unsuccessfully to stop the pulp mill in court. Mill supporters may think that this is a sign that opposition is abating but they would be wrong. The Greens, The Wilderness Society, Lawyers for Forests, Geoff Cousins and Tasmanians against the pulp mill (TAP) are all determined the mill will not proceed. And they will have plenty of time to campaign now that Gunns have admitted serious construction will not be for at least 6 months. It also looks increasingly improbable that Gunns will get the finance any time soon with the current credit crisis. Gunns' board has yet to approve the mill. If and when they do Gunns will have to disclose their loan arrangements to the stock exchange. If it gets to that point expect there to be a massive campaign against the lenders.**

**11/1/2008: GARRETT TO MAKE DECISION SOON**

**Federal Environment Minister Peter Garrett will make a decision on a permit to allow Gunns to clear the pulp mill site at Longreach within a few days.**

**Decision soon**

**4/1/2008: GUNNS WAIT ON FEDERAL APPROVAL**

**Gunns intend to press for initial approval from the Federal Government next week to start work on their site. However, they admit, according to the Examiner, that construction will not start for 6 months. Gunns continues to issue statements that contradict what they have previously said. For example - any delays beyond 1st September would make the project unviable.**

**ABC report**

**3/1/2008: PULP MILL ON SHAKY GROUND**



News on the pulp mill has been sparse over the Christmas period but opponents such as Geoff Cousins, Danni Ecuyer, TAP (Tasmanians against the pulp mill) and the Wilderness Society have vowed to continue the battle in 2008 with renewed vigour. A court challenge from Lawyers for Forests is due to start in a month. There have been rumours that the ANZ will not approve funding for the mill and/or that the chief scientist will reverse his approval in his next report due later this month. The financial situation is not looking good for Gunns with interest rates rising and credit getting increasingly hard to obtain. Also the price of oil is going through the roof and there is the threat of a recession in the United States and unrest/war in the Middle East. Another factor is the possible increase in construction costs if workplace reforms are abolished. A report has stated this could increase costs by as much as 7%. The Federal Government may take a dim view of Gunns' breach of conditions although it was only a minor breach by a firm checking out the local water table apparently.

# 2007

2007 - some of the links have been deleted

## **21/12/2007: GUNNS BUYS LAND BUT PERMITS STILL TO BE GRANTED**

Gunns has completed the purchase of the land at Longreach for the pulp mill from RIO TINTO but has yet to be granted a permit to clear the site nor has it yet signed contracts with the builder.

## **20/12/2007: GEORGE TOWN COUNCIL HOLDS ELECTOR POLL**

George Town Council are holding an elector poll on the pulp mill in the new year. It will cost \$20,000 to conduct instead of the \$5000 it would have cost if conducted at the time of the Council elections. Mill opponents say the Council is to blame as they ignored requests for an elector poll last year.

## **19/12/2007: HOBART COUNCIL WILL SEND RESULTS OF POLL TO CANBERRA**

The Hobart City Council will send the results of their elector poll to Federal Ministers Penny Wong and Peter Garrett. The poll revealed .html">Mercury

## **18/12/2007: ANZ AGM BRIEFED ON MILL**

The Wilderness Society briefed the ANZ AGM on the mill today at the invitation of the ANZ CEO Mike Smith. The ANZ chairman said that the bank had yet to decide on whether to finance the mill. The Wilderness Society said that they could not approve the mill without breaking the [Equator Principles](#) which the bank has signed.

## **Tasmanian Times**

## **18/12/2007: CANADIAN PULP MILL FAILS TO MAKE PROFIT - CLOSED**

The closure of a Canadian pulp mill was announced yesterday. It cannot make a profit because of the high value of the Canadian dollar. The Australian dollar has been gaining on the American dollar in recent months.

## **15/12/2007: ANZ MAY SAY NO**

There are rumours that the ANZ Bank will not finance the mill according to Crikey.com. This would mean Gunns would have to look elsewhere for finance and it could mean higher interest payments and more risk.

**14/12/2007: WILDERNESS SOCIETY DROP COURT CASE**

The Wilderness Society have decided not to appeal against the decision that supported the EPBC assessment.

**14/12/2007: GUNNS ON SHORT-LIST TO TAKE OVER CARTER HOLT**

According to the Australian today, Gunns are on the most favoured list to buy the New Zealand timber company Carter Holt. This company is worth more than Gunns so it is likely that there would have to a substantial capital raising - perhaps in the form of a rights issue.

**10/12/2007: GUNNS MAY HAVE BREACHED CONDITIONS**

A report today says that work on the pulp mill site may have breached the planning Ministers' conditions. Section 20 (a) of the approval document says 'No disturbance must occur until such a time as the relevant pre-construction and construction requirements of the EIMP have been approved by the Minister'.

**8/12/2007: SHAREHOLDERS QUESTION ECONOMICS OF MILL**

A blogspot has questioned whether building the mill is a sensible economic decision and complains that Gunns Ltd AGM was halted before this could be discussed by shareholders.

**Investor information service**

**5/12/2007: LAWYERS FOR FORESTS CHALLENGE MILL APPROVAL**

A legal challenge to the pulp mill approval decision will be submitted in Court today based on the premise that Malcolm Turnbull had insufficient information to approve the project because the marine effluent survey and modelling had not been completed. It will be heard on February 4th.

**Australian**

**29/11/2007: PETER GARRETT APPOINTED ENVIRONMENT MINISTER**

In a move that will please conservationists, PM elect Kevin Rudd has appointed Peter Garrett as Minister for the Environment.

**29/11/2007: RAVERTY TELLS GEORGE TOWN - IT'S GOING TO SMELL**

In a submission to the George Town Council for their public meeting, pulp and paper expert Dr. Warwick Raverty warns the residents of George Town to expect the pulp mill to smell.

**Raverty**

**28/11/2007: GEORGE TOWN COUNCIL MEETING REJECTS MILL**

At a public meeting in George Town last night, a motion that called on the Council to withdraw its support for the pulp mill was passed as well as one that called on the council to undertake a health and safety risk assessment of the project.

**ABC**

**27/11/2007: GUNNS BIDS FOR AUSPINE AND SUSPENDS SHARES**

Gunns Ltd has offered \$7 a share to purchase the 39% of Auspine that it does not own. Meanwhile, shares in Gunns Ltd were suspended at the company's request pending an announcement on Thursday. We can only guess at the subject of the pending announcement but it must be pretty major to suspend the shares. Are they about to pull the plug on the mill? - Or perhaps they are going to bid for Carter-Holt, the New Zealand timber company that is for sale and that would fit very nicely on to Gunns' existing business. It could just be to stabilise the

shares until the Auspine deal is complete.

**27/11/2007: RAVERTY SAYS MILL WAS ELECTION ISSUE**

Former RPDC panel member Warwick Raverty says that the swing from the Liberals to the Greens was at least partially caused by the pulp mill issue.

Typingisnotactivism

**26/11/2007: ELECTION RESULT HITS GUNNS' SHARES**

Gunns' shares fell sharply today as investors realised that the Green party would have the balance of power in the Senate and could use this to impede the pulp mill. Greens' leader Bob Brown has called on the new Government to review the pulp mill decision.

**25/11/2007: ELECTION RESULTS REFLECT PULP MILL UNEASE**

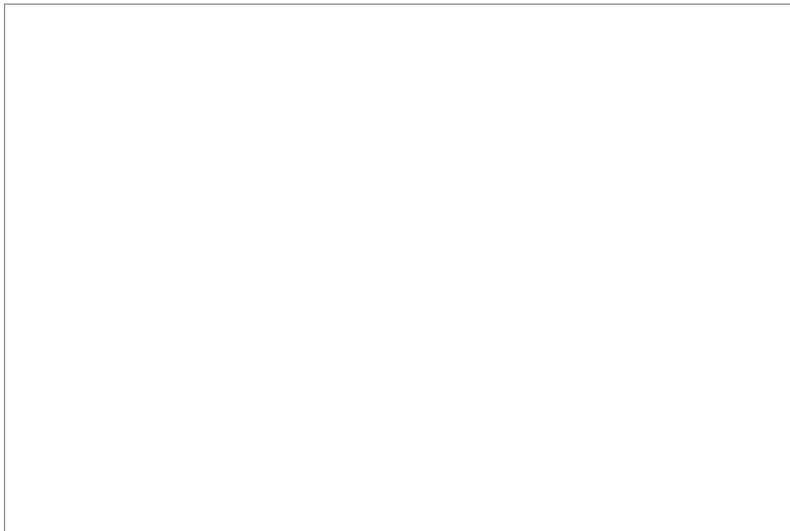
A huge increase in the Green vote across Tasmania shows that the opposition to the pulp mill had quite an effect. Senator Bob Brown was elected with a full quota and it is possible that the second Greens candidate, Andrew Wilkie, will be elected on preferences. The pulp mill backlash has almost certainly cost both Liberal sitting members in the lower house their seats. The man who insisted that Malcolm Turnbull approved the mill, John Howard, has gone. If he loses his seat by a small margin, it may well be that the pulp mill issue sunk him too. Malcolm Turnbull, who is against the mill according to Geoffrey Cousins, was re-elected and may be a candidate to be leader of the opposition.

**24/11/2007: ISSUE GETS AIRING IN BRITISH PRESS**

The pulp mill issue is featured strongly in this article in one of Britain's quality daily newspapers.

The Guardian

Many thanks to the person who sent this cartoon:



**23/11/2007: BOTNIA STARTS UP - WHAT A PONG!**

The newest pulp mill in the World featuring state of the art technology has opened up in Uruguay. There are reports of revolting smells and people ill with nausea and vomiting. Here is a translation of the report:

Translation

**23/11/2007: THE MOST EXTRAORDINARY AGM**

Crikey.com's Stephen Mayne said that the Gunns' AGM was the most extraordinary he had ever

been to.

### Stephen Mayne

There were threats and scuffles:

### ABC report

#### **22/11/2007: COURT REJECTS WILDERNESS SOCIETY APPEAL**

The High Court today rejected the Wilderness Society appeal against Malcolm Turnbull's assessment of the mill.

#### **22/11/2007: GUNNS AGM DISSOLVES INTO CHAOS**

In Launceston today, at Gunns' AGM, Gunns' CEO John Gay announced a reduced yearly profit of \$75m. He said that he was confident that the proposed pulp mill will be competitive and profitable. The meeting broke up in chaos as Anti-pulp mill shareholders asked Gay difficult questions and the CEO stopped the AGM without finishing the agenda.

#### **21/11/2007: FLANNERY SAYS MILL UNLIKELY**

Australian of the year, Professor Tim Flannery, says that Gunns will be lucky to find anyone to finance the mill:

### Flannery

#### **20/11/2007: FLANAGAN SAYS MILL MUST BE STOPPED**

Author Richard Flanagan said in his speech to 15,000 at the Hobart rally that the mill must be stopped for Tasmania's sake:

### Flanagan

#### **20/11/2007: ANZ WILL LOSE HUNDREDS OF ACCOUNTS**

The Wilderness Society picketed ANZ Banks today and predicted that ANZ would lose hundreds if not thousands of accounts if it financed the mill:

#### **19/11/2007: LAUNCESTON COUNCIL WITHDRAWS SUPPORT FROM PROJECT**

Launceston City Council withdrew its support for the pulp mill project this afternoon in a vote by 7 votes to 5 reflecting the change in numbers after the Council elections.

### ABC

#### **18/11/2007: NOTHING IS GOING RIGHT FOR GUNNS**

The Age reports that financial markets are getting worried about Gunns' pulp mill project.

### The Age

#### **17/11/2007: PULP THE MILL - WE CAN, WE WILL!**

15,000 people demonstrated in the rain against the mill in Hobart today chanting "Pulp the mill - We can, we will". There were speeches by Bob McMahon, Naomi Edwards, Geoffrey Cousins and Richard Flanagan. Traffic had to be halted as thousands marched through the streets after a rally in Franklin Square.

#### **13/11/2007: ETHICAL CORPORATION QUESTIONS MILL FINANCE**

The magazine 'Ethical Corporation' reports that institutional investors are unhappy with Gunns' pulp mill project.

### Gunning for Gunns

#### **13/11/2007: TAP ANNOUNCE HUGE CLASS ACTION IF MILL PROCEEDS**

Tasmanians against the pulp mill (TAP) say that they will organism the largest legal class action

that Australia has ever seen if the mill is built encompassing issues like falling house prices, lost business for tourist ventures and prime producers and health problems.

#### **13/11/2007: NATIONWIDE POLL AGAINST MILL**

A nationwide poll says that 52% of Australians think there should be an inquiry in to how the pulp mill was approved. Nearly twice as many are against the mill as for it.

#### **12/11/2007: POLL SHOWS 54% DON'T WANT MILL**

A Wilderness Society poll has found that 54% of Tasmanians do not want the pulp mill with 37% saying they do and the rest with no opinion. Pressure is building on the ANZ bank not to finance the mill. The bank already has links with a company in Papua New Guinea that has been accused of illegal logging.

#### **Pressure on ANZ**

#### **12/11/2007: ARGENTINA ANGRY ABOUT MILL IN URUGUAY**

A blockade continues on a bridge near a huge pulp mill in Uruguay about to start operations.

#### **BBC report**

#### **11/11/2007: MILL BIG ISSUE IN WENTWORTH**

The pulp mill could make the difference in Malcolm Turnbull's seat of Wentworth as polls show the two main candidates running neck and neck.

#### **Wentworth**

#### **11/11/2007: COMMENT - WILL THE MILL SLOWLY SINK?**

In spite of Gunns' brave statements that there are no problems and that construction will begin before the end of the year (which is impossible under the terms of Turnbull's permits), it looks as though there are many problems for Gunns to overcome. The mill only has a conditional approval, construction cannot begin without the next stage of approval which requires quite a lot of work to be done, and final approval to operate will only be given when Gunns have completed a complicated survey/modelling of Bass Strait which will take over a year. This work must show that the effluent is dispersed efficiently and yet two definitive surveys, one by the [CSIRO](#) and one by [Paul Sandery](#) of Flinders University (who produce all the tide tables), both show that the area into which the effluent is going only flushes by 1% a day. Any schoolboy will tell you that the maximum concentration of pollutants will be reached after 100 days yet Gunns' IIS says that it will be 30 days (which would require 3.3% flushing a day). The IIS acknowledges the Sandery survey but says the reason for the difference is that Bass Strait is a very large body of water - not exactly a scientific explanation. So how is a new survey going to prove efficient dispersal? The results of Gunns' survey will be checked by the panel of top scientists. If Gunns build the mill but cannot get approval to operate then a further level of effluent control will have to be built on at vast expense and potentially fatal delays. Who would lend a huge amount of money to a company in these circumstances? If they're wise, they will insist on the survey being completed and passed first.

As well as that, there are reports that the new permit conditions have increased the cost of the project perhaps beyond Gunns' ability to raise funds or beyond the point where it is economic. This could be the reason why [Wal King of Leighton Holdings](#) said it would a long, long time before it was built, if ever. The other reason could be shortage of skilled labour. Many of the workers will be working on other projects which will have to be completed before they can join the project.

Political uncertainties also surround the project with the election likely to result in the Greens

having the balance of power in the Senate. Could Green demands that the pulp mill be stopped before vital Government legislation is passed derail the project? And, if as seems likely Labor get in, will the MIS schemes that plantations rely on be stopped? Or will Gunns go ahead when they AWAs are abolished? Interest rates are rising, World credit supplies are drying up, the oil price is going through the roof and the Australian dollar is high reducing Gunns' profits on woodchip exports. Another possibility is that a new Labor Government will legislate to force the mill to use plantation wood making it less economic.

Finally, there is international tension in the Middle East. Another conflict could see an oil blockade, huge increases in the oil price and a financial downturn. If the price of wood pulp falls the financial backers of the project might pull out.

**8/11/2007: WILL THE MILL EVER BE BUILT?**

At the Leighton AGM, boss Wal King says that it will be a long time before the Gunns' pulp mill will be built - if it ever is.

A long time

**8/11/2007: STUDENTS DEMONSTRATE IN LAUNCESTON**

About 350 students demonstrated peacefully in Launceston today against the pulp mill.

**8/11/2007: TASMANIA'S PLANNING SYSTEM GETS A 'D'**

Tasmania's planning system has been awarded a lowly 'D' partially because of the botched pulp mill assessment process. The planning institute of Australia has little confidence in the process.

ABC

**8/11/2007: GREEN SUPPORT IN TASMANIA CLIMBS**

The latest poll shows Green support in Tasmania has soared and, as most Green preferences go to Labor, the Liberals are likely to lose Bass and Braddon. The poll also shows Bob Brown will win a full quota for the first time in the Senate.

EMRS poll

**6/11/2007: The Australian has printed the story:**

The Australian

**5/11/07: TURNBULL SAID HE HATED THE MILL**

According to garden guru Peter Cundall, Malcolm Turnbull said that he hated the mill and the Tamar valley was a stupid place to put it. In reply Mr. Turnbull said that he only said he hated the State Government process but Peter Cundall says that is incorrect and that there are plenty of witnesses. So why did Turnbull approve the mill, albeit with much tougher conditions? The only answer is that it was forced on him by senior Liberals who thought they would lose votes in northern Tasmania (by now they must be thinking again!) if they rejected it. Either that, or because John Howard is friends with John Gay. Either way, it is hardly a good reason to approve a project that has the potential to affect so many lives and businesses.

And he said to me....

In another 'off the record' interview, opposition environment spokesman Peter Garratt said that their policies in power could be different from what they said in opposition and this included the pulp mill.

and I said to him....

**2/11/2007: GOVERNMENT THREATENS STUDENTS**

As with any action now against the pulp mill, the Police are considering charging organizers of a student anti-pulp mill rally in Hobart yesterday. It seems the State Government are intent on getting their message across that no interference with their beloved pulp mill project will be tolerated. There will be another rally next week in Launceston:

### Students march

#### **1/11/2007: TAP CLAIMS VICTORY IN LOCAL POLLS**

Tasmanians against the pulp mill (TAP) are claiming a victory for their 'Voters' Block' in the local council elections. In Launceston Pro-pulp mill Mayor Ivan Dean and his deputy were dumped and Jeremy Ball (Green) was easily voted on as well as a TAP member Ian Norton. There is now an anti-mill majority on the Launceston City Council. In the West Tamar, two TAP members were elected and an anti-mill deputy major. Even in George Town 55% voted for the anti-mill mayor candidates although existing mayor Doug Burt just scraped in on preferences. Another Voters' Block endorsed candidate was voted on to the council.

### Australian

#### **PERPETUAL'S ETHICAL FUND AVOIDS GUNNS**

Gunns' largest shareholder Perpetual has an ethical fund which avoids Gunns' shares. Perpetual have taken the unusual step of discussing their holding in Gunns at a board meeting because of investor disquiet.

### Perpetual wary

#### **31/10/2007: PRO-PULP MILL MAYOR, IVAN DEAN, DUMPED BY ELECTORATE**

In what must be seen as a win for Tasmanians against the pulp mill's voters' block, the mayor of Launceston, Ivan Dean, was voted out of office. The mayor of George Town came close to being booted out as well and Green candidates have scored dramatic victories. The full results will be known later today.

#### **30/10/2007: HOBART POLL SHOWS HUGE OPPOSITION TO PULP MILL**

The elector poll in the Hobart local elections shows that over 75% are against the process used to approve the pulp mill and over 76% are against it being sited in the Tamar valley!

#### **30/10/2007: DANI ECUYER CUT OFF AT PERPETUAL MEETING**

Anti-pulp mill protesters caused quite a stir in Sydney today at the AGM of Perpetual Ltd which holds a large stake in Gunns Ltd. Several protesters were ejected from the hotel for handing out leaflets.

### Sydney Morning Herald

### ABC

#### **29/10/2007: THE TRUTH COMES OUT - DIOXIN LIMITS WERE DECIDED BY GUNNS!**

Chief Scientist Jim Peacock now admits that Dioxin levels allowed in Gunns' effluent will be a lot higher than mills in Sweden and Canada and that the levels allowed were actually suggested by Gunns. Far from being four times more stringent as Turnbull claimed, in fact they were more than three times the level of similar mills in Canada and Sweden. The lies just keep coming:

### Dioxin levels

#### **28/10/2007: EFFECT OF MILL ON WILDLIFE NOT CONSIDERED**

In a far-reaching article in the Australian, Matthew Denholm says that whilst measures have been taken to prevent loss of species around the construction and effluent sites, absolutely nothing has been done in the assessment process to consider whether the huge amount of logging

will impact on protected species:

### Chip off the old blockade

**26/10/2007: ABETZ ISSUES MILL PROPAGANDA**

The Federal Minister for forestry has issued a list of answers for Federal Liberal candidates when they are asked about Gunns' pulp mill. It contains the usual answers including how much of Tasmania is reserved (and so it should be). It does not say that a large percentage of farmland will be bought for plantations so increasing Australia's imports of food and ruining Tasmania's beautiful landscape - a mix of farmland and forests. No tourists will pay to come and see trees planted in neat rows:

### Sydney Morning Herald

**25/10/2007: RPDC CHIEF SAYS FULL ASSESSMENT OF THE MILL WAS NECESSARY**

Responding to statements from Gunns and Paul Lennon that the RPDC assessment of the proposed mill was too long, RPDC chief Simon Cooper described the criticism as ill-informed and said that the public should have been able to have their say at public hearings.

### Mercury report

**24/10/2007: MILL FAILS GREEN POWER TEST**

The Green revealed today that the power produced by the pulp mill will not receive green creditation because it will burn old-growth forest. This could affect the ability to raise funds for the mill. Also revealed today was the profit figures for Forestry Tasmania which showed that taxpayers received zero dividends for all the forestry assets in the state whilst Gunns made \$88m. profit.

**23/10/2007 :MILL CONSTRUCTION WILL START IN JANUARY - GAY**

John Gay said today that he expected the construction of the mill to begin in January. Mr. Gay has made statements like this in the past and been wrong and it looks a little optimistic. In fact, Mr.Gay's comment might be aimed at possible investors rather than the public as it also says that Gunns had no problems with Mr.Turnbull's 48 extra conditions. Road works at the entrance of the Longreach site will be started soon but these are road improvements only.

**22/10/2007: NEW STUDY SHOWS DIOXINS PRODUCE MORE GIRLS**

A new Canadian study shows that populations exposed to dioxins from heavy industry produce more girls. Effluent has also been known to skew the gender balance in the seas around the outfall (see effluent section).

### Dioxin report

**20/10/2007: FISHERMEN KNOCK BACK CELCO - 'SEAS NOT FOR SALE'**

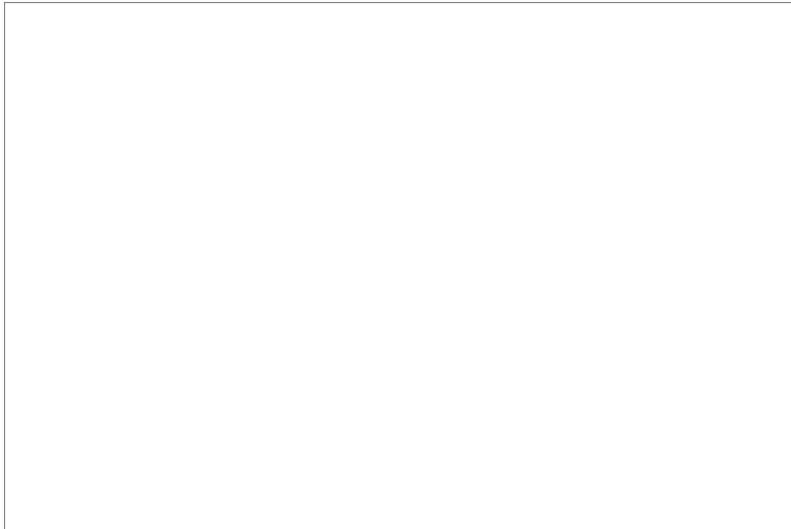
Fishermen near the Celco pulp mill at Valdivia have refused compensation payments which would allow Celco to dump effluent in to the sea where they fish. The company was told it can no longer dump effluent in the Cruces river because it caused an environmental catastrophe and is now trying to build a pipeline to the ocean. This is an interesting story:

### Santiago Times

**20/10/2007: BUSH FIRE SHOWS HOW POLLUTION WILL STAY IN VALLEY**

This morning Tamar valley residents awoke on a windless, cloudless day to find that a relatively small bushfire along the East Tamar Highway had filled up the valley with smoke demonstrating once again that any pollution released in the valley is trapped by an inversion layer.





### **20/10/2007: WOOD SUPPLY FIGURES RELEASED - INFLATION FROZEN AT LESS THAN 2% FOR GUNNS**

The agreement between Forestry Tasmania and Gunns Ltd has finally been released (after all the political decisions have been made!). The price will depend on World pulp prices with the lowest that Gunns will pay being \$12.50 a tonne for native forest and \$27 a tonne for plantation. There is no timeline for Gunns to switch from native forest to plantation. Plantation wood produces at least 10% more pulp but, when pulp prices are low, will cost more than twice as much. So guess which source Gunns will be using. Increases for inflation look modest too with no increase at all for 5 years in the lowest price then a 12% increase - that's less than 2% compound per year. The present level of inflation is 3% and, if that continues, Gunns will be paying over 20% less in real terms in 20 years.

### **19/10/2007: PULP MILL DECISION BITES BACK**

The Liberals have halved the ALP opinion poll lead nationally in the last few days but there is a glaring exception, Bass, where the pulp mill is due to be built. In Bass, a survey found that one in four voters was less likely to vote Liberal because of the pulp mill approval:

#### **The Australian**

### **19/10/2007: DANIELLE ECUYER COMES OUT FIGHTING**

Women For Change Alliance (WFCA) founder Danielle Ecuier describes her recent trip to Tasmania in the latest WFCA newsletter. Ms.Ecuier describes Tasmania as a sophisticated World-class tourist destination:

#### **WFCA newsletter**

### **18/10/2007: COURT CASE TO LAST THREE DAYS**

It is thought that the appeal against the original decision of the High Court to dismiss the Wilderness Society's case against Malcolm Turnbull will last three days and finish on Friday. The judgment is not expected for some weeks.

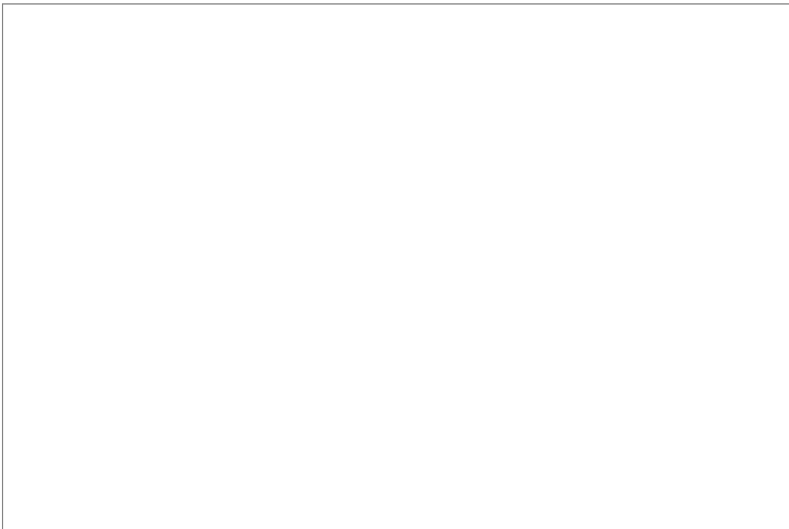
### **17/10/2007: PROTESTORS EXPOSE GOVERNMENT SHAME**

A band of three protestors have exposed just how touchy (ashamed?) the State Government is about the pulp mill. They were on top of the Batman Bridge 90 metres up for two days before anyone noticed. No traffic was held up. The routine maintenance work on the bridge carried on as usual. Now, desperate to avoid too much publicity, the authorities are pulling out all the stops to get them down even though they say they will come down on Friday by themselves.

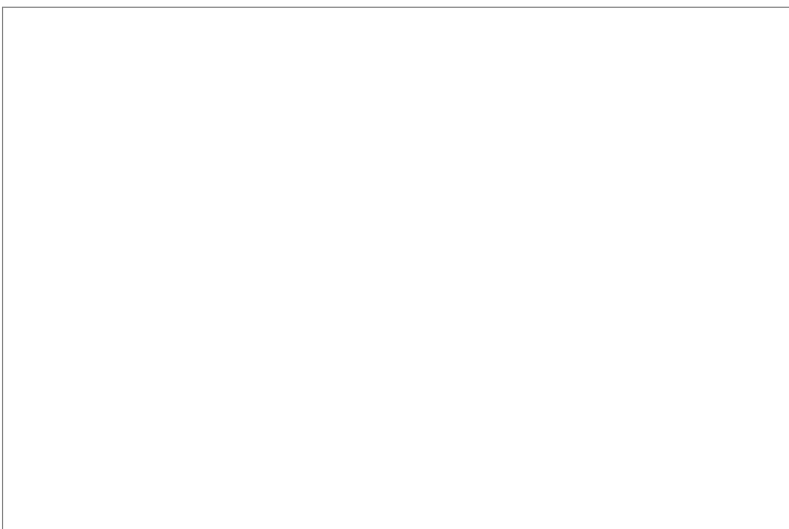
**The Batman Bridge is just south of the pulp mill site on the Tamar estuary**



**The top is 90 metres high. It can be seen for miles. The pulp mill will be 190m. above the water.**



**A rather over the top reaction involving 12 vehicles**



## **An embarrassing banner for the State Government**



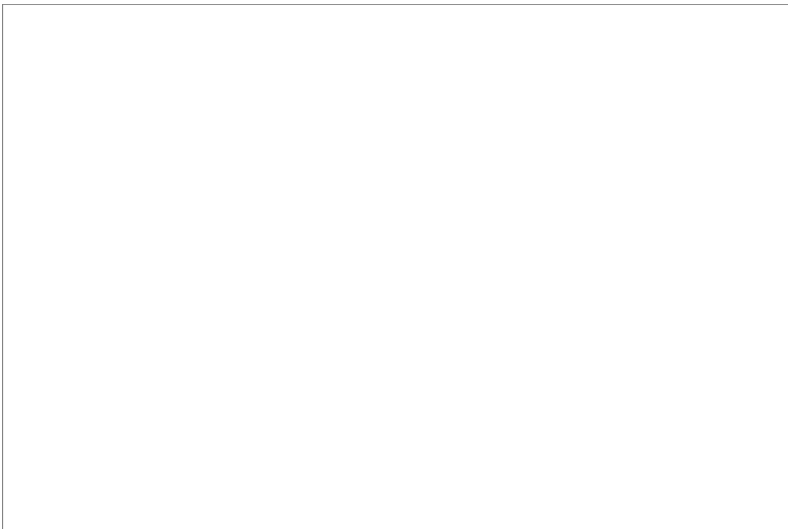
### **The story has made The Australian**

#### **EUROPEAN PERCEPTION OF AUSTRALIA - THE STUPID COUNTRY**

**This article in The Age says that Australia does not take advantage of its natural resources and includes the pulp mill proposal as an example of stuffing up our future for the sake of a few extra dollars now:**

#### **The stupid country**

**Are we stupid? This picture was taken from the Batman Bridge immediately below today's protest. How do you stuff up a beautiful place like this? Easy, you build a 3km. long, 190m. high pulp mill just round the corner!**



#### **15/10/2007: NO SAFE LEVEL OF DIOXIN**

**Gunns' proposed pulp mill will produce as much dioxin as the whole of the Swedish industry combined and that the level being allowed was surprising as there was no safe level for dioxins according to an article in The Age:**

#### **The Age**

#### **14/10/2007: ADVISOR SAYS MILL APPROVAL CRAZY**

**Science advisor Dr. Thomas Moore said today at the Bondi Beach meeting that it was unbelievable that the mill could be approved before the science had been done and that Gunns' very existence could be put at risk:**

**13/10/2007: DANIELLE ECUYER STANDS IN WENTWORTH**

**Filled with passion after her visit to the Tamar valley and north-eastern logging coupes, Ms. Ecuier has decided to stand for parliament:**

**Ecuier stands**

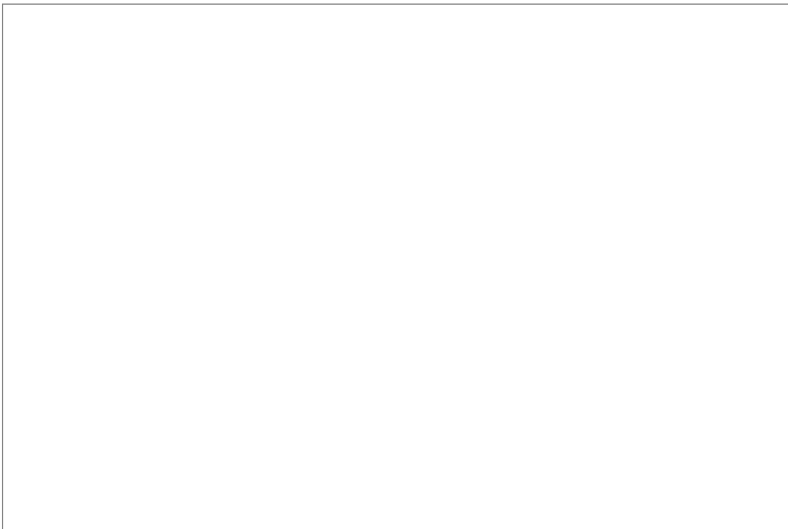
**12/10/2007: TURNBULL APPOINTS EXPERTS**

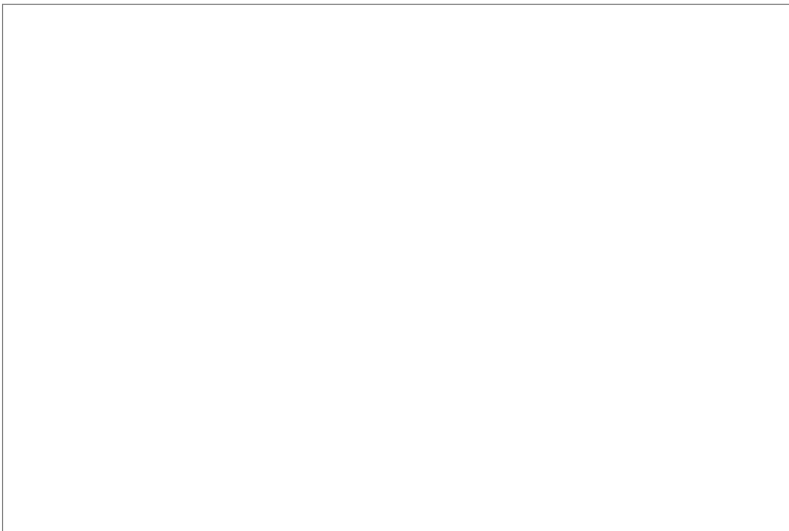
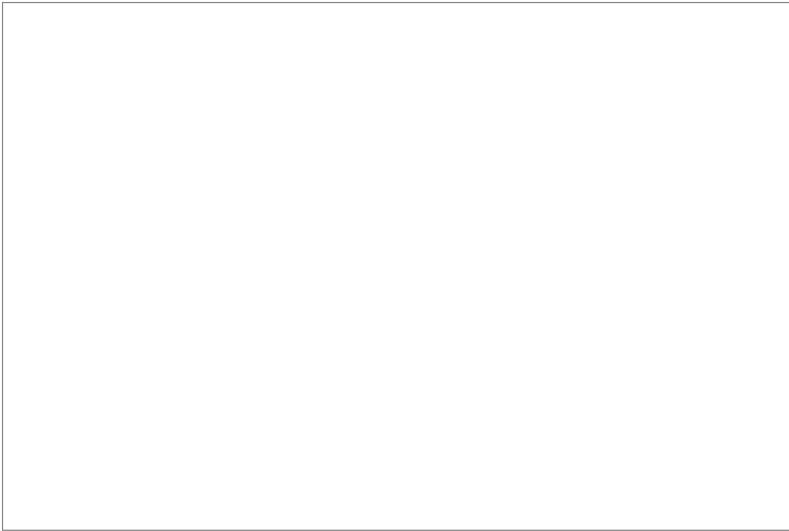
**Malcolm Turnbull has appointed a panel of experts to make sure that Gunns complies with the conditions laid down in Jim Peacock's report. These experts will be able to ensure compliance unlike the pathetic permits laid down by the Tasmanian government:**

**The expert committee**

**FORESTRY TOUR LEAVES PARTICIPANTS 'GOBSMACKED'**

**Yesterday, a tour of an area being logged organised by Tasmanians against the pulp mill (TAP), which included anti-pulp mill campaigner Danielle Ecuier, returned amazed by what they had seen. Some were reduced to tears by the destruction of the pristine forest areas with trees several hundred years old amongst those logged (so much for no old growth logging).**





**11/10/2007: MILL OPPONENTS TACKLE NEWHOUSE**

**George Newhouse, Malcolm Turnbull's Labor opponent in Wentworth, is now being targeted by anti-mill activists:**

**Australian**

**MILL SAGA MAY RESULT IN FORESTRY RE-THINK**

**Judith Ajana writes in 'The Age' that Gunns will have to use native forest for its pulp mill to compete with South America and that the furore created by this proposal may force the major political parties into a re-think on forestry policies:**

**Judith Ajani**

**10/10/2007: MILL PROPOSAL DOES NOT ADD UP - BUSINESS AUSTRALIAN**

**John Durie in the Business Backpage of the Australian says that this project is literally a bet-the-company proposition with interest bills outweighing Gunns' earnings, production costs nearly double those in Brazil and investment scheme owners getting very poor returns. These figures were supplied by a consultant who cannot work out how the mill will pay its way.**

**John Durie**

**9/10/2007: BOTH PEACOCK AND TURNBULL WARN GUNNS**

**Federal environment minister and chief scientist have both warned Gunns that it cannot start construction until 3 months of data is collected and if their effluent modelling proves to be inadequate or shows that pollutants will accumulate then the mill will not be allowed to operate and that to start construction of the mill before the effluent studies are completed constitutes a risk.**

**Turnbull**

**Peacock**

**BEN QUIN STANDS**

**Ben Quin, who resigned as Lyons Liberal candidate, is standing as an independent. The Greens say they will direct preferences his way. Ben was interviewed by Kerry O'Brien on the 7.30 report and came over very well:**

**Ben Quin on 7.30 report - transcript**

**Once again, the Business Australian today advises investors to AVOID Gunns' shares.**

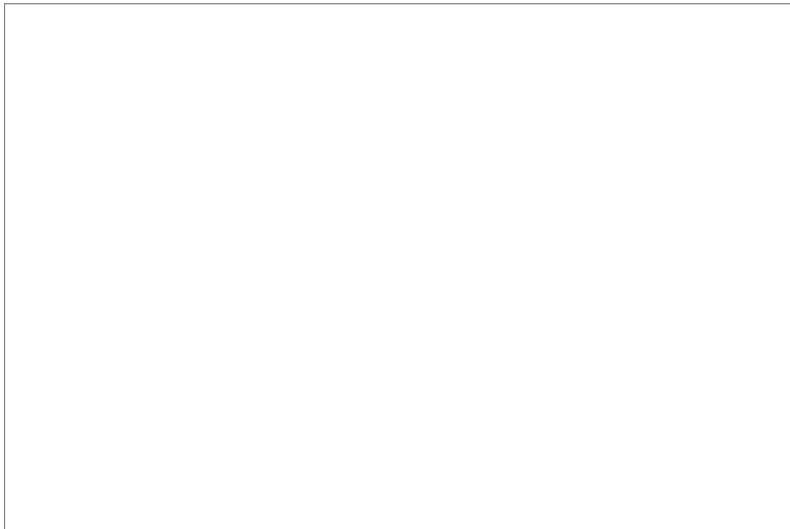
**8/10/2007: FINANCE NOT A PROBLEM SAYS GUNNS**

**Gunns say that it does not matter if the banks do not approve their funding. Of course it matters as Gunns would be forced to borrow overseas at greater cost and with the dangers of currency movements. In fact, Gunns do not usually comment on campaigns against them so it is likely that they ARE worried about finance and that they are trying to stop ANZ being targeted.**

**Robin Gray says mill will be built**

**7/10/2007: APPROVAL DECISION IGNITES COMMUNITY ANGER**

**If the politicians thought that the 'final' decision on the mill would signal an end to the matter, they've been quickly disappointed. A huge rally was held today at Low Head. Thousands of angry Tamar valley residents gave Bob Brown a standing ovation and heard him say that the decision was open to legal challenge.**



**Wotif boss Braeme Wood is furious that the assessment did not take into account loss of tourism:**

**Wotif boss is angry**

**Environmental websites all over the World have latched on to the story:**

**Environment news**

**Local groups such as Tasmanians Against the Pulpmill (TAP) and the Wilderness Society are preparing for battle:**

**Voters' Block**

**ANZ Bank may find it hard to approve finance with such vocal opposition:**

**Finance and the ANZ Bank**

**6/10/2007: LIBERAL CANDIDATE QUILTS**

**Lyons Liberal candidate Ben Quin has quit the Liberal party in disgust at the pulp mill approval.**

**Quin quits**

**LENNON'S HYPOCRISY REACHES NEW HEIGHTS**

**Tasmanian Premier Paul Lennon now says that he wants to heal the divisions in Tasmanian society caused by the pulp mill dispute. But first he gave a triumphal speech guaranteed to annoy anyone who has witnessed the way that he has lied and cheated to try and get his own way. In any other state in Australia Lennon would be history by now and in disgrace. It speaks volumes about the quality of our parliamentary representatives that he is still there after misleading parliament and the people. The Federal assessment over a small section of the mill's possible environmental footprint found dozens of concerns. How many would have been found if the whole project had been assessed? The State assessment did not even look at possible health effects and fugitive odour emissions - the area of largest concern to residents and businesses.**

**Sue Neales in the Mercury**

**CHIEF SCIENTIST'S REPORT**

**Section 2.1.1.6 states quite clearly that 3 months of roadkill data must be collected and analysed before construction can commence. Presumably this will not begin until Gunns' board give the go-ahead. John Gay is sadly misinformed if he thinks construction can start this year. With the long Summer break, the end of January would seem a more optimistic date to aim for.**

**5/10/2007: ANZ HAVE NOT DECIDED ABOUT MILL FINANCE YET**

**Gunns' bankers, the ANZ, have not decided yet if they will finance the mill. They have commissioned reports on the project. Businessman Geoffrey Cousins is trying to persuade them to refuse finance.**

**ANZ and the mill**

**COMMENT: Malcolm Turnbull has hidden behind a scientific report and obviously cares more about his own political future more than the residents of the Tamar valley who may have to put up with the dreadful odour of this mill on and off for the next 50 years. One thing is now certain - The Liberals will lose Bass and Braddon in the coming election and Mr. Turnbull will probably be booted out from Wentworth where there is anger at his decision. He had the power to stop it, he knew it was an inadequate state assessment but he did nothing. Reports from around Australia indicate that there is absolute outrage that this project has been given the green light and there will be a backlash.**

**4/10/2007 MILL APPROVED BUT 24 MORE STRICT CONDITIONS.**

**Some of the conditions will have to be satisfied before construction can begin, some before the mill can start up. Gunns will have to draw up an environmental impact management plan (EIMP) in co-operation with the scientific committee. Some parts of this will have to be completed and passed by the minister before construction can begin. Unlike the rather pathetic permits drawn up by the state government, there are provisions to shut down the mill if trigger**

limits are exceeded. Monitoring will be more extensive and strict and will be controlled by the Commonwealth department. There will be Commonwealth site inspectors during construction. The levels of dioxins and furans will be one quarter of current World's best practice with trigger limits one sixth. These are very tough guidelines indeed and Gunns may find it hard to operate within them. But Gunns CEO John Gay says that he will press on with the mill but he thinks the guidelines are unfair. It remains to be seen whether the threat of legal action from Geoffrey Cousins and the Greens will eventuate.

### The conditions

#### The chief scientist's report

##### Summary of chief scientist's report

**3/10/2007: DECISION WILL BE ANNOUNCED TOMORROW**

Federal environment minister Turnbull says the pulp mill decision will be announced tomorrow.

**3/10/2007: NEW POLL SUGGESTS LIBERALS COULD WIN BASS - IF THEY SAY NO TO THE MILL**

An opinion poll released today says that a large percentage of voters could change their vote over the pulp mill issue and it might be the only way that the Liberals can hold Bass:

#### Opinion poll

**HERBICIDE STUFF-UP WORST POSSIBLE TIMING FOR GUNNS**

A serious herbicide leak has occurred in Western Creek from one of Gunns' plantations. Local pasture, an irrigation dam and possibly rivers supplying Deloraine, Westbury and the West Tamar could have been affected. The incident took place a couple of months ago and it taken a while for the news to leak out. Environmentalists are asking if Gunns cannot be trusted on a simple matter such as this to take all possible precautions and immediately inform the authorities if an accident occurs then how can it be trusted to run a large chemical factory?

#### Australian

**2/10/2007: CONFUSION AS RUMOURS AND CONFLICTING STATEMENTS ABOUND**

The approval situation has become very confused. Gunns Ltd said they had not seen the scientist's report the same day that the Environment department said they had consulted them. Geoffrey Cousins claims that the report should have been made public if Gunns has seen it. Gunns have not yet made any submission in reply to the report. Gunns' CEO John Gay said yesterday that if there were any more conditions and stricter controls then the project would have to be abandoned (had nobody told him?). Today, he said that the manufacturers of the equipment would have to indicate that they could come in under the required new limits or finance for the project would not be available. A legal opinion obtained by the Greens has confirmed that the EPBC Act does not allow for conditional approvals.

#### Threat to axe project

##### Gunns handed report

##### ABC - additional information required

**1/10/2007: TURNBULL ADMITS DECISION MAY GO TO COURT**

Malcolm Turnbull has said he will make a decision this week and release the report at the time. He admits the decision could be challenged in court but is confident that the decision will be upheld:

#### The Mercury



## Cousins keeps up the pressure

### Bloomberg is in on the act

The conservation vessel, 'Sea Shepherd', sailed in the Tamar this afternoon according to an observer at Beauty Point. It is not known if this is connected in any way with the pulp mill proposal but if an organization like Greenpeace became involved in protest action would create a nightmare for Gunns as access to the site from the river could be blocked and protesting activists could invade the area from the river bank.

### **30/9/2007: TURNBULL WILL FOLLOW SCIENTISTS ADVICE**

Federal environment minister Malcolm Turnbull said this morning on Win TV's Sunday programme that he would be following the advice of the chief scientist, Jim Peacock, to the letter. He said there was no point in asking top experts for advice and then ignoring it.

An interesting article in 'Pulp and paper' by Chris Lang:

### Pulp and paper

### **29/9/2007: TURNBULL CANNOT MAKE MILL DECISION CONDITIONAL**

According to a legal opinion obtained by Geoffrey Cousins, Malcolm Turnbull cannot make a decision to approve the mill conditionally under the EPBC Act as it states that the minister must know the full effects of the proposal before approval is given. So, presumably this means that any extra modeling must be done and approved before permission can be given. This would mean that Gunns would have to complete more extensive and expensive work on the effluent discharge before getting permission to go ahead (and that's if the work is satisfactory and shows no ill effects). Gunns' share price is still in full retreat in a rising market.

### The Australian

### **GREEN CANDIDATES TOUR TAMAR VALLEY**

The Green election candidates from Wentworth and Kingsford-Smith (Turnbull and Garratt's constituencies) are touring the Tamar valley to see for themselves where the proposed pulp mill will be.

### The ABC

### **28/9/2007: CONDITIONS MAY MAKE MILL UNECONOMIC**

If Malcolm Turnbull approves the mill but puts strict conditions such as making the effluent pipe go much further out to sea, insisting on further modeling before approval is given and/or requiring an upgraded treatment plant then the project is likely to be unviable says Matthew Denholm in the Australian:

### The Australian

Gunns' share price is falling in an otherwise rising market which suggests all is not well with the proposal.

### **28/9/2007: LENNON CALLS FOR DECISION**

Tasmanian Premier yesterday called for the decision (ie approval) to be made straight away to avoid the possibility of an election delaying the decision:

### Mercury report

However, Eric Abetz has told Lennon to pipe down and that it was his ham fisted approach that nearly got the mill sunk:

### ABC

**27/9/2007: FEDERAL CABINET REFUSED TO MAKE DECISION ON MILL**

The report from the chief scientist says that the pulp mill proposal is seriously flawed and should only be approved if far more stringent controls are introduced according to the Mercury today. Federal cabinet has been briefed but refused to make a decision with Prime Minister John Howard in favour of an approval:

Mercury report

**COMMENT:** If the scientist's report said that the pulp mill was ok then there would be no reason to delay the decision and it would have been announced. So, there are obviously problems and the delay can only be because the minister is deciding exactly what Gunns will have to do to get the go-ahead. The report will be mainly concerned with the effluent and one possibility is that Gunns will be forced to prove without any doubt that the effluent will be dispersed efficiently before they can start building. This would result in a significant delay and further substantial costs for Gunns without any guarantee of approval as the work will be checked by independent scientists - not the cosy Scandinavian set-up that was used by the state government.

**26/9/2007: SCIENTIST'S REPORT WILL IMPOSE RIGOROUS CONDITIONS**

According to 'The Age', the chief scientists report will impose more stringent conditions on Gunns if the pulp mill is to go ahead:

The Age

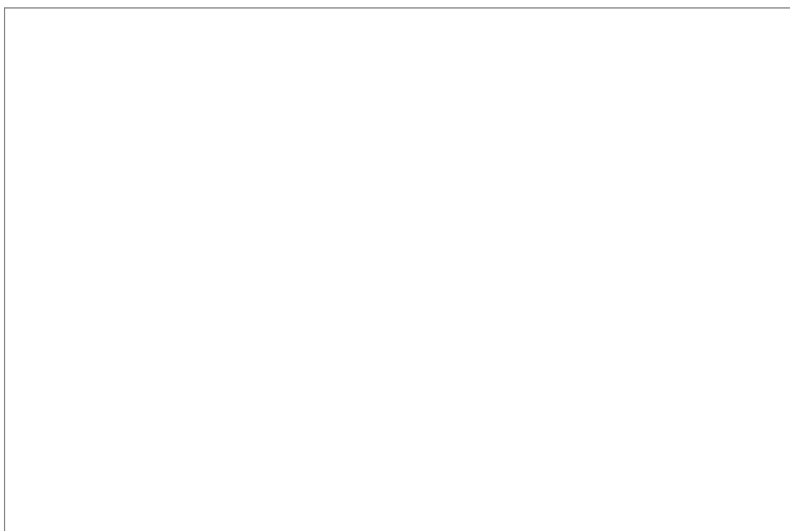
**24/9/2007: TURNBULL SAYS HE WILL FOLLOW SCIENTISTS ADVICE**

Federal environment minister Malcolm Turnbull has said that he will follow the advice given in the chief scientists report closely but that it will take about a week to announce his recommendations. He is going to Washington tomorrow for a few days and will not be back until Sunday. Paul Lennon says he should decide (ie approve it) immediately:

ABC report

**23/9/2007: HUNDREDS ATTEND HILLWOOD MEETING**

A meeting at Hillwood, in the George Town council area and Bass constituency, attracted hundreds of residents nearly all of whom were opposed to the mill and wanted the council to hold a referendum. Hillwood Hall - standing room only:



A song was written by Tasmanian singer, Jim Welsh, for the event:

Beautiful valley 4.8mb (broadband only!)

#### **22/9/2007: REPORT DUE ON MONDAY**

The report on the pulp mill from chief scientist Jim Peacock will be handed to Malcolm Turnbull on Monday and Liberals are urging Mr. Turnbull to approve the project straight away if the report is favourable. The Liberals seem to think that approving the mill will improve their chances of winning Bass. In fact, the opposite is almost certainly true with a massive voters' block organised by TAP (Tasmanians against the pulpmill) pledged to vote against the candidates supporting the mill. Meanwhile, an online submission is being organised to persuade the ANZ Bank not to lend the money for the mill.

#### **Mercury**

#### **The Australian**

#### **22/9/2007: GUNNS LOOKING AT CARTER HOLT**

Gunns are looking to expand abroad and have their eyes on Carter Holt, a large timber-based company in New Zealand that would tie in nicely with their purchase of a controlling interest in Auspine.

#### **ABC**

#### **21/9/2007: VIABILITY OF PULP MILL QUESTIONED UNLESS NATIVE FOREST IS USED**

A report today on the ABC asked whether in fact the pulp mill will be a plus for Tasmania - or a minus. Actuary Naomi Edwards calculates that the likelihood of large quantities of pulp from South America will cause the pulp price to fall making the pulp mill unprofitable. This would mean Gunns would have to use very cheap native forest timber to compete rather than plantation wood. Forestry Tasmania chief Bob Gordon is trying to negotiate a rock bottom price which Gunns will have to pay for pulp wood regardless of the World price (good luck Bob!) and he says that the profit figure of FT, a meagre 1.5% return for Tasmania, does not represent the true situation (difficult to understand that one, Bob).

#### **World Today**

#### **20/9/2007: ASSESSMENT MUST INCLUDE EFFECT ON WILDLIFE - THE AGE**

Any proper assessment of the pulp mill must include the long term effect on wildlife due to the intensive forest operations that will be needed to keep the pulp mill fed says Brendan Wintle and Sarah Bekessy:

#### **Clear goalposts**

#### **19/9/2007: IFT LOBBYING IN CANBERRA**

Investors for the Future of Tasmania (IFT) are lobbying in Canberra today meeting Peter Garratt and Bill Heffernan. Wotif.com founder Graeme Wood says that opponents have a lot of science on their side:

#### **ABC report**

#### **18/9/2007: GUNNS BETTING THE COMPANY**

Rarely does a company invest more in a project than the company is actually worth. Gunns is worth \$1.2bn. and the pulp mill will cost at least \$2bn. and probably more with cost overruns. The project is therefore a gigantic risk that will place the company in danger says the Business Australian back page today:

#### **John Durie**

#### **18/9/2007: LENNON APPOINTS EX-FOREST BOSS**

In a move calculated to infuriate anti-mill groups, Premier Paul Lennon has appointed ex-

**Forestry Tasmania boss Evan Rolley to be the new cabinet secretary, the most powerful civil servant in the State:**

**Evan Rolley**

**17/9/2007: JIM PEACOCK IN TASMANIA**

**The government chief scientist reviewing the pulp mill, Dr. Jim Peacock, is in Tasmania today for talks with some of the scientists who are opposed to the project. He will meet with Gunns tomorrow.**

**Chief scientist**

**17/9/2007: SCIENTISTS CALL FOR FURTHER TESTS**

**A panel of more than 120 scientists have called for more tests before the pulp mill is approved. They say that the fast-track assessment left out vital areas and these need investigating. Gunns have replied by saying that it is just an attempt to delay the project and that they have not taken in to account advances in technology since Wesley Vale. However, many submissions to the RPDC suggested these studies were done and Gunns have ignored them so, if they end up having to do them, they will only have themselves to blame for the delay:**

**Scientists not happy**

**17/9/2007: JOHN GAY ADMITS THAT GUNNS HAS BEEN DAMAGED**

**In an interview with the Business Australian, Gunns' CEO John Gay admits that the pulp mill has been a public relations disaster for Gunns and that they were being pushed backwards in the financial markets. He admits now that it is far from certain that the mill will proceed and says, if it does not, Gunns will shift their focus to the mainland and Asia:**

**Business Australian**

**17/9/2007: HOBART COUNCIL WILL HOLD POLL**

**Hobart city council will ask its electors whether they approve of the pulp mill process. It is suggested that if there is a large no vote then Paul Lennon should resign.**

**16/9/2007: GREENPEACE BLOCKS PULP EXPORTS**

**A headline that will send shivers down the spine of Gunns' directors and shareholders if the mill goes ahead. Greenpeace regard Gunns as one of their top targets and the Tamar would be easy to block as the channel is so narrow:**

**Blockade**

**16/9/2007: PULP MILL NOW AN ISSUE IN GARRATT'S SEAT:**

**The Greens candidate in the Federal seat of Kingsford Smith, where shadow environmental spokesman Peter Garratt is the sitting member, has introduced the mill as an election topic. She will have to check her facts though - it isn't a paper mill!**

**ABC report**

**16/9/2007: GRAEME WOOD BLASTS PULP MILL ASSESSMENT**

**Graeme Wood, founder of wotif.com, appeared on Sky Business Sunday this morning and said that the pulp mill assessment had not been done properly and, unless it was thoroughly assessed and found to be non-polluting and sustainable, it should not be allowed to go ahead. He said that 4000 new jobs in tourism could be created with a bit of effort from the State Government but not if all the trees are cut down.**

**The Age**

## **15/9/2007: NEW STUDY SHOWS AIR POLLUTION CAUSES STROKES AND HEART ATTACKS**

A new British study shows that air particulates, especially diesel fumes, increases the likelihood of heart attacks and strokes. This has implications with the likely tripling of heavy goods vehicles to Longreach and the particulates being emitted from the mill stack.

### **Medical study**

## **15/9/2007: MILL STORY IS FRONT PAGE NEWS YET AGAIN**

For the second day in succession, the pulp mill saga is on the front page of the 'Australian' newspaper. The national spotlight on the story means that unless a decision is made, it will be an election issue. The scientific committee asked by Malcolm Turnbull to look at the mill will report next week. There is also criticism of Peter Garratt from Bob Brown for shelving his environmental credentials:

### **Mill story in Australian**

### **Greens lose faith in Garratt**

### **Gunns' 20 court case blunder**

## **15/9/2007: LENNON PUSHES FOR DECISION**

Tasmanian Premier Paul Lennon has once again demanded the Federal Government make a decision (ie approve) the pulp mill before an election is called. Mr. Lennon is blaming the delay on Geoffrey Cousins intervention in Wentworth conveniently forgetting that Mr. Turnbull expanded the assessment before Mr. Cousin's intervention. Meanwhile, it has been discovered that, as the Federal Government gave Gunns money to do the IIS, their powers under the EPBC are greatly enhanced and they are legally able to assess the social and economic impacts of the mill.

### **ABC - new study mooted**

## **15/9/2007: IS THE PULP MILL VIABLE? THERE ARE SERIOUS DOUBTS**

Judith Ajani in the 'Canberra Times' suggests that the mill is not driven by economics but by the 'grudge factor'! She questions whether any proper economic assessment has been done to ascertain the mill's viability:

### **Serious doubts**

There are also fears that the new pulp mill will make the existing industries in Burnie and Wesley Vale uneconomic with the loss of 600 jobs.

## **14/9/2007: TURNBULL SAYS DECISION WILL BE BEFORE ELECTION**

Federal Environment minister Malcolm Turnbull yesterday indicated to lobby groups that a decision will be made before an election is called. However, today he said it could take longer depending on the report from Jim Peacock:

### **Decision soon**

### **Could take longer**

## **14/9/2007: WE WILL GET PERMISSION - JOHN GAY**

Gunns' CEO John Gay predicts that the mill will be approved by the Federal Government in the next four weeks. He says that all the information Mr. Turnbull has to make the decision on says there are no issues with this pulp mill in Tasmania (except, perhaps, for the 31,000 submissions, Mr. Gay!).

## The Australian

### **13/9/2007: PULP MILL DEBATE ON ABC TONIGHT**

The mill will be debated on 'Difference of Opinion' on ABC at 9.25pm. The online poll on their site was running 74% against the mill at 6.15pm. (The morning after the debate, the poll was over 80% against).

### Difference of opinion

#### **13/9/2007: BASS VOTERS WANT MILL IN HAMPSHIRE**

In Bass, the electorate where the mill would be built, voters do not want the mill and would prefer it to be built in Hampshire (in Braddon - where they want the mill) according to a poll commissioned by the Wilderness Society. And the Australian newspaper has obtained a submission by former pulp and paper manager, David Campin, that confirms that Hampshire is a far superior site environmentally than Longreach:

### Voters want different site

#### **12/9/2007: DON BURKE SUPPORTS MILL**

Australian environmental group AEF, chaired by Don Burke, has endorsed the mill (provided it meets environmental guidelines) after a 45 minute presentation by Gunns. Apparently AEF is supported by the timber industry. It begs the question - Did they seek an alternative point of view from other sources - somehow I doubt it?

### Don Burke supports mill

#### **12/9/2007: NEW POLL SHOWS OPINION RUNNING TWO TO ONE AGAINST MILL**

An opinion poll commissioned by Investors for the future of Tasmania covering all of Australia shows that only 21% support the mill, 41% do not want it, the rest do not have an opinion. Many of those questioned said the issue would effect the way they voted. Older people were more against the mill than the young.

### Pulp mill an election issue

#### **12/9/2007: EXPERT PANEL TO ASSESS MILL**

Australia's chief scientist Jim Peacock has assembled a top class panel to assess the pulp mill for Malcolm Turnbull. Click on the link below to check out who's on the panel:

### Expert panel

#### **11/9/2007: BEN QUIN RISKS ALL**

Lyons Liberal candidate Ben Quin has risked being dumped from the party ticket by pointing out that Tasmania's forests could be worth twice as much as carbon credits than as woodchips:

### Story in Australian

#### **11/9/2007: DIFFERENCE OF OPINION ON PULP MILL**

The ABC programme 'Difference of Opinion' will be debating the pulp mill this Thursday at 9.25pm, repeated on ABC2 on Saturday 15 Sept 9:30PM & Wednesday 19 Sept 4:30PM.

### ABC website

#### **10/9/2007: GOOGLE EXPOSES ANOTHER LIE**

Gunns' adverts and various letters to newspapers have made the claim that the site for the proposed pulpmill is in the Bell Bay industrial area. This is something that the RPDC rejected some time ago. A google view of the area shows just how wrong this claim is. The Bell Bay industrial area is in the top left hand corner of the picture. The site of the proposed pulp mill is in

the centre about 6 kms away:



**9/9/2007: TCCI AND TAP DELEGATIONS GO TO CANBERRA**

The Tasmanian Chamber of Commerce and Industry have sent a delegation to Canberra to plead with the federal government to make a decision (they mean approve) the mill before an election is called or else delay the election until a decision is made. This is rather likely to fall on deaf ears. A Tasmanians Against the Pulp mill delegation is also heading to Canberra to lobby politicians and other decision makers.

**9/9/2007: BEN QUIN STAYS ON**

Ben Quin remains the Liberal candidate for Lyons but has been warned to stick to the party line in future. Mr. Quin's crime was to articulate the views and fears of the electors of Lyons about the pulp mill.

**8/9/2007: INVESTORS GETTING NERVOUS**

Institutional investors are getting a bit nervous about the proposed pulp mill project. They are starting to question the risks involved and the possible detrimental effects on other businesses in the Tamar valley:

**Investors having doubts**

**7/9/2007: ALP MAY HAVE TO ASSESS MILL GREENHOUSE EMISSIONS**

If the mill assessment passes on to a Labor government then it could trigger a threshold that requires it to be looked at in terms of greenhouse emissions. It has been estimated that the mill would increase Australia's carbon dioxide output by 2%. Peter Garratt, however, said that there would no retrospective assessment and the project would be assessed under the present EPBC laws.

**The Australian**

**6/9/2007: COGNITIVE DISSONANCE - SO THAT'S THE ANSWER!**

Roger Hanney has come up with the name of the condition affecting most of our politicians. Cognitive dissonance is the inability to absorb any information that does not agree with their viewpoint however significant and reliable that information is:

**Roger Hanney**

### **6/9/2007: LENNON FAILS TO ANSWER KEY QUESTIONS**

In an answer to Judy Tierney's probing article in the Mercury which asked many of the questions that Tasmanians would like to know the answer to, Premier Paul Lennon has written a reply. But how many of the questions does he answer? You judge:

Judy Tierney

Premier Paul Lennon

### **5/9/2007: CHEMICALS FROM THE PULP MILL COULD TAINT WINE**

The Australian Wine Research Institute has said that the pulp mill should not proceed until further research has been done to make sure that chlorophenols produced by the mill do not taint the wine (or indeed fruit) giving it a taste of antiseptic:

Story in Australian

Chlorophenols - what are they?

### **5/9/2007: BEN QUIN FACES DISENDORSEMENT**

There will be a Liberal party meeting on Saturday to decide if Lyons candidate Ben Quin should face disciplinary action because of his outspoken opposition to the current proposal to build a pulp mill in the Tamar valley. Not to be cowed, Mr. Quin said yesterday that the community had a right to know if Gunns were paying a fair price for the timber for the mill. Details of the deal are secret and it is suspected that the contract does not offer good value to Tasmanians who own the forests. It is difficult to see why the agreement is secret as Gunns have a virtual monopoly. If Ben Quin goes then so will the Liberals chance of winning Lyons.

### **4/9/2007: NEW MILL IN URUGUAY SPARKS PROTESTS**

A new kraft pulp mill has just opened in Uruguay sparking protests from nearby Argentina:

Protests at Uruguayan Pulp Mill

### **4/9/2007: ASSESSMENT NEEDS MORE THAN SIX WEEKS**

Three scientists, Dr. Warwick Raverty, Dr. Andrew Wadsley and Dr. Stuart Godfrey, have sent in a submission to Malcolm Turnbull that says six weeks is inadequate for a proper assessment of the effects of the effluent from the proposed pulp mill on Bass Strait. The submission says that dioxin contamination will affect fish within four years of the mill start-up:

Scientist's submission in text format

Clean Tamar Website

### **4/9/2007: TOURISM LEADERS IGNORED**

Tourism operators in the Tamar valley fear that their concerns have been completely ignored by the State Parliament when it rushed through the pulp mill permits last week:

Pulp queries ignored

### **3/9/2007: MILL HAS NO CHANCE OF PASSING RIGOROUS SCIENTIFIC INVESTIGATION**

The proposed pulp mill has no chance of passing the scientific examination being conducted by the Government's chief scientist Jim Peacock says Senator Bob Brown. And when it fails then the Malcolm Turnbull or Peter Garrett will have no alternative but to say no. And the story according to 'The Australian' is that the Federal Liberals were planning to nod the mill through before the State vote last week and so would then be able to point the finger of blame at Lennon when the mill stuffed up the Tamar valley. That is probably why Gunns' CEO John Gay said he was 95% certain construction would start this week. But Minister Turnbull has done his



homework and realized that there are potential problems that haven't been addressed and need to be - hence his referral to Jim Peacock. This was done before the pressure applied to him by Jim Cousins so Malcolm Turnbull, in spite of flack from fellow Liberals, has done the right thing and should be congratulated.

### Malcolm in a muddle

#### **3/9/2007: MILL IS A BIG IMAGE PROBLEM**

A report for the Department of Economic Development says that the perceptions created by the pulp mill has already damaged Tasmania's clean green image. The report says that the Gunns' pulp mill is the strongest negative about Tasmania:

### Hobart Mercury

#### **3/9/2007: PETER GARRATT RULES OUT PRE-ELECTION DECISION**

The decision on the pulp mill is likely to be after the Federal election as shadow environment spokesman Peter Garratt says that it is unlikely he will come to a joint decision with Mr. Turnbull. This is probably going to be sometime in November and the new minister will want to review all the information before making a decision. So it is now unlikely to be before December. The RPDC said that their decision would be in November so it is likely that Gunns' decision to walk away from the RPDC process has actually delayed the decision!

#### **2/9/2007: AUSTRALIAN BUSINESS SECTION ADVISES 'AVOID' GUNNS' SHARES**

Gunns' yearly results posted a 1% increase in profits from the previous year to \$88m. This was mainly due to managed investment schemes. The sale of woodchips was down to 3.4m. tonnes from 3.5m. tonnes the previous year. The Criterion column in the Business Australian rated Gunns' shares an 'AVOID' due to all the uncertainty about the pulp mill.

#### **1/9/2007: HOWARD STILL SUPPORTING MILL**

PM John Howard said yesterday that he is optimistic that the mill can and will be built providing it meets environmental standards. The man who will make the decision (provided an election does not intervene) is Malcolm Turnbull and he has started a process that will take several weeks to complete. Another hurdle for the mill is the the finance and the ANZ Bank have said they have not made a decision on whether to support the project.

### The Australian

#### **1/9/2007: GUNNS NOW CONTRADICTS ITSELF**

Gunns' statement to the stock exchange that they are happy with the extra six weeks of assessment is in stark contrast to its earlier warnings that it had to start building on September 1st or the mill would become financially unviable. This has led to accusations that Gunns withdrew from the RPDC to get an easier assessment and that it was nothing to do with the timeline. The decision now could be later than the November date suggested by the RPDC back in February if the election intervenes.

### Mercury report

#### **COMMENT: THE MILL HAS STILL SEVERAL HURDLES**

\* The first is the Federal EPBC assessment which has attracted a huge number of submissions.

It is possible that it may recommend that Gunns complete the deficient modeling before commencing -

A logical decision as if the modeling is not satisfactory then Gunns would have a half-completed mill.

This could take months to do.

\* The decision may not occur before an election is called. Any decision then would have to be joint but

Labour have said they would wait until after the election. Likely extra delay would be two months after the election is called.

\* There has been a definite change in tone from the Federal Government - they are having a rethink.

It is quite likely there will be an attempt to get Gunns to build it at Hampshire involving subsidies.

\* The huge opposition to the mill and delays could result in finance being withdrawn. The recent financial downturn has resulted in less credit being available. The ANZ Bank have confirmed that they have not yet confirmed finance for the mill.

\* The Gunns' board may decide that with all the delays and huge increase in costs that it is no longer financially viable or just too risky.

### **31/8/2007: PM REJECTS LENNON'S PLEA**

Prime Minister John Howard has rejected Tasmanian Premier Paul Lennon's plea that either the decision on the pulp mill should be made before an election is called or else the election should be delayed until after a decision. He said that due process would be followed and if an election intervened then it was too bad. The Tasmanian Parliament passed the pulp mill yesterday as expected with only the Greens, Kerry Finch, Terry Martin, Norma Jamieson and Ruth Forrest voting against. Labour MP Lisa Singh abstained and said in her speech that Gunns had too much power in Tasmania.

### **30/8/2007: PULP MILL NEWS IN UK**

UK national daily newspaper 'The Independent' has an article on the debate:

#### **The Independent**

### **30/8/2007: TURNBULL EXTENDS ASSESSMENT PERIOD**

Malcolm Turnbull has extended the assessment period for another 6 weeks to enable his department to consider the huge number of submissions (26,500 and rising) and to consider the recommendation from the chief Government scientist, Jim Peacock, which is due in about three weeks. Paul Lennon has said that his advice was that this was not legal but Turnbull insists that it is. If the process extends in to the election campaign then a decision will almost certainly be deferred until a new government is elected. The Tasmanian Parliament will vote today to approve the mill as expected.

### **30/8/2007: WOOD SUPPLY UNSUSTAINABLE - CSIRO SCIENTIST**

Dr Chris Beadle, CSIRO forestry expert, has said he has deep concerns on the effect of the pulp mill on Tasmania's native forests.

#### **Mercury report**

### **29/8/2007: MIOTTI REPORT SAYS THERE ARE 15 DEFICIENCIES IN IIS NOT 8**

The Miotti report on Gunns' IIS says that there 15 problems and that they cannot be fixed with permits. Mr.Miotti produced reports for the RPDC on the pulp mill.

#### **Press release**

### **28/8/2007: COUSINS GETS STUCK IN**

Business man Geoffrey Cousins has shown he wasn't bluffing and has assembled a cast of over 100 stars to oppose the current assessment of the mill by Malcolm Turnbull. Full page adverts are

going in the Wentworth Courier and copies of [Richard Flanagan's](#) article in 'The Monthly' are being distributed. He is also targeting Peter Garret's constituency.

### People don't want the pulp mill

#### Apple Isle's worm turns

**28/8/2007: GAY IS 95% CERTAIN IT WILL START NEXT WEEK**

Gunns CEO John Gay says that he is 95% certain that pulp mill construction will start next week! This is surely a little unrealistic as submissions are not due in until Friday and then an independent committee has to investigate and report back. As well as that the Greens are considering a court challenge on the assessment process by SWECO. Apparently, the SWECO assessment has failed to observe details of the Pulp Mill Assessment Act.

**27/8/2007: GUNNS' BOARD HAS NOT APPROVED PULP MILL GO-AHEAD**

In an interview with the Mercury newspaper, Gunns' CEO John Gay says that the Gunns' board may not approve the construction of the pulp mill even if it receives all the approvals. He said that the Board is by no means united on the issue and that it was the Board, not him, that voted to withdraw the pulp mill from the RPDC process. But hang on, were we not told in the court case that all the contracts had been signed for construction to start on September 1st? Or was that just to put pressure on the Judge? Mr. Gay seems to be under the impression that the mill is all about trees. Well, it's not Mr. Gay, it's all about where you want to build the mill and you, the Gunns' Board, have chosen the wrong site.

#### The John Gay interview

**26/8/2007: WILDERNESS SOCIETY CAMPAIGNING IN WENTWORTH**

The Wilderness Society were handing out DVDs and leaflets about the pulp mill in Malcolm Turnbull's constituency in Sydney today and encouraging people to write a submission.

**26/8/2007: DOCTORS SLAM PULP MILL ASSESSMENT**

A group of 100 medical doctors from Launceston and the Tamar valley have signed a petition that condemns the current assessment as totally inadequate and urges the MLCs to vote against it. Some of the doctors said that they might leave Tasmania if it goes ahead. The only dentist in the Tamar valley is on record as saying he will leave if the pulp mill proceeds and rural areas are finding it very difficult to replace these professions when they leave. And a group of photographers have sent in a petition claiming that forestry practises are ruining Tasmania's famed natural beauty.

#### The Mercury

**25/8/2007: GAY UNFIT TO RUN PUBLIC COMPANY**

According to an article in today's Mercury, Geoffrey Cousins has labeled Gunns CEO John Gay unfit to run a public company after Mr. Gay threatened to withdraw Gunns' business from any company that Mr. Cousins was a director of. Mr. Cousins said that it was typical of Gunns' mentality - Don't deal with the issue but attack the person who said it.

**25/8/2007: WHO WAS THE STUPID BASTARD THAT DID THAT?**

Senator Bill Heffernan has come out in favour of the mill being moved from Longreach to Hampshire. He said that pulp mills of the type that Gunns wanted to build were polluting waterways and fisheries all around the planet. He said that we did not want to look back in 100 years and say 'Who was the stupid bastard that did that?'

#### The Australian

### **25/8/2007: ONLINE POLLS SPELL DISASTER FOR MILL**

It seems that support for the pulp mill has totally collapsed in Tasmania. In an online poll in the Hobart Mercury, by 5pm today, only 34 people had answered YES to the question 'Should the pulp mill go ahead?'. 4750 people voted NO - more than 99%. And in 'The AGE', a poll asks if the decision to build a pulp mill in the Tamar valley would influence the way they voted. 86% said YES.

### **24/8/2007: PM DELAYS PULP MILL DECISION**

John Howard said today that no decision will be taken until all public consultation had taken place and that we should not expect an early decision on the mill.

#### **The Australian**

### **24/8/2007: MOVE TO SHIFT MILL TO HAMPSHIRE**

The 'Australian' newspaper has had the pulp mill story on its front page four days this week and today Geoffrey Cousins is urging Turnbull to shift the mill to Hampshire. (This is what this site has always said - the mill is in the wrong place). Mr. Cousins said it is a win/win situation with Hampshire wanting the mill and voters in Bass and Lyons against it. There could be three seats in it for the Liberals. Gunns' CEO John Gay, however, said that it would be built in China or Indonesia if Longreach was turned down.

#### **The Australian**

### **24/8/2007: PERMITS WILL OFFER NO PROTECTION**

The pulp mill operating permits will not provide any protection against pollution due to the wording of the permits which say that pollution must be substantial before any action is taken. However, nowhere is there a description of substantial! So, Gunns' lawyers will be able to defend any breaches.

#### **Mercury report**

### **23/8/2007: LETTER FROM KONS TO VINEYARDS**

State minister Steve Kons has written to Vineyard operators in the Tamar valley to allay fears of odours. It basically says 'Don't worry guys, it will probably only smell 10 times a year and if you're unhappy you can sue Gunns!'. Perhaps the vineyard owners should sue Mr. Kons!

#### **Mr. Kons letter**

### **23/8/2007: NOT HAPPY PAUL! - 67% DISSATISFIED WITH LENNON**

A new poll released today indicates that over two thirds of the Tasmanian population are not happy with the way that Paul Lennon is running the State ie. handling the pulp mill issue.

### **23/8/2007: SURVEY PAINTS A GLOOMY PICTURE IF MILL PROCEEDS**

A survey conducted by businesses in northern Tasmania says that the pulp mill will cost far more jobs than it creates and will only grow the economy by 0.5% not the 2.5% that Gunns have claimed. It will also lead to 216 deaths due to extra log trucks and respiratory diseases.

#### **Mercury report**

### **22/8/2007: DIOXINS GET TURNBULL RATTLED**

On the 7.30 report tonight, Malcolm Turnbull faced some rather sticky questions about the pulp mill and particularly dioxins:

#### **7.30 report transcript**

### **22/8/2007: SWECO BOSS ADMITS IT WILL SMELL**

Swedish engineer Rune Franzen, in charge of the SWECO team assessing the mill, admits it will

smell and that leaks from pump seals which can occur has not been assessed at all. He said that the smells will be worse in the first three years but it should then settle down. But the odour from leaking seals can occur for the life of the mill.

#### **22/8/2007: PERMITS SERIOUSLY DEFICIENT**

The pulp mill permits tabled in Parliament fall a long way short of expectations:

- \* If the mill pollutes it will not be shut down.
- \* If the mill smells it will not be shut down.
- \* The odour panel has no mechanism for reporting.
- \* Residents with a good sense of smell will not be allowed on the odour panel.
- \* The Environmental Protection Agency will have no staff.
- \* No conditions or regulation of wood and chemical trucks.
- \* No obligation to use rail for longer distances.

#### **22/8/2007: GEOFF COUSINS TAKES ON TURNBULL**

Businessman Geoff Cousins is taking on federal environmental minister Malcolm Turnbull in his own seat of Wentworth which is only held by a margin of 3%. Mr. Cousins says he will pay for adverts in local newspapers to try and get Mr. Turnbull to change his mind. Mr. Turnbull says he will not be bullied.

#### **Article in Australian**

#### **21/8/2007: WEST TAMAR COUNCIL CONDEMNS FAST TRACK PROCESS**

At today's Council meeting, councilors voted unanimously to condemn the State Government fast track process.

#### **21/8/2007: PERMITS AVAILABLE FOR VIEWING**

The pulp mill permits were tabled in Parliament this morning and are available at this website:

#### **Pulp mill permits**

#### **21/8/2007: STATE LIBERALS SAY THERE SHOULD BE PUBLIC CONSULTATION ON PERMITS**

State Liberal leader Will Hodgeman has said that there is no public confidence in the assessment process and that the State Government should allow the public to view and comment on the permits. It does not seem very likely that this will happen as no doubt opponents will find a plethora of mistakes and faults in the permits and communicate their concerns to the MLCs - something the Government will be keen to avoid. So much for transparency! There was another item on the pulp mill on the 7.30 report last night. Here is the transcript:

#### **7.30 report**

#### **COMMENT: TURNBULL IS SAYING WHATEVER HAPPENS IT'S NOT MY FAULT**

Malcolm Turnbull is playing the blame game. He is hoping that he will not get blamed for either saying yes or saying no. He is actually saying perhaps and postponing a definite decision until after the Parliament votes and, you never know, he (in fact all Tasmanians) might get lucky and not have to make one if the MLCs say no. If he does have to make the decision and it all goes pear-shaped he can point to his statements and say 'it's not my fault - I did warn you it was not a satisfactory assessment'. Turnbull's argument is that he only has a mandate on Commonwealth waters but we all know that the Federal Government could stop it if they wanted. They stopped the Franklin dam, they are taking over water resources on the mainland and a hospital in Tasmania. So, come on Mr. Turnbull. It's your duty to protect us from this shonky assessment and dishonest State Government.

#### **20/8/2007: TURNBULL SAYS MILL CAN PROCEED IF...**

**Federal Environment Minister Malcolm Turnbull said in a press release yesterday that he would make a decision on the proposed pulp mill in September. There will be more conditions that Gunns have to comply with and another 10 days of public comment. Turnbull will also be asking for a review by Australia's chief scientist Jim Peacock. He says that a decision in favour is by no means certain but that the Federal Government could only turn it down if it affects Commonwealth waters. The assessment does not cover the Tamar estuary or the inshore fishing waters which his department says could become seriously polluted if the mill goes ahead. Turnbull also criticised the Tasmanian Government for its ham-fisted approach which had lost the confidence of the people. He has written to Paul Lennon to express his concerns.**

### Green light for mill

### Turnbull's pollution concerns

### Turnbull's letter to Lennon

### The 24 conditions

### Invitation to comment

#### **19/8/2007: BEN QUIN CRITICISES LACK OF PUBLIC CONSULTATION**

Lyons Liberal candidate Ben Quin has said in the ABC Stateline program that he will oppose the pulp mill if the present process does not allow for more public consultation. He also said that the present yes/no vote is plainly unsatisfactory and that producing these permits at the last minute shows a total lack of Government management.

### Stateline transcript

#### **19/8/2007: WINE GROUP BLASTS MILL**

Tasmania's wine industry group (WIT) has sent in a submission that says atmospheric pollution and smells from the pulp mill could devastate the Tamar Valley wine region. The assessment comes even though Gunns is a member of the group. WIT is particularly annoyed that Gunns has exemptions from the laws regarding emissions such as hydrogen sulphide (rotten egg gas).

#### **18/8/2007: RUTH RELEASES FULL REPORT**

Independent MLC Ruth Forrest has now issued a full report from the visit to Nueva Aldea pulp mill in Chile. It does not make for encouraging reading for residents of the Tamar valley:

- \* The mill operators claim that there were only 3/4 odour incidents in the first year lasting about an hour.
- \* The locals in a village 12kms away however reported frequent odours which are still continuing.
- \* There have been gastro' upsets, nausea, headaches and vomiting.
- \* A school had to be closed for the day and a church service cancelled because of the smell.
- \* Cellar door sales of wine have been badly affected.
- \* The river developed a brownish foam.
- \* Very little economic benefit for the locals. No benefit from pulp mill tourism.
- \* Lack of transparency in monitoring and lack of trust in the company.
- \* They recommend open and transparent independent monitoring if one is built in Tasmania.

### Press release

#### **18/8/2007: MINISTER TO ANNOUNCE 'PACKAGE' ON MONDAY**

The Department of the Environment has said that Malcolm Turnbull has been working on a 'package' for the pulp mill proposal and this will be announced possibly on Monday. Senator Bill

Heffernan has hinted that Turnbull is not satisfied with Gunns' proposal as it stands and that a full assessment may be undertaken. This would take several months. Meanwhile, Lyons Liberal candidate Ben Quin says that he would not support the pulp mill unless there was a proper period of comment on the permits and conditions.

### Ben Quin story

#### **18/8/2007: SWECO REPORT DEFECTIVE - PROF.WADSLEY**

Professor Andrew Wadsley of Australian Risk Audit has reviewed the SWECO report and found that it is unsatisfactory. Some of the reports criticisms are that there are misleading or untrue statements, it does not assess environmental impacts as defined in the 2007 pulp mill assessment bill and there are no dioxin calculations:

### Professor Wadsley's report

#### **17/8/2007: RUTH FORREST SPILLS THE BEANS**

Independent MLC Ruth Forrest has released her report on the Nueva Aldea pulp mill that the MLCs visited on their fact finding tour. She found that locals had been affected by foul odours, local businesses had been affected and people made ill by the emissions.

### Press release

#### **17/8/2007: LISA SINGH LOBBIES FOR CONSCIENCE VOTE**

Labor MHR is again asking her party for a free vote on the pulp mill. It is not clear if she will be prepared to cross the floor and vote against it.

#### **16/8/2007: MILL IS 58% NON-COMPLIANT - NATIONAL TOXICS NETWORK**

A report released today says that the pulp mill proposal is far more non-compliant than the 8% that the SWECO report claims. It says that SWECO were unable to do a proper assessment because of limitations in the State Government brief. In other words, they did not want them to look too hard at the proposal!

### Full report from National Toxics Network

#### **16/8/2007: PERMITS 1100 PAGES LONG!**

The permits for the pulp mill which have to be read and understood by parliamentarians before they can vote (in theory anyway) are 1100 pages long! Some MLCs are pretty angry at the timeframe and are thinking of trying to delay the vote. The other problem is that they will not be able to change anything. They either vote yes or no.

#### **15/8/2007: BUSINESSMAN, PM'S FRIEND, COMES OUT AGAINST MILL**

Geoffrey Cousins, a businessman and friend of PM John Howard, has said that the Federal Government has a duty to make sure that the pulp mill proposal is properly assessed, that it plainly was not as present and that the State Government seems to be in Gunns' pocket. He also said that to put a pulp mill in such a beautiful area, a wine producing region, was madness unless it was comprehensively assessed and everyone allowed to have their say and that this was the first real test for Malcolm Turnbull to make sure due process is carried out. It is now considered unlikely that Mr.Turnbull will give his decision until after the vote in the Tasmanian Parliament.

### Report in the Australian

#### **15/8/2007: HUGE TURNOUT AT WEST TAMAR COUNCIL MEETING**

Hundreds of people had to be excluded from the special West Tamar Council meeting yesterday evening whilst 600 squeezed in to the venue in Beaconsfield. Councillors were left in no doubt as to the feelings of the local community as speaker after speaker blasted the mill and the Council

and Mayor, Barry Easter, for not opposing it. There were suggestions of civil unrest if it went ahead.

### Bob McMahon's speech - a standing ovation!

#### **14/8/2007: WILDERNESS SOCIETY TO APPEAL**

The Tasmanian Wilderness Society is going to appeal against the court ruling which went against them last week it was announced today. And yesterday Senator Christine Milne asked Senator Abetz about the problems with the effluent. It comes as no surprise that Senator Abetz did not give any satisfactory answers:

### Account of exchange in Senate

#### **13/8/2007: POLLIES REPORT SUCCESSFUL FACT FINDING TRIP**

The MLCs and other politicians have returned from their tour to South America and Finland and, surprise surprise, they have reported back that they have detected little if any odour around the pulp mills they visited. I wonder if they asked any locals? The mills knew they were coming and would have made sure that they did not have a smelly day. If you were a health inspector would you give a restaurant 3 weeks notice of your visit? Why didn't they ask people in Tumut NSW where a kraft pulp mill has been operating since 2001?

#### **WHY HAVE WE NOT HAD THE FEDERAL ASSESSMENT DECISION YET?**

A spokesman for the Federal Department of the Environment said that the decision on the pulp mill EPBC assessment would probably be announced on Friday after the court case. But there has been no announcement. Why? It is in everyone's interest that we all know as soon as possible. What possible explanation is there for the delay? Here are some possibilities:

- \* The Federal Government is assessing what decision would be best for its electoral fortunes. This is a cynical comment but it is almost certain to come in to their calculations as a YES would be unpopular not only in Bass, where a decision in favour will sink sitting Liberal MP Michael Ferguson, but also on the mainland. Add to that the probability of demonstrations during the election campaign and it all adds up to a potential nightmare for the Liberals.
- \* The proposal is not up to scratch and the department is trying to get Gunns to agree to changes that would not only make it acceptable but also limit the likely legal challenge that would result.
- \* Minister Malcolm Turnbull has not made his mind up yet. Well, Mr. Turnbull, if you have to think about it, the answer is NO!

### Reasons why the pulp mill should be built at Hampshire

#### **10/8/2007: WEST TAMAR COUNCIL GET 99 SUBMISSIONS**

West Tamar Council are holding a special meeting on Tuesday 14th August to discuss the pulp mill. They have received 99 submissions with 42 people wishing to address the meeting. It demonstrates that feelings are running pretty high in the West Tamar area.

#### **9/8/2007: FEDERAL COURT REJECTS CHALLENGE**

The Federal Court has thrown out the challenge to the assessment process on all counts. The Wilderness Society are considering an appeal. We now await the Minister's decision which could come as soon as tomorrow. The other option for opponents is to appeal against the Minister's decision which may be more successful as it is on record that Mr. Turnbull has received advice that



the effluent could damage wildlife in Commonwealth waters.

### Malcolm Turnbull urges Lennon to consider issues raised by the local community

#### **8/8/2007: 64% DO NOT AGREE WITH FAST-TRACK ASSESSMENT**

Nearly two thirds of Tasmanians do not agree with the pulp mill fast track assessment whilst only 24% agreed with it according to an opinion poll commissioned by 'Investors for the Future of Tasmania' (IFT). About 10% either do not know or do not have an opinion in a survey that asked 1000 people from all over Tasmania. So much for the silent majority that the Government keeps talking about!

#### **7/8/2007: PULP MILL EFFLUENT WILL POLLUTE TAMAR - CSIRO OCEANOGRAPHER**

Retired CSIRO oceanographer Stuart Godfrey says that pollution from the pulp mill will be blown up the Tamar estuary by winds and that Gunns' calculations do not take in to account ocean stratification and are therefore hopelessly deficient. The SWECO report points this out but says it can be dealt with by using permits. But what if the work is done and unacceptable pollution is predicted? Will the mill construction be halted? It obviously needs to be sorted out before construction commences.

### Dr.Stuart Godfrey

#### **7/8/2007: COURT DECISION WILL BE ON THURSDAY**

The Federal Court decision on the EPBC assessment will be handed down on Thursday. A spokesman for the Department of the Environment said that the Federal Government would probably announce their decision on Friday.

#### **7/8/2007: ANOTHER LIE EXPOSED - IT WILL NOT BE BEST PRACTICE**

As details of another pulp mill proposed for Australia are revealed, it is patently obvious that the proposal for Longreach comes nowhere near being World's best practice. The mill to be built in Penola, South Australia will use only a tenth of the water and will be entirely chlorine free. It will have no liquid effluent into the rivers or oceans, will use plantation timber only and will not use the chemicals that produce the infamous odours or result in damaging chemical spills. So, another lie is exposed.

### Mercury story

#### **5/8/2007: GOVERNMENT PROMISE ENVIRONMENTAL PROTECTION ACT**

The State Government have said that they will introduce an Environmental Protection Act (EPA) in to Parliament in the next year with the implication that its powers would be used to control pulp mill emissions. Opponents of the proposed project, however, do not trust the Government to give the EPA the required teeth to control, for example, the odour from the mill. Would the Act be independent of Government and have the teeth to close down the mill until a problem is fixed? And what would stop a Government passing an exemption for the mill if it was found to be impossible to stop the smells (quite likely given the track record of pulp mills)? In fact, why should anyone trust this Government ever again after its backflips with the pulp mill and Ralphs Bay? Tasmania is the only state that has not got an EPA.

#### **3/8/2007: COURT VERDICT DELAYED**

Originally scheduled for today, the verdict on the Federal Court case on the proposed pulp mill EPBC assessment looks as though it has been delayed as it is not listed on the Court list for today. Minister Turnbull's decision will be delivered some time in August but not before the 6th.

#### **2/8/2007: TASMANIAN TOURISM POLL RESULTS**

58% of 700 operators surveyed thought that the proposed mill would have a negative effect on

tourism. However, 64% thought that there would be a net economic benefit after five years. The Council has a list of nine requirements (as yet unpublished) for the State government to agree to before they will support the mill.

**1/8/2007: JUDGE SAYS IT'S GUNNS' FAULT!**

Christopher Wright said today that Gunns was responsible for all the delays in the RPDC process and that their failure to produce their reports and information time after time meant that the delay totalled a year.

**This letter from the RPDC to the Premier contains the truth**

**31/7/2007: JOHN GAY SAYS IT'S THE JUDGE'S FAULT**

In a statement issued yesterday just before ABC broadcast the Four Corners program on the pulp mill in which Judge Christopher Wright claimed he was leaned upon to alter the RPDC assessment to favour Gunns commercial interests, Gunns' CEO John Gay said that it was the Judge's inability to give Gunns a clear timeline that led them to withdraw from the RPDC. It would have been difficult for the RPDC to give a clear timeline as Gunns had a record of not producing information on time - if at all. It seems that in Mr. Gay's World, it is just coincidence that Gunns had just heard that their latest information was faulty!

**30/7/2007: IT'S GOING TO SMELL! - CSIRO SCIENTIST**

The pulp mill will smell. A CSIRO scientist, Dr. Peter Manins, says in tonight's 'Four Corners' program that the IIS and the SWECO assessment have taken no account of fugitive odours from leaks around the mill. He says that all pulp mills smell and that as well as ignoring this, Gunns' IIS had many contradictions, mistakes and missing items. So, as this website has claimed from the start, the pulp mill will smell. It is a huge pulp mill so it could stink out the entire Tamar valley. Dr. Manins also said that he did not think air particulate pollution from the mill would be a problem in Launceston.

**Mercury story**

**27/7/2007: TASMANIAN TOURISM COUNCIL POLL MEMBERS ON MILL**

The Tasmanian Tourism Council are asking members in a questionnaire what they think the effects on their businesses will be from the proposed pulp mill.

**ABC story**

**26/7/2007: MLCs WILL HAVE 'MINDER'**

Seven MLCs are heading to South America and Finland to look at pulp mills before they make a decision as to whether to approve the proposed mill. They will have with them a Gunns' representative (ex-MLC Tony Fletcher). Why? The only conclusion you can come to is that the 'minder' will try and make sure they only see what Gunns want them to see. The mills being visited will have been warned to be on their best behaviour during the visits with no odour or huge clouds of water vapour.

**25/7/2007: GUNNS HAVE STILL UNDERESTIMATED DIOXINS - Dr. Andrew Wadsley**

Dr. Wadsley has sent a further submission in to Malcolm Turnbull pointing out that Gunns have still underestimated dioxin concentrations due to the effluent from the proposed pulp mill.

**Dioxin submission**

**24/7/2007: GEORGE TOWN COUNCIL REPORT ADMITS THAT GUNNS' TRANSPORT CLAIMS ARE A FURPHY**

The proposed conditions for the construction of ancilliary infrastructure released today by George town Council contains a report from a transport consultant that says that Gunns' claims

that the 'rail option' will reduce log truck movements on the road from the present level is false because most of the wood will be sourced from the north-east region. Only a small percentage from the south or north-west could be transported by rail. The ITS Global report, Gunns' adverts and other promotional material, the State Government and other interested parties have all trumpeted this option but it is obvious that this is just another example of misleading information. Heavy goods vehicle traffic will probably double.

George Town Council report - see page 70

**24/7/2007: BOYCOTT OF GUNNS' WINES ON MAINLAND**

There is a boycott of Gunns' wines slowly spreading on the mainland in response to the plans to build a pulp mill in the Tamar valley. The Victorian branch of the Australian Sommeliers Association is writing to members with details:

Story in 'THE AGE'

**23/7/2003: RUDD PROMISES ANOTHER \$20m.**

The forest industry has been promised another \$20m. subsidy if Kevin Rudd becomes Prime Minister. It is difficult to see why this industry gets so many subsidies from Government given that the number of jobs in the industry has been falling for many years. It could be seen as an attempt to buy the support of the powerful CFMEU in the coming election.

**22/7/2007: PREMISE FOR MILL TURNS OUT TO BE A LIE AS WELL**

The State Government says that Tasmania needs the pulp mill for jobs. But a report out today says that within 2 years Tasmania will be short of labour and it will only get worse. So where are all these people to fill all these jobs supposed to coming from? There is no shortage of jobs in Tasmania, just people to fill them. A huge \$1.5bn mine on Tasmania's west coast cannot find enough workers to fill all the 400 jobs on offer. The ITS Global report used figures from the 2001 census which are now very much out of date as opposed to the 2006 census. I wonder why?

Mercury story

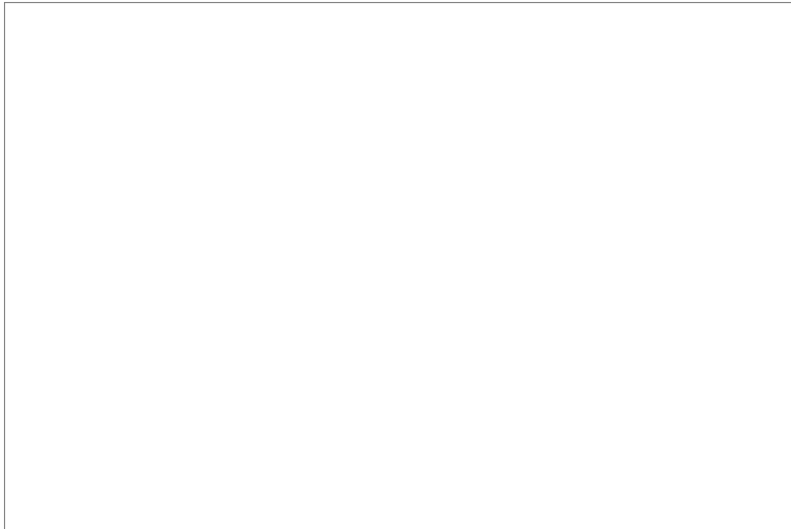
**21/7/2007: MILL WILL HAVE DEVASTATING EFFECY ON TOURISM, WINE AND FISHING - Australian**

Former Tasmanian Tourism director Ken Boundy says in the Weekend Australian that the mill risks destroying what, in the future, could be one of Australia's best assets - a clean, green, largely unspoilt Tasmania. Echoing fears of many Tasmanians, he said that the mill would destroy more jobs than it created and that the trashing of Tasmania for short-term gain would be economic and environmental vandalism.

Link to full story

**20/7/2007: 4000 DEMONSTRATE FOR THE MILL**

A rally in Launceston yesterday was attended by 4000 people (according to the Examiner) and was addressed by Paul (lies and more lies) Lennon, Will Hodgman and others. Most of the crowd had been given a paid day off and were bussed in from all over the State to attend so it hardly compares with the protest rallies and looks like just another organised Government stunt to try and justify its lies and deception in the approval process. Observers say that most of the crowd were forestry workers not a cross-section of community like the anti-mill rallies and that the crowd was probably 2000 to 3000 at most. This is a picture of the rally just before they marched. Do you think the organisers were being honest when they claimed there were 10,000 or more? 4,000 looks doubtful, more like 500.



**After the rally John Gay said there were 10,000 and that it proved the Tamar valley wanted the pulp mill. Is it surprising that residents do not believe Gunns' claims about the mill when they resort to statements that are so obviously misleading?**

**19/7/2007: BACKBENCH MHR WANTS CONSCIENCE VOTE**

**A backbench Labour MP, Lisa Singh, has said that Parliament should be given a conscience vote on the pulp mill approval as so many of the population oppose it and the approval process. But the Government says that business decisions are never allowed to go to a conscience vote. Only moral issues are treated this way. A lot of people would say that the way that the Government has lied and deceived the population on this issue makes it a moral issue.**

**ODOUR - THE PROCESS STINKS BUT WILL THE MILL?**

**What does the SWECO say about the odour - absolutely nothing! There is no analysis of the claim in Gunns' IIS that the mill will smell only once every 11 year - it is just accepted as fact. There is no discussion of ground level emissions that the Beca-AMEC peer review said might be a problem. At Tumut, the pulp mill opened in 2001 (one fifth the size of Gunns' project) had odour problems for five years. 98% of these odours were from leaks not from the stack. The Swedish engineer who designed the Tumut system claimed that Tumut had no odour (in spite of 50 complaints a month!). This same engineer is now working for Gunns. The three tier system that Gunns claim will stop odours will have no effect on ground level leaks from the thousands of joints and valves around the complex. It just beggars belief that these will not leak at all during the life of the project. The only conclusion any sensible observer can come to is that it is unfortunately going to smell (the RPDC said that the odour could spread 55kms).**

**[Raverty comments](#)**

**17/7/2007: GAY CRITICISED FOR 'TRITE' COMMENTS**

**Last week John Gay dismissed fears that the pulp mill will harm local businesses but the Tourism Council say that Gay should stop making these trite comments, that they had not gone down well with operators and that they do not give confidence that Gunns have any respect for industries other than their own.**

**[Mercury article](#)**

**15/7/2007: GOVERNMENT WILL NOT BE RUSHED IN TO A DECISION**

**Federal Industry minister Ian McFarlane said yesterday that the Government would not be rushed in to giving a decision on the pulp mill and that they would have to be sure that the**

effluent did not damage wildlife or fish stocks in Bass Strait or the Tamar estuary.

#### **MALCOLM TURNBULL HAS A MAJOR PROBLEM**

Federal Environment Minister has got himself into a bit of a mess. His website admits that he wrote to Gunns in March inviting a submission under the EPBC Act. In the recent Federal court case in Hobart it has come out that in April he asked for an assessment of possible damage to protected species from the effluent and the report came back that it was likely. So now how can any Minister with any integrity pass the mill? Mr. Turnbull will be wishing that he had done his homework before he rushed in and offered to help Gunns. Mr. Turnbull has a battle on his hands to hold on to his seat of Wentworth in the Federal election and his opponent will be waiting to see if he makes any mistakes and a decision against the advice of his own department could be fatal. So Mr. Turnbull has been looking for a third way - a desalinisation plant to remove harmful compounds from the effluent. But unfortunately for him there are problems there as well:

\* First of all, the plant is likely to cost \$250m. The Government would find it hard to justify spending that

on a project in just one constituency that will be electorally unpopular with an election looming.

\* Second - it will cost a lot to run - perhaps \$15m. a year. Who will pay?

\* Third - The process would result in nearly a hundred tonnes a day of toxic chemicals most of which

dissolve in water. How do you get rid of those?

\* Finally - no large pulp mill in the World uses this option which suggests that it not an option

and also means that it is not accepted technology and therefore would not be within the guidelines.

It could be that Mr. Turnbull is praying that the court case takes the decision out of his hands!

#### **14/7/2007: ROBIN GRAY THREATENS CITY MISSION**

The Mercury reported today that Robin Gray rang up all the Launceston city Aldermen who voted against the council continuing to support the pulp mill including Albert Van Zetten who runs City Mission. Mr. Van Zetten said that Mr. Gray, a former Premier and Gunns' director, implied that future help for City Mission, a charity, from Gunns could be affected. This follows the State Government's attempt to discredit Labour party dissident Terry Martin in the Legislative Council last week when he asked the Government to justify spending \$300,000 promoting the pulp mill. However, Mr. Gray has denied the accusation and CEO John Gay has said that Gunns will continue to support City Mission.

#### **12/7/2007: GUNNS SENDS REBUTTAL TO TURNBULL**

Gunns has sent their rebuttal of the submissions in to Malcolm Turnbull who now has 40 working days to make a decision. Those that sent in submissions will get a copy. The information is available on the link below:

[Gunns reply to submissions](#)

#### **11/7/2007: 75% AGAINST PULP MILL**

A poll on WIN TV (Tasmania) had 9000 votes. Nearly 75% thought the mill should not be approved. After a few Lennon adverts this should rise to over 80%! A 9000 vote random opinion poll will give an accuracy of 99% - but, of course, this was not random.

#### **10/8/2007: JUDGEMENT RESERVED IN FEDERAL COURT CASE**

The judgement in the Federal court case brought by the TWS and IFT has been reserved with the Judge promising a decision by August 3rd. The EPBC decision from Federal Minister Malcolm Turnbull will be on August 6th at the earliest.

#### **9/7/2007: LENNON FRONTS ADVERTS FOR PULP MILL**

In an extraordinary move, the Premier of Tasmania, Paul Lennon, is appearing in TV adverts extolling the virtues of a pulp mill. This is likely to be counter-productive as Tasmanians are not going to be pleased to have their money spent on behalf of a giant corporation and, anyway, Paul Lennon is somewhat lacking in credibility nowadays!

#### **8/8/2007: ASSESSMENT TOTALLY UNSATISFACTORY**

Both SWECO PIC and ITS Global have made too many assumptions in their assessments. ITS Global have made statements such as the mill will not affect Tourism overall (but admitting a few local businesses could be affected) without providing any evidence at all. SWECO have accepted Gunns assertion that there will not be an odour problem without looking at what happened at similar pulp mills in similar situations. As they helped design some of these mills it is unbelievable that they do not have the data to hand. The absolute minimum both firms should have done is look at the aftermath of similar projects in other parts of the World and reported the consequences. The fact that they have not done so is damning in the eyes of this commentator.

[Comment on SWECO PIC report](#)

[Comment on ITS Global report](#)

#### **7/7/2007: COURT CASE CONTINUES IN TO NEXT WEEK**

The Federal court case brought by the Wilderness Society and Investors for the future of Tasmania is continuing next week. It is expected to be completed on Tuesday. It is not known when the verdict will be announced.

#### **6/7/2007: TURNBULL UNHAPPY WITH BASS STRAIT POLLUTION**

Federal Environment minister Malcolm Turnbull has had a briefing from his own department that says that the 64,000 tonnes of effluent per day from the proposed mill is likely to have 'significant adverse impacts' on protected species in Commonwealth waters. Mr. Turnbull wrote to Gunns in May and asked them to improve the quality of the effluent but was told it was too expensive. It is difficult to see how the Minister in receipt of this information can do anything but reject the proposal under the EPBC act.

[Australian news report](#)

#### **5/7/2007: SWECO AND ITS Global FAIL SMELL TEST**

The SWECO and ITS assessments were released by the Government today and there are no major surprises. The proposal does not meet the guidelines but SWECO says that it can still be built provided permits specify measures that overcome these deficiencies. Gunns has accepted these conditions which is hardly surprising since the Tasmanian Government never enforces any permits anyway and has been known to completely exempt some factories when they have claimed they can't afford to keep to the permits. Both assessments take the IIS view that it will only smell briefly once every 11 years as gospel whereas experience elsewhere in the World tells us that the Tamar valley will be an extremely smelly place if this proposal goes ahead. The author hopes to post a more comprehensive analysis of the reports in the next day or two.

[SWECO PIC report](#)

[ITS Global report](#)

#### **4/7/2007: SWECO REPORT RELEASED TOMORROW**

The report from SWECO pic on the pulp mill will be released tomorrow. Gunns have had it since Friday and are presumably deciding whether they can live with the the conditions (which are apparently attached in order for the proposal to go ahead). The court case against the Federal

**EPBC assessment starts today and Gunns will probably wait to see the outcome. If it goes against them and the conditions are too onerous then they might use it as an excuse to withdraw rather than admit that they are unwilling to accept the SWECO conditions. The case is due to finish on Friday.**

### **3/7/2007: SERIOUS LOBBYING OF MLCs BEGINS**

**Independent Tasmanian MLCs, who will have the final parliamentary say on the pulp mill assessment, were given a tour of the site and a helicopter trip down the Tamar valley at the weekend by Gunns. Some of them are going on a tax-payer funded trip to see pulp mills in South America and Europe. This trip is being organised by the Government and there will be a minder with them to make sure they don't see anything that might put them off pulp mills. The places they will be going do not speak English so they will be reliant on everything they are told and will not be able to ask the locals. Otherwise, why don't they visit the ECF kraft mills at Tumut NSW or New Zealand? The likeliest destination in South America is Veracel which, according to this website, stinks, kills the fish in the river, has resulted in no extra employment for the locals and is destroying the local fruit industry which employs far more people:**

#### **[Information on Veracel pulp mill](#)**

### **2/7/2007: CFMEU TRY TO JOIN IN COURT ACTION**

**The Construction, Forestry, Mining and Engineering Union tried to join in the court case against the pulp mill assessment due to start on Wednesday today but the Judge rejected their application on the grounds that it was too close to the court case. It would indicate that the Union are worried that the case might succeed.**

### **1/7/2007: GUNNS' AUSPINE BID HEADING FOR FAILURE**

**Gunns Ltd have made very little headway in their bid for Auspine with the Auspine Board not recommending acceptance. In fact Auspine have said that they have interest from other parties.**

### **30/6/2007: WRIEDT MEETS TAMAR TOURISM OPERATORS**

**Minister Paula Wriedt met concerned Tamar valley tourism operators at Grindlewald yesterday afternoon. There were 100 people attending, 14 spoke and all but one were against the mill. Ms.Wriedt said that she would take their concerns back to Cabinet.**

### **29/6/2007: I'VE READ ALL ABOUT PULP MILLS AND IT'S ALL POSITIVE! - Ivan Dean**

**On a radio interview on the ABC last night, Launceston Mayor and Windermere MLC Ivan Dean dashed the hopes of those that thought he might have read some of the mountains of material sent to him about pulp mills or even the peer reviews produced by Beca-AMEC, Uniquist and the CSIRO or indeed the RPDC guidelines, pulp mill taskforce report or Warwick Raverty's material - all of which point out that any pulp mill is likely to be smelly. How can he possibly say that everything he has read is all positive unless the only thing he has read is the Gunns' promotional blurb. Even that admits there will be negative factors such as increased noise during construction.**

### **27/6/2007: ECONOMIC ASSESSMENT DID NOT INCLUDE DOWNSIDES**

**At the budget estimates hearing the Government has admitted that the supposed economic benefits of the mill were calculated without taking into account all the negatives - wineries, fishing, tourism, etc. Fishing alone is worth \$440m. a year to Tasmania. And 'The Australian' reported today that when Gunns were asked about environmental monitoring, they replied that if they were asked to do more they might get grumpy! Gunns say they are going to spend \$7.5m over two and a half years monitoring. This is for a project that will cost at least \$2bn to build and will make a profit of \$1m. a day.**

## Article in Australian

### **26/6/2007: SWECO TO GIVE VERDICT BY END OF WEEK**

SWECO pic, the firm that was given the contract to 'assess' (some say approve) the proposed pulp mill, will report to the government by the end of the week. They will say whether the mill meets the guidelines and whether it should be built and, if so, if there are any extra conditions. It would be very surprising if the verdict is any other but what the Government wants.

### **25/6/2007: PULP MILL ACCIDENT POLLUTES RIVER**

A spill of 'black liquor' from the Liconel pulp mill in Chile has resulted in the deaths of hundreds of fish in the Mataquito river.

### **24/6/2007: FULL PAGE ADVERTS CALL ON LIBERALS TO THINK AGAIN**

Full page adverts in all three daily Tasmanian papers have highlighted the fact that Gunns' information to the RPDC was deficient and suggests that the present assessment process is inadequate and that Liberal members should confer with environment minister Turnbull to sort out the problems. Bass MP Michael Ferguson says that he has been assured by Turnbull that the mill must comply with Australian pollution guidelines or it will not be passed.

### **22/6/2007: MINISTER ADMITS NOT KNOWING TOURIST FIGURES**

At a budget estimates hearing, Tourism minister Paula Wreidt had admitted that she does not know how much money is generated by tourism in the Tamar valley. Launceston Chamber of Commerce chairman Jo Archer said that it was difficult to see how the government could have assessed the impact of the proposed mill without those figures. (Examiner on 23/6/2007 says it's \$300m.) Green's leader Peg Putt says that the Government have relied on figures supplied by Gunns instead of doing their own research and, not surprisingly, they paint a very rosy picture.

### **21/6/2007: 1600 PEOPLE ATTEND MEETING IN LAUNCESTON**

About 1600 local residents attended a meeting at the Albert Hall in Launceston last night and unanimously passed a motion calling on the Council to withdraw their support for the pulp mill because the new assessment failed to address transport, air quality, water supply, health and compliance. Some aldermen failed to attend and no doubt that will be used against them come the Spring Council elections.

### **20/6/2007: PULP MILL BE ECONOMIC VANDALISM - Wotif founder**

Wotif founder Graeme Wood has revealed that he is the man funding the group 'Investors for the future of Tasmania' (IFT). IFT have been running a series of adverts opposing the pulpmill and are funding a court case to try and force Malcolm Turnbull to assess the mill properly instead of the present desktop assessment. Mr. Wood said that the mill would destroy the clean green image underpinning the state's economic future. He said that 'Tasmania was one of the great natural assets of the planet; there aren't too many Tasmanias around. To destroy it is economic vandalism of the highest order'.

## Article in Business Australian

### **19/6/2007: LENNON KNEW ABOUT FLAWS**

Premier Paul Lennon has told a Parliamentary committee that he knew that there were flaws in Gunns' information but 'he did not think that this was a relevant fact to tell Parliament'. It was also admitted that no tests had been done to see if the effluent would damage scallop beds. Peg Putt tried to ask Ms. Hornsey questions but was told to put it in writing.

### **18/6/2007: PULP MILL STUDY TOUR**

Whilst Steve Kons was going on his carefully choreographed government-funded pulp mill tour in Chile, Germany and Finland, a local vineyard owner has done his own investigations by



visiting two ECF pulp mills in New Zealand. He found both had considerable odour problems and had huge steam plumes:

### Pulp mill study tour

#### **17/6/2007: LARGEST EVER RALLY HELD IN LAUNCESTON**

Over 10,000 attended the largest demonstration ever held in Launceston protesting against the Tamar pulp mill. The rally held up traffic for an hour and was largely supported by onlookers who joined in the chants. However the Mayor, Ivan Dean, said that he would not be influenced by the large turnout and he would look at the scientific evidence. Has nobody told Mr. Dean that the RPDC rejected the evidence back in March?



#### **16/6/2007: LIBERALS STARTING TO HAVE DOUBTS**

The Federal Liberal party is starting to have doubts about the pulpmill. Lyons candidate Ben Quin says the mill should not be built in the Tamar valley and that very few people support it. He says he is lobbying his colleagues to that effect. Meanwhile MHA Heather Butler has admitted on radio that the Labour Party caucus was not told that the RPDC had rejected Gunns' information. MHA Steve Kons has been on a fact-finding tour of pulpmills in Chile, Germany and Finland has issued a report on his return. It says that there have been odour releases at these mills but they were not as much as he expected. He obviously didn't visit Nueva Aldea.

### Australian Article

#### **16/6/2007: FORESTRY GIVEN TOO MANY SUBSIDIES -HARRY QUICK MP**

Veteran Federal Labour MP Harry Quick says that the State Government has given so much money to Forestry over the years that vital services have been neglected. 'Old-growth logging costs more than just the environment' said Mr.Quick in a column in the 'Franklin Focus'.

### Mercury Article

#### **15/6/2007: LENNON ADMITS KNOWING ABOUT LETTER BUT DENIES COVER-UP**

Tasmanian Premier Paul Lennon has admitted he knew that the RPDC had found major deficiencies in Gunns' information but denied any conspiracy or cover-up. The RPDC said in the letter that the Government stopped that the supplementary information had 'critical deficiencies - constituting a major non-compliance'. But he failed to tell the people or Parliament. I wonder what Mr.Lennon's description of cover-up is?

#### **IMPLICATIONS OF THE LETTER:**

\* Paul Lennon knew on 2nd March that the RPDC were going to reject part of Gunns' information.

\* Mr.Lennon failed to inform the public or Parliament about the RPDC rejection. We

now know that not

even the Labour Caucus was informed.

\* Mr.Lennon mislead Parliament - a resigning offence in the Westminster system.

\* Parliament voted on the bill without knowing all the facts.

\* John Gay, when he withdrew from the RPDC, complained that the RPDC had not contacted him. This was

one of the reasons given by Mr.Lennon in Parliament. We now know it was because the Premier's office

stopped them. We also know now that Gunns knew the RPDC had rejected their additional information.

\* Mr.Lennon interfered with a lawful assessment process - which he previously denied when RPDC boss

Christopher Wright accused him of precisely that. Will the Director of Prosecutions take action?

\* The timing of the affair certainly makes it look as though the Premier knew that Gunns were going to

withdraw from the RPDC process. Why else would he stop the letter?

\* Gunns knew on 8th March that the proposal was seriously deficient - comprising a major non-compliance

yet in an interview in 'The Australian' on 22nd May John Gay said he was 99% the project would be

approved. How could he be so certain? Some observers are saying it is because it is a done-deal.

#### **14/6/2007: PREMIER EXPLAINS WHY LETTER TO GUNNS WAS STOPPED**

Premier Paul Lennon has given an explanation why the letter telling Gunns that their additional information was still not good enough was stopped from being sent. He said that the senior bureaucrat was trying to help the RPDC process. (!) Come on Mr.Lennon, we expected something a bit more inventive than that. The statement also said that Ms.Hornsey discussed it with Gunns on 8th March. So Gunns knew they had not satisfied the RPDC. No wonder they pulled out of the RPDC process a few days later. But the question remains: **WHY WASN'T THE PUBLIC TOLD?**

#### **13/6/2007: COUNCILS ARE UP FOR SPECIAL MEETINGS ON THE MILL**

Such is the sense of outrage that Launceston and West Tamar Councils have not opposed the project when public opinion is so against it that residents have signed a petition calling for special meetings. The Launceston meeting will be held at the Albert Hall on 20th June at 7.30pm. You can read the 17 submissions on the link below. All but one, the CFMEU, are against the project. Even the CFMEU submission admits it could smell.

#### **[Submissions to Launceston Council \(1.9mb\)](#)**

#### **12/6/2007: ANOTHER LEGAL ACTION AGAINST MILL**

Anti-pulpmill group 'Investors for the future of Tasmania' have launched a legal action against environment minister Malcolm Turnbull claiming that he has failed to act in accordance with the EPBC Act. Legal sources say it is likely that the two legal actions will end up being amalgamated.

#### **11/6/2007: BARRY CHIPMAN CRITISISES ADVERT**

Barry Chipman accused the group 'Investors for the future of Tasmania' (IFT) of misleading the public in an advert in the Examiner which showed a picture of a pulpmill in Sweden with a huge cloud of steam. It also detailed health effects around the mill. Mr.Chipman said because the Swedish mill was a Chlorine-free (TCF) it could not be compared to an elemental chlorine-free mill (ECF) as being built at Longreach. Mr.Chipman has however exposed his own ignorance as

all studies show the air emissions from both types of mills to be virtually identical (except TCF will not produce dioxins under any circumstances). Mr. Chipman said that the cloud of steam was caused by the Swedish weather - he should have a look at the pictures on this site and find out the truth. ALL pulpmills have clouds of steam over them most of the time.

#### **10/6/2007: PENGUINS AT RISK FROM PULPMILL - Birds Tasmania**

Birds Tasmania have said in their submission under the EPBC Act that the penguin colony at Low Head could be at risk from the pulpmill effluent. The number of penguins at the colony has decreased in recent years and the area where the effluent pipe discharges is part of their foraging zone. In 1995 an iron-ore carrier hit Hebe Reef 3kms out to sea. The resulting oil discharge covered many of the penguins in oil and washed right up the Tamar. To the credit of the local people who mounted a huge rescue effort, not one rescued penguin was lost. The effluent pipeline will discharge 2.7kms offshore.

#### **[Mercury report](#)**

#### **9/6/2007: UNEMPLOYMENT NOW BELOW 5%**

The unemployment rate in Tasmania is now below 5%. A few days ago Paul Lennon said that Tasmania needed the pulpmill to get unemployment below 5%. Well, we didn't need it. Michael Aird in his budget said that the pulpmill would increase the growth in the Tasmanian economy by 0.5% to 3.5%. All this for 0.5%!

#### **7/6/2007: IS THIS THE SMOKING GUN?**

A freedom of information request has revealed that the RPDC were going to write to Gunns to tell them that their supplementary information was deficient. The letter was dated 2nd March and was going to be sent on 9th March but they were stopped from doing so by Linda Hornsey from the Department of the Premier. Greens' MHA Nick McKim believes this is evidence of collusion between Gunns and the State Government and it is difficult to see how this could be interpreted any other way but perhaps the State Government will come up with an explanation. Mr. McKim's inference is that the letter would have sunk the mill because of the further delays and negative public perception so the letter was stopped and a plan to bypass the RPDC was hatched. Gunns withdrew from the process on 14th March.

#### **6/6/2007: PROMINENT NORTHERN LANDOWNER COMES OUT AGAINST MILL**

Prominent local landowner Ed Archer has said in a briefing to MLCs organised by TAP that the pulp mill could destroy Tasmania's clean, green image and with it many of the businesses that have been built up over the years. Estate agent John Day also reported that property prices have fallen by \$50/80,000 in the area around Longreach. An amazing blunder by 'Tasmanian Country' gave a little light relief to the debate. An article on 'Tamar Ridge' wines (owned by Gunns) features photographs of bottles with spoof awards 'Gold medal - wildlife destroyer' and 'Gold medal - increasing global warming'!

#### **5/6/2007: PROTESTS AS SUBMISSION DEADLINE PASSES**

With June 5th being the final date for submissions, there was a demonstration outside Gunns' offices in Launceston with the emphasis on marine pollution. The ABC 7.30 report had a ten minute report on the proposal in which scallop fishermen voiced their concerns. Federal environment minister Malcolm Turnbull has 8 weeks to give a decision after Gunns send in their replies to the submissions. The decision will not be before August 6th. The court case brought by the Wilderness Society will start on 4th July and is expected to last at least 3 days.

#### **[ABC 7.30 report transcript](#)**

#### **3/6/2007: NATIVE FOREST CONVERSION TO PLANTATION TO STOP - FOR NOW**

**Forestry Tasmania and Gunns have announced that conversion of native forest to plantations will stop. This does not mean that native forest will not be harvested, but it will be replanted after harvesting. The time native forest takes to mature is about 80 years as opposed to about 20 years for plantations. The timing of this announcement just as the pulp mill is about to be built leads to suspicions that it has been forced on them by financiers. But, of course, the decision could be reversed once the mill is built just as the Ralphs Bay project was cancelled before the election and reinstated after. Gunns say they need another 50,000ha of plantations. Where will they get it? There are about 70,000ha of farmland in northern Tasmania. Conversion of 70% of farmland would seriously damage the economy as plantations only produce a fraction of the income and employ far fewer workers than farmland. Also affected would be Tasmania's famed scenic beauty.**

#### **2/6/2007: LENNON INSISTS MILL MUST GO AHEAD IN SPITE OF PUBLIC OPINION**

**Paul Lennon has now in effect admitted that public opinion is against the mill when in a statement he said that 'people are frightened of change'. This is a change from the previous line that 90% of Tasmanians wanted the mill. Could he have had the result of the survey conducted recently?! But he said the mill must go ahead as it would reduce unemployment below 5%. It will as the extra 3000 workers will raise the proportion of employed. But most of these workers will come from the mainland or overseas.**

#### **1/6/2007: GUNNS HAVE ALREADY SIGNED CONTRACTS TO START ON 1ST SEPTEMBER - Australian**

**Gunns' lawyer tried to prevent a key document being made public in the Federal court yesterday. The documents were submitted as part of Gunns' submission against a Wilderness Society court case trying to stop the EPBC assessment. The document revealed that Gunns have already signed contracts with financiers, suppliers and contractors to start building on September 1st. The final parliamentary vote was not due until after then but the suspicion is now that it will be brought forward as 'everything is ready and there's no point in delaying'. Gunns have always said that they would not decide whether to go ahead until it was approved. The reaction on blog sites has been strong and it has been suggested that either the Gunns' board are incompetent signing contracts before they have got approval or else the whole process is a done deal arranged in advance by Gunns and the Tasmanian and Federal governments. Of particular concern is the report that Malcolm Turnbull asked Gunns to apply to his department before the RPDC process was abandoned by Gunns in the middle of March. If this is true then Mr.Turnbull has interfered with a lawful assessment process.**

#### **[Australian article](#)**

#### **31/5/2007: BEN QUIN COMES OUT SWINGING**

**Parliamentary candidate for Lyons, Ben Quin, has come out with concerns about the proposed pulp mill. He has two main concerns; odour and the sustainability of wood supply. Mr.Quin says he is concerned about the possible 'olfactory purgatory' which may occur if the mill smells - as every other mill ever built has.**

#### **[Ben Quin's letter to newspapers](#)**

#### **30/5/2007: FISHING INDUSTRY NOT HAPPY WITH RESPONSES**

**Representatives of the fishing industry met Gunns on Monday to discuss their concerns. They are not happy with the State Government or Gunns lack of financial guarantees in the event of a pollution problem after the mill is built. It would seem logical that if the Government and Gunns are absolutely confident that the mill will not produce any problems in the fishing industry then they should give these guarantees. If they are not sure then the mill should not be built as the**

fishing industry is worth \$200m. a year to Tasmania.

#### **29/5/2007: DIOXIN RISK UNDERESTIMATED BY 1400 TIMES - PROFESSOR**

In a press release, Professor Andrew Wadsley said today that errors had been made in Gunns' IIS that could mean the dioxins in the receiving waters of Bass Strait could have been underestimated by a factor of 1400. He says that in his opinion, the effluent will breach the EPBC act. Toxikos, the firm responsible for Gunns' report, say they stand by their calculations.

#### **Press release**

#### **28/5/2007: FEARS FOR GIANT CRAYFISH**

The Tasmanian freshwater Lobster, the largest in the World and a listed endangered species, is not being given the protection it needs to survive says Lobster expert Todd Walsh. The problem is that when forests around rivers and streams are logged, sediments in the water can flow down and kill juvenile lobsters: as little as 2% can cause problems. So even if the streams that harbour these unique animals are protected, logging further up the watercourse can result in their demise. The answer, says Todd Walsh, is to preserve some entire river systems for the Lobster. Unfortunately, the forestry industry and State Government are not willing to give up any extra forests to ensure the survival of this unique creature so it is likely to become extinct in many areas. If the pulp mill gets built it will obviously increase pressure on the catchments.

#### **27/5/2007: MEETING WITH ELECTION CANDIDATE DRAWS CROWD**

A advertisement in the Examiner on 22nd May asked for West Tamar Residents interested in the impacts, *both pro and con*, to meet Liberal candidate for Lyons BEN QUIN at Marions Vineyard on Sunday. Mr. Quin seemed to have swallowed the line that the mill will only be processing what would otherwise be exported as woodchips. Not so Mr. Quin. Gunns will still be exporting nearly as many woodchips as now; harvesting nearly another 4 million tonnes a year (including 500,000 tonnes for the power plant). They will even still be exporting some woodchips from Longreach as well as the pulp. About 60 residents turned up. Just one person supported the mill. Another local resident has been collecting signatures for a petition in Gravelly Beach. He visited 78 properties and all but three were opposed to the mill. In 2005, John Gay said that 'We HAD to want it'. It appears that we don't want it Mr. Gay.

#### **26/5/2007: COURT CASE BRANDED ILLEGAL**

Forestry supporters have questioned whether the Wilderness Society, as a charity, are acting lawfully by challenging the EPBC assessment in the Federal courts calling it a political action. However, TWS say that it is an action designed to protect the forests and the wildlife that live in them and so its action is quite legitimate.

#### **24/5/2007: GUNNS NEGOTIATING FOR 40 GIGALITRES OF WATER**

According to information obtained under the Freedom of Information Act, Gunns are negotiating with Hydro Tasmania to buy 40 billion litres of water a year as opposed to the 26 stated in the IIS - a 53% increase. It is unclear why they want this extra water but the suspicion is that the pulp mill will eventually be extended to increase output. The price being paid is \$24 a million litres. Farmers taking water from the Meander Dam have to pay an upfront charge of \$1000 and then \$34 per million litres. On this basis Gunns should pay \$40 million up front. Residents of the West Tamar pay 64 cents for 1000 litres or \$640 for a million or 26 times as much but, of course, it is treated.

#### **23/5/2007: GAY LETS SLIP REAL AGENDA**

In an interview with 'The Australian', Gunns CEO John Gay said that once the Longreach pulp mill was up and running then the company could look at building another pulp mill in Tasmania. Greens leader Peg Putt said that this explained why Gunns were so determined to build at

Longreach - if the Hampshire mill was built first and had an odour problem then Longreach would be out of the question. It also shows that Gunns think there are other sites in Tasmania where a pulp mill would be economic giving the lie to Gunns assertions that it was necessary to build at Longreach. Since the interview, Mr.Gay has back-tracked on this remark. Mr.Gay said that the mill had passed the guidelines - it has not. And he said that it would be plantation based whilst the IIS states that it will be 80% native forest at start-up. He also said that he was 99% certain that the Lennon Government would approve the project. That comes as no surprise to those following the events in this fiasco - the process set up by the Lennon Government with the help of Gunns' lawyers after Gunns decided it did not like the RPDC process has all been carefully orchestrated to achieve that very purpose. It would indeed be a major surprise if the process did not end up approving the mill. Mr.Gay also repeated his assertion that the ANZ Bank has underwritten the project. A check on the ANZ website shows that they have not promised finance. Could it be that Mr.Gay is misleading shareholders or potential stakeholders in the project or is the ANZ Bank playing with words to avoid being directly associated with an unpopular project?

#### ANZ Bank policy statement on pulp mill finance

##### **21/5/2007: STATE GOVERNMENT ARE POLLING ON THE PULP MILL**

Residents have reported that they are being surveyed about the mill but instead of being asked straight out if they oppose the mill like the TAP poll did, there are a couple of dozen questions and it's not until half way through that people realise that it is about the mill. So this poll is not to find out what people think or want but rather to get the answers that the Government want. In view of the fact that State Treasurer Michael Aird criticised the methodology of the TAP poll, to conduct a poll in this way could be interpreted as somewhat cynical.

##### **19/5/2007: AUSTRALIAN RATES GUNNS LTD SHARES AS 'AVOID'**

The Australian business section has advised investors to avoid Gunns' shares for the present because of uncertainties with the pulp mill and the Auspine bid. And in an article in the business section of the Weekend Australian, John Gay said that he expected to be able to start building the mill in September but it could still be stopped. Gay blamed the Wilderness Society for the demise of the RPDC - in spite of the fact that he blamed Paul Lennon at the time and the RPDC panellists have made it quite clear that the Government Pulp Mill Task Force was to blame. Gay also came up with the old chestnut that only a small minority oppose the mill - he obviously did not see the opinion poll that said the opposite! He did however explain how the mill would be funded - partially by loans and the rest by forward selling the pulp. Mr. Gay said that he fully expected the proposal to be cancelled when Gunns withdrew from the RPDC process - so why did Gunns inform the Stock Exchange a few days before that they expected to get the go-ahead within a commercial timeframe?

#### Article in Weekend Australian

##### **17/5/2007: WILDERNESS SOCIETY CHALLENGE NEW ASSESSMENT IN COURT**

The Wilderness Society have said that legal advice indicates that the move from the comprehensive RPDC assessment process to the less stringent Federal assessment is inconsistent with Commonwealth law and they have lodged an application in the Federal court to that effect. If the court rules in favour of the Wilderness Society then Gunns would have to go back to the RPDC process if they wanted to continue with the project or else the Federal Government would have to come up with a new more comprehensive assessment - which would probably take longer than the old RPDC one!

##### **16/5/2007: ANZ DENY FINANCING THE MILL**

The ANZ Bank has denied that they are guaranteeing the finance for the pulp mill. In Les Baker's answers to the Rev. Corbett, Mr. Baker (Gunns' project manager) signed a statement saying Gunns had obtained finance from the ANZ Bank. However, the bank says that no such agreement exists. I am sure stakeholders would appreciate some clarification.

#### **15/5/2007: GUNNS IN TAKEOVER BID FOR AUSPINE**

Gunns is expected to gain control of pine sawmiller Auspine within a month or two. This will provide Gunns with a more diverse portfolio of timber assets including 40,000ha of forests on the mainland. The business will provide an income stream to Gunns immediately unlike the pulp mill which will not earn a cent until up and running. It is expected the purchase will involve Gunns' shares which will be given in exchange for Auspine shares.

#### **12/5/2007: PULP MILL PROMOTIONAL INSERT IN EXAMINER**

Possibly stung by the very low rating in this week's opinion poll, Gunns have inserted a fact sheet in today's Examiner. The author has looked at the fact sheet to see if it's any better than the previous rather vague handouts:

#### **Gunns' fact sheet**

Meanwhile 'The Australian' has published an article today that says:

- \* Senior economists have accused the Government of failing to properly assess the economic impacts
- \* They say that Paul Lennon is misleading when he says that to not have the mill will lead to economic disaster
- \* That the claim that with the mill each household would have an extra \$870 a year to spend is palpable nonsense
- \* That the mill may destroy tourist and other ventures which are seeking guarantees of compensation

A much larger article detailing what residents think about the proposed mill is published in the magazine. Michael Aird, State Treasurer, has accused the journalist, Matthew Denholm, of being biased. In view of the Government one-sided literature on the pulp mill, this is a perfect example of the pot calling the kettle black!

#### **Australian article**

#### **12/5/2007: IS THIS THE PULP MILL JOHN WEST WOULD REJECT?**

In an article on a church website, The Rev. Dr. Andrew Corbett has suggested that John West, the founder of the Examiner newspaper and prominent early Tasmanian, would have been unhappy with the way that the pulp mill assessment process has been changed by the State Government from a respected independent panel to what much of the the public regard as a shonky fix, by the apparent deception and avarice and also by the way that the project itself has been changed from the initial perceptions that it would be chlorine-free and plantation-based. Ex-Liberal leader Rene Hidding saw the article and within an hour Dr. Corbett had been summoned for a talk with Les Baker, Gunns' project manager! You can read the article and Gunns' reply on the link below:

#### **Findingtruthmatters - easy download**

**11/5/2007: NOT HAPPY MALCOLM!** Resistance to sending submissions to Gunns  
Opponents of the project are saying that many people will not be happy sending their submissions to Gunns in view of their past record of taking legal action against activists. Minister Malcolm Turnbull has said that there is no danger of being sued from a submission but has not mentioned those cases where Gunns could make life difficult commercially for a businessman or company if they chose.

### **10/5/2007: FORESTRY SPECIALIST TO CONDUCT SOCIAL ASSESSMENT - Mercury**

The State Government have announced that ITS Global will conduct the study of the economic and social benefits of the proposed pulp mill. The terms of reference are not known at present so we don't know if the negative factors such as loss of tourism will be taken in to account. The suspicion is that only positive inputs will be considered. The fact that the process will be conducted by a forestry expert does not inspire confidence that it will be independent and unbiased.

### **7/5/2007: ONLY 36% WANT THE MILL - Opinion poll**

An opinion poll commissioned by TAP and carried out by independent polling company TasPoll asked 1000 people in the 03 telephone area 'Are you in favour of the current proposal to build a pulpmill in the Tamar valley?' Only 36% said yes whilst 46% said no. 18% were undecided. So 55% of those who made a decision said no which is almost identical to the West Tamar poll result 18 months ago. This is in spite of daily adverts extolling the virtues of the mill almost every day in the local press. So this proves that Government claims that most people support the pulp mill are false.

### **5/5/2007: PUBLIC COMMENT PERIOD ANNOUNCED**

Public comment on the issues covered by the EPBC Act are invited and must be sent to Gunns Ltd by 5th June 2007. Gunns will then address the issues in the public submissions and send on their report to the Federal Minister who has two months in which to make a decision. The invitation to comment is on Page 100 of today's Examiner.

Preliminary documentation available from 8/5/2007 at this website

### **3/5/2007: MILL ASSESSMENT 'CONTROLLED' ACTION - Turnbull**

Federal Environment Minister Malcolm Turnbull has not accepted Gunns' assurances that there would be no environmental degradation and has announced that the mill will have to go through an assessment process which will involve public input. It is thought that the final decision will be announced in mid-August. The assessment will only consider marine pollution and threats to endangered species and will not look at human health issues, water supply problems or the possibilities of odours. It is interesting to note that, in the original version first put on the net, Mr. Turnbull spoke to Gunns in 'early March' about a change of assessment and promised a decision by the end of August in line with Gunns' timetable. Gunns did not withdraw from the RPDC until 14th March. If this is true then the Minister could be guilty of interfering with a lawful assessment process. However, this version has now been changed!

Malcolm Turnbull's explanation of assessment process

### **2/5/2007: NEVER PROMISE AN ODOUR-FREE PULP MILL**

This is what Dr. Warwick Raverty wrote on the website [Typing is not activism](#) on 1st May:  
"I have to add that the panel had visited Stendal Mill in Germany a few days before in March 2006 and I thought that the Germans had possibly solved the problem of odour after we had left Stendal - (note that they had not solved the problem of masses of water vapour potentially drifting across the East Tamar Highway and causing traffic accidents). The fact that odour was one of the few items omitted from Zellstoff Stendal's annual environmental report published later in 2006 then raised doubts in my mind. When a German correspondent then confirmed to me last month (March 2007) that Stendal had developed odour problems over the last 12 months, I realised that the Swedish kraft mill expert that I met with in Stockholm was right to raise his eyebrows when I said that Stendal did not smell (it did have an 'aroma' a bit like a chlorinated public swimming pool). The Swedish expert was adamant '*there is no such thing as an odour-free kraft mill, never promise such a thing*', he said to me. Why a new 'odourless' mill develops odour



problems after 12-18 months (as has also happened at Neuvo Aldea in Chile) probably has to do with the 'plastic' sealing compound that is used to join some of the many pipes and pumps in the mill that carry the used pulping chemicals for recycling. Because TRS (which is normally a 'foul' gas) dissolves in the 'soaps' that are produced from the fats and oils in the wood and produces a liquid mixture that, from my direct experience, has about the same penetrating property as WD40, this intensely foul smelling liquid slowly, over many months, moves through the plastic compound seals (of which there are thousands in each mill) and then leaks into the air. If this is in fact the case, (it is merely my hypothesis to explain the observed facts at the present) then thousands of tiny emission points close to ground level will progressively develop over the 12-18 month period and be for all practical purposes 'uncontrollable'. Undoubtedly this low level fugitive odour will be far less offensive than the Panel experienced at Skoghall. The question that absolutely no one can answer at the moment is the level of problem that it will create in the Tamar Valley. Because the mill cannot be moved once it is built, in my opinion, given that Gunns have never run a kraft pulp mill before, is that it is much too risky to allow the mill to be built in the Tamar Valley, the situation at Hampshire with odour will be quite different, because of the much simpler and more reliable air flow patterns that will disperse the odour. It should be noted that all of the TRS compounds are 'natural'. Rotting vegetation and rotting seaweed emit millions of tonnes of these materials into the earth's atmosphere every day as part of the earth's natural 'sulfur cycle'. As with all chemicals, the 'poison is in the dose', so these chemicals are all harmless and undetectable at sub-part per billion levels, a bloody nuisance at part per billion levels and a health hazard at higher (part per million) levels. What will the maximum ground level concentration be on a still winter's morning at Beauty Point? I cannot tell you unfortunately and I doubt that anyone can with certainty. So it should go at Hampshire if it goes anywhere at all - simple as that in my view."

**29/4/2007: PULPMILL SMELL WAS SO BAD VISITORS HAD TO LEAVE - Mercury**

When the RPDC visited the 'World's best practice and odour-free' mill at Skoghall, Sweden, the stench was so bad they had to get back into the bus and leave. Yet the engineer who designed it thought there was no smell! The reason is that the chemicals from pulp mills destroy the sense of smell over time. One of the panel, Dr. Raverty, said that he could predict with confidence that if the mill at Longreach goes ahead there will be thousands of angry people from Beauty Point to Launceston.

[Mercury story](#)

[Original interview](#)

**28/4/2007: STORY SPREADS TO UK**

Britain's Daily Telegraph has printed a comprehensive critique of the forestry industry and pulpmill proposal. You will find the full article in the latest 'The Monthly Magazine'.

[Link to Richard Flanagan article](#)

**25/4/2007: WOOD SUPPLY AGREEMENT SHOWS GUNNS MAKING MILL DECISION IN AUGUST 2007 - Greens**

A document obtained by the Greens under the freedom of information act shows that Gunns have always intended making a decision about whether the mill goes ahead in August 2007. This would call in to question the reason for the Government fast-tracking the process as Gunns said they needed a decision by June 2007. However, Forestry Tasmania said that the document was dated and was therefore no longer relevant.

**23/4/2007: RAVERTY PUT UNDER PRESSURE - Interview**

Dr. Warwick Raverty has been demoted by Ensis, the company he is seconded to from the

**CSIRO, because he has acted as a 'whistleblower' on the pulpmill issue when he disclosed that he had pressure placed on him not to speak at a public meeting in Launceston on 26th March.**

**22/4/2007: SWECO BUSINESS PARTNER OF GUNNS' SUPPLIERS - Mercury**

**The firm contracted to assess the pulpmill is closely involved with Andritz, the firm supplying the equipment for the pulpmill. SWECO is an engineering company with little or no experience in environmental assessments. The question is how can this be an independent report if it is in SWECO's interest to approve it? Andritz would lose a huge contract if it is not approved - would SWECO be blamed and lose future contracts?**

**17/4/2007: STATE GOVERNMENT ANNOUNCE CONSULTANT**

**The consultant that will assess the pulpmill will be Finnish company SWECO PIC. The cost of the assessment will be A\$500,000. SWECO designed the Valdivia pulpmill that has caused environmental degradation in Chile (but poor operation was blamed not the design according to consultant Robert Eastment). An extra \$250,000 will be spent on a social study.**

**16/4/2007: UNBEARABLE SMELLS AND NAUSEA CAUSED BY LATEST KRAFT PULPMILL**

**A report in a newspaper in Chile says that the latest pulpmill is still causing dreadful odours, nausea, vomiting and illness in children eight months after it started up. Company promises that the smell would abate when the mill came up to full production have proved false. Tourism, vineyards, orchards and farms have all been affected economically and residents say that their quality of life has worsened since the mill started up. When the wind is blowing in the right direction it can be detected on the coast 40/50kms away. Yet this mill is regarded by the industry as a shining example and some of the equipment was provided by Andritz who will supply Gunns Ltd.**

**Translation of article in Tasmanian Times**

**Article about how wonderful Nueva Aldea mill is**

**14/4/2007: ASSESSMENT WILL BE DETAILED - FEDERAL MINISTER**

**Federal Environment Minister Malcolm Turnbull has said that it is highly likely that the project will be treated as a 'controlled action' meaning that it would be fully assessed with public input and not just be 'ticked off' as Gunns hoped it would be. Meanwhile, there has been no announcement of a consultant to assess the compliance with the guidelines. Could it be that the State Government are finding it difficult to find a firm willing to be associated with their shonky process?**

**10/4/2007: GUNNS' ADVERTS LOOK FAMILIAR - but look at the fine print....**

**A series of adverts promoting the mill look rather familiar with the same claims from their original newspaper inserts from 2005 resurfacing. No extra trees cut down (but 40% increase on present levels). No extra log trucks (HGVs could double from present levels). Preference to use trains (then why don't they at present?). Best odour control system (but ground level emissions ignored and claim misleading according to Beca AMEC). In the advert on site selection it failed to mention that the RPDCs request for comprehensive site selection data has been ignored. Many of these claims have been criticised by the peer reviews commissioned by the RPDC. Also, in the advert regarding water consumption it fails to mention that the 1% inflow is based on long term average. DPWI figures show the inflow to the Trevallyn dam during parts of the 2007 Summer to be actually less than the mill would use. In today's Examiner, the advert says the mill will have its own plant to produce chemicals (to avoid transporting chemicals to the mill). What it does not say is this: The chemical plant will produce chlorine by electrolysis of sodium chloride (salt). The chlorine, if it escapes by accident, could result in casualties (however Gunns say that it will only**

be generated as required - not stored). Not only that but the process that converts the chlorine to chlorine dioxide can result in residual chlorine in the bleaching process which in turn results in the formation of dioxins.

#### **6/4/2007: TRANSPARENCY FAILS ITS FIRST TEST**

The promise that the 'approval' process would be transparent has not got past the first stage as Minister Mr. Kons has refused to say how many, if any, firms have applied to assess the proposal. Beca-AMEC have said that they are too busy. Beca-AMEC have already analysed Gunns IIS and found hundreds of mistakes and omissions.

#### **3/4/2007: GUNNS REFER PROPOSAL FOR ENVIRONMENTAL ASSESSMENT**

Gunns Ltd have referred their Longreach proposal for environmental assessment under the EPBC Act to the Federal Department of the Environment. Comments from the public are invited and must be lodged by 18th April 2007. The Department will then decide what type of assessment is required.

#### **Gunns Ltd Federal referral**

#### **3/4/2007: 11000 LETTERS REVEALED AS FRAUD**

Most of the 11,000 letters delivered to Parliament last week supporting the pulpmill have been revealed as fraudulent. Many of the letters were photostats, many did not have addresses or proper signatures and some had addresses that were spelt incorrectly.

#### **1/4/07: MILL FAILS GUIDELINES ON THREE COUNTS - Mercury**

The proposed mill not only fails three crucial air pollution guidelines but also completely fails to address the Australian Medical Association's concerns about ultra-fine particulate pollution. The excuse Gunns gives for not answering the AMA is that too little is known (see below) about PM2.5 and so they should not have to bother. The three air pollution criteria are:

- \* NOx guidelines broken by 30%. NOx cause Asthma, smog and acid rain.
- \* TRS (odour) fails to meet RPDC and Dept. of Tourism and Environment guidelines at ground level.
- \* Main chimney fails to meet engineering standards.

**Here are some of the illnesses that can be caused by inhaling PM2.5 particulates:**

- \* Birth defects—terminations, live defects, miscarriages.
- \* Premature deaths of babies, infants and adults
- \* T-lymphocyte diversion to lungs with depletion causes SIDS, cot deaths, autism, MS, GBS
- \* Attention deficit and other behaviour problems.
- \* Lower IQ & educational achievement down 2 years, worse GCSE grades
- \* Asthma, COPD, viral & bacterial respiratory & other infections (especially boys)
- \* Coronary heart disease, heart attacks, arteriosclerosis, strokes, SADS.
- \* Diabetes type 2, sometimes type 1 ---note trebling under current government
- \* Multiple chemical sensitivity with allergies & arthritis
- \* ME, CFS, Hypothyroidism with low T3 level (adding to obesity)
- \* Endometriosis and other hormone disruption.
- \* Clinical depression & suicides, apathy, which increases the obesity problem.
- \* CANCERS—nonHodgkins lymphoma, brain, breast, colon, lung, prostate, kidney, liver etc

#### **Clinical effects of PM2.5 by Dr. Dick van Steenis**

He also took time to write to the Mercury about the 130m high stack that the RPDC said should be 230m if it was to be accepted best practice:

"A 130m chimney will mean health damage from grounding of PM2.5 particulates emitted will

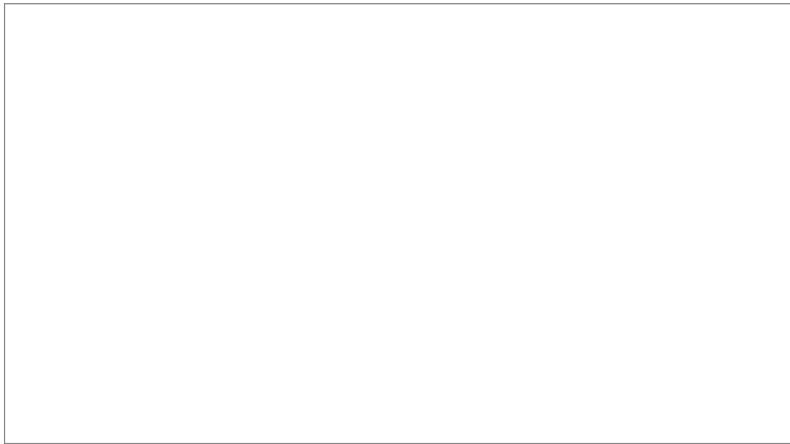
impact up to 30 miles (48km) away downwind. Details of the types of illnesses & deaths are listed in my reports at bottom of main page headed "Pollution" on [www.countrydoctor.co.uk](http://www.countrydoctor.co.uk) I am published in 4 peer-reviewed journals & have 338 references. Also see issue of 1 Feb 2007 of New England Journal of Medicine to note how only 10ug/m<sup>3</sup> of PM<sub>2.5</sub>s are needed to kill. Do the company allow for formation of secondary extra PM<sub>2.5</sub>s in the air? Note it is only PM<sub>2.5</sub>s that get into your lungs & then affect all your body."

Posted by: Dr. Dick van Steenis MBBS of Wales, UK 6:13am April 10, 2007

#### Australian Medical Association's submission

##### **1/4/2007: ANTI-PULPMILL RALLY**

There was a 'BASS SAYS NO' anti-pulpmill rally today at the Albert Hall in Launceston with speakers that included author and environmentalist Richard Flanagan. About 3000 attended, a bit of a contrast to the 45 that attended a pro-pulpmill rally. The idea of the rally was to persuade Environment Minister Malcolm Turnbull that support for the mill will result in the loss of the Federal Bass seat which the Government only holds by a very slender margin.



##### **29/3/2007: MLCs PASS BILL**

The vote on the fast-track assessment process was passed late today. Several amendments have been tabled so it will need to go back to the Lower House before it becomes law. The amendments have been described as minor and include consideration of the final scope guidelines and the consultant explaining why the mill should go ahead if it does not meet the guidelines. MLC Terry Martin has described the whole process as 'shonky' and voted against it. Other MLCs voting against were Kerry Finch, Norma Jamieson, Sue Smith and Jim Wilkinson.

##### **28/2/2007: MLC VOTE DELAYED**

The MLC vote on the legislation has been delayed. Many MLCs are not happy with the bill as it stands and it is highly likely that the bill will be modified and sent back to the lower house.

##### **27/3/2007: LEGISLATION MAY BE UNCONSTITUTIONAL - Mercury**

Two law academics have raised numerous grave concerns about the legislation to assess the pulpmill.

- \* Even criminal conduct such as bribes would not stop the mill.
- \* No provision for any appeal.
- \* It will be assessed against the guidelines but only requires a recommendation.
- \* Consultant does not have to say if mill meets guidelines.
- \* No consideration of other matters like water, transport, etc.
- \* Total lack of transparency.
- \* No proper process.

**The Wilderness Society is seeking legal advice to see if the bill is unconstitutional.**

### **26/3/2007: PROPOSAL FOR MILL WOULD HAVE BEEN REJECTED IF IT WAS A NON-TASMANIAN COMPANY**

**Dr. Warwick Raverty has said that Gunns IIS was so flawed that if it had been a non-Tasmanian company it would have been rejected outright. He said that the RPDC were trying to help Gunns but they did not respond. Julian Green, in a letter to Dr. Raverty, called Gunns a bunch of clowns. Meanwhile Forestry Union boss Terry Edwards has tried to discredit Dr. Raverty in a newspaper advert claiming that Raverty had less experience than he claimed. This is in spite of a press release in January saying it was a shame the RPDC would lose the expert knowledge of Dr. Raverty! Dr. Raverty says he will sue. He also said that Julian Green refused to meet Premier Paul Lennon just before he left the RPDC because he thought he might punch him!**

### **25/3/2007: RAVERTY SAVAGES PROPOSED MILL**

**Ex-RPDC scientist and pulpmill expert Dr. Warwick Raverty has hit out against those proposing the Longreach mill. This is what he has to say:**

- \* The mill fails on three counts - air pollution, toxic effluent and odour emissions.
- \* Gunns plans to produce Chlorine Dioxide could breach the Stockholm Convention on organic pollutants.
- \* There are concerns about health impacts on the people of the Tamar valley and Launceston.
- \* Odour from the mill could hang around for days in the Tamar valley.
- \* Gunns' management are novices in the pulp and paper industry.
- \* Gunns' senior management have shown little appreciation of risk management practices.
- \* Gunns have refused to undertake to abide by the final scope guidelines.
- \* The new legislation allows situations where Gunns can fail to comply but still build the mill.
- \* Air pollution studies would not be complete until July 31st but the consultant has to report by May.
- \* There are dozens of errors and omissions in the Gunns proposal.
- \* The Government has failed to commit to using international consultants used by the RPDC and the information gathered.

### **Longreach wrong site**

#### **Pollution treaty threatened**

### **24/3/2007: DIOXINS WILL BE A PROBLEM - Professor**

**Professor Andrew Wadsley of Curtin University has expressed fears that the possible effects of dioxins from the mill have not been properly evaluated and, as there is to be no further public input, has written to the Governor asking him not to sign the bill. In other developments yesterday political scientist Richard Herr said the bill gave the consultant an opt-out clause to pass the mill even if it didn't meet the guidelines, the Tasmanian Council of Social Services said the process would not consider social and community impacts and fourteen University academics raised concerns about a disregard for proper process and a decline in ethical standards in State Government.**

### **23/3/2007: GUIDELINES WATERED DOWN**

**It appears that the guidelines that the Government say the pulpmill proposal will match will be watered down to best international practice if necessary. Not only that but the consultants contracted will get only five weeks to look at the 10,000 pages of the IIS and related information**

before they are asked for a decision. This means that Gunns Ltd will know the answer by the beginning of June. The rest of the time will be spent putting in place permits and other laws governing the operation. Meanwhile, RPDC boss Justice Christopher Wright said that an assessment process without public hearings was fundamentally flawed, that the RPDC assessment was considerably broader than new assessment, that Mr. Lennon had tried to 'heavy' him at the 27th February meeting and that inappropriate actions of John Gay and Paul Lennon had delayed assessment of the mill.

#### **22/3/2007: MLCs BOMBARDED WITH EMAILS**

Members of the Legislative Council, who vote on the pulpmill bill next week, have reported that they have received huge numbers of emails, letters and phone calls about the issue and they are mainly against the change in assessment. MLC Kerry Finch was quoted as saying 'As much as Paul Lennon would like to say that there is a silent majority, the majority of the feedback is NOT in support'.

#### **21/3/2007: LIBERALS AND GREENS ASK DPP TO INVESTIGATE LENNON**

The Liberals and the Tasmanian Greens have asked Director of Public Prosecutions Tim Ellis if Paul Lennon has broken the law by seeing Justice Wright and trying to influence the RPDC process. Also, some groups are querying whether Gunns Ltd broke the Corporations Law with their ASX announcement on March 9th when they'd had a letter 2 days before from the Premier telling them that the RPDC had not agreed to a rigid timeframe. The story is now in many of the national newspapers and frankly makes Tasmania look like a basket case.

#### **20/3/2007: JUSTICE WRIGHT DENOUNCES LENNON**

In a radio interview, RPDC boss Justice Christopher Wright said that he nearly resigned because on the 27th February Paul Lennon pressured him to drop the public hearings from the assessment process. This was after Mr. Lennon promised the Tasmanian public that the process would be free from political interference. Before that, in a radio interview on the ABC, Mr. Lennon had told Roisin McCann that he supported public hearings! Mr. Lennon has put his version of the meeting but who do you believe; a Supreme Court Judge with no axe to grind or the pro-pulpmill Premier? In further developments today the bill introduced to fast-track the assessment completely ignores the final scope guidelines issued by the RPDC in response to public input and goes back to the original guidelines! There is also a measure to thwart any court action. What's more, there is no selection criteria for experts to assess it. **THIS IS DEMOCRACY?**

#### **19/3/2007: LENNON ANNOUNCES FAST-TRACK ASSESSMENT TO PROCEED**

Premier Paul Lennon has announced that Cabinet had approved the new assessment process for the mill and Gunns have agreed to cooperate - not surprising as they helped the Government write it! It will deliver a decision by August 31st but details have yet to be released. Meanwhile the Economist magazine has run an article in the 15th March edition that points out that Brazil, Russia and China are flooding the market with cheap Eucalypt pulp which threatens to put all Western pulpmills out of business. What a sensible time to build a pulpmill!

#### **18/3/2007: PLANNING SYSTEM UNDERMINED - planning law expert**

Planning law expert Michael Stokes says that the decision to sidestep the official planning process is serious and far-reaching. He said that the decision to shorten the process by locking the public out of the process undermined the intent of legislation introduced in 1993 that underpins the Tasmanian planning system. It will also cause problems with the Commonwealth which will have to sign a new bilateral agreement and pass new legislation. The alternative would be for the Commonwealth to run its own assessment which is likely to take longer than the RPDC would have.

### **17/3/2007: NEW ASSESSMENT PROCESS WILL NOT HAVE PUBLIC HEARINGS - The Mercury**

An article in the Mercury today says that the fast-track assessment process will not have public hearings. Critics are saying it therefore cannot be considered to be a proper assessment and that Gunns know that it will not pass RPDC scrutiny. They also want to know why the company sent out a letter to shareholders on March 9th saying '*the company is confident the necessary approvals will be obtained within a timeframe which maintains the commercial value of the project*'. Five days later they withdrew from the assessment process. What can happen in 5 days? Or did they know what was about to happen? Meanwhile the RPDC issued a statement saying that they were not sure yet whether Gunns Ltd had supplied all the information asked for. They will eventually issue a report on their findings so far. Yesterday the Premier met the Mayors of the area to assure them that the process will be fair and independent. He then went on to say that Government officials would be working with Gunns' representatives over the weekend to establish a new assessment system - that's independent?

### **16/3/2007: GUNNS LTD RELEASES SUPPLEMENTARY INFORMATION**

Gunns has released the supplementary information that it sent to the RPDC on 19th February. This website will look at the information once it is clear that the assessment is continuing and highlight any changes made. It will take some time as it is another large document. Meanwhile, the Premier has announced that the details of the new assessment process will be announced on Thursday next week.

### **Gunns' supplementary information**

### **15/3/2007: PREMIER ANNOUNCES NEW SHORT TIMEFRAME ASSESSMENT PROCESS**

Premier Paul Lennon announced in Parliament today that a new assessment process would be set up to look at the pulpmill project; one with a definite timeframe. In view of the fact that Ex. RPDC pulpmill expert Dr. Warwick Raverty said that it would take at least 9 months to assess such a huge project in such a sensitive area, the new assessment process is unlikely to be thorough enough and it is difficult to come to any other conclusion than it will probably just be a rubber stamp for the Government. However, it could be that Gunns Ltd have already decided that it will be too expensive to build, \$2 billion is the latest estimate, and are just using the length of the RPDC process as an excuse. The Governments' attempts to push ahead has enraged opposition groups and talk-back show and newspaper feedback comments are very much against the proposal.

### **14/3/2007: GUNNS HAS WITHDRAWN FROM RPDC PROCESS**

Gunns have announced that they have withdrawn their application to the RPDC to assess the pulpmill! Their supplementary information provided three weeks ago is still under consideration by the RPDC and has still to be released for public examination. There is only one way forward for the mill now and that is approval by the State and Federal Governments and that seems unlikely given recent statements by politicians. The reason Gunns have given is that the process will take too long but there may be other reasons such as the realisation that the RPDC is not going to approve as it stands or perhaps recent polling has shown the project has lost public support - if it ever had it.

### **13/3/2007: LENNON ASKS RPDC TO SHORTEN APPROVAL PROCESS**

Premier Paul Lennon has asked RPDC pulpmill chairman Christopher Wright to shorten the approval process because it is taking too long. This is spite of the State Government promising the process would be completely free of political interference! In spite of the fact that ALL the delays so far have been caused by Gunns Ltd. In spite of Ex. RPDC Dr. Warwick Raverty saying that it would take at least 9 months to assess a project of this magnitude. And in spite of the fact

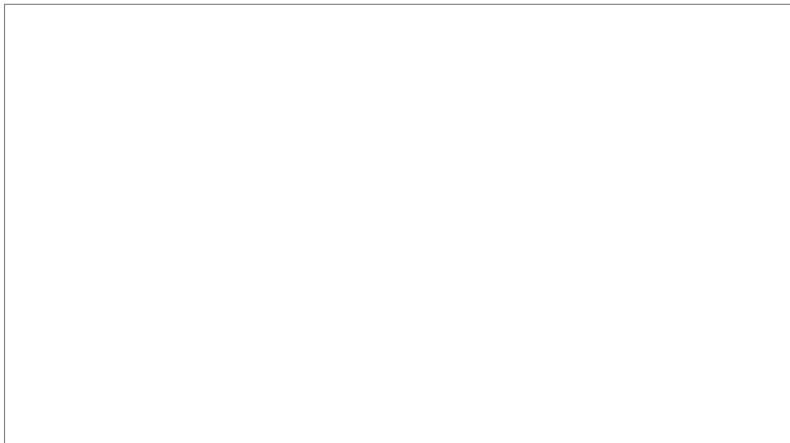
that Christopher Wright stated at the Directions hearing on 22/2/07 that the process would have to be thorough and complete or the result would be open to legal challenge. He is a QC so he should know! The RPDC have not put Gunns' latest information on public display even though they have had it for 3 weeks. This almost certainly means that some of it is unsatisfactory. The timeline for the earliest the RPDC can give a decision now stretches out to mid-January 2008 and it goes to Canberra after that for another month. Mr. Lennon's demands are totally unrealistic.

#### **8/3/2007: PULPMILL PROPOSAL 'HANGING ON THIN THREADS' - JOHN GAY**

According to the Examiner today, Gunns Ltd CEO John Gay says that 'the Longreach proposal is hanging on thin threads and it has all to do with negativity about the project; it has gone too far to redeem it'. The Mayor of Glenelg Shire in Victoria said they have been advised that Gunns were thinking of pulling out and going to the mainland and they wanted to be second option if that happens. However it is difficult to see how Gunns would obtain enough water for their factory in Victoria and it surely would not be more economic than Hampshire where Gunns already own huge plantations and the land, where there is a water supply, a huge woodchip mill, a railway connection, a designated logtruck route and a nearby suitable port at Burnie to which they already transport a million tonnes of woodchips a year. Cynics would say that this is all to put pressure on the State Government to speed up the process. With the three week delay with Gunns handing their information to the RPDC and with the RPDC taking two weeks (so far) to check compliance, the assessment will now take until early next year.

#### **4/3/2007: 6000 PROTEST AGAINST MILL**

In a combined water/land rally organised by TAP (Tasmanians against the Pulpmill), 6000 people attended speeches by Peter Cundall and hydrologist David Leaman in Kings Park, Launceston. They also welcomed Kayaker Simeon Michaels who has paddled from Sydney to draw attention to the ecological effects of the pulpmill. He hopes to raise \$100,000 for the Launceston Environmental Centre. The crowd marched around the yacht basin with an armada of small craft for company.



#### **28/2/07: GUNNS LTD HALF-YEARLY PROFITS FALL**

Gunns half-yearly profits are down 21% after tax to \$20.5m. The shares have fallen at the news - down 3%. Gunns Ltd CEO John Gay said that second-half earnings were expected to be stronger. The company is continuing to invest in the development of the Longreach pulpmill and is confident the necessary approvals will be obtained in a timeframe that maintains the commercial viability of the project. Approval, if it is obtained, is not likely until early next year at the earliest and then it could face legal challenges on the basis of Julian Green's resignation letter and Dr. Warwick Raverty's statements about the unsuitability of Longreach as a site for the mill.

#### **26/2/07: GREEN WAS FORCED OUT BY LENNON - Mercury**



Contrary to Premier Paul Lennon's statement that Julian Green's resignation was his own decision, it has now been reported that in fact, although Mr.Green resigned as head of the Pulpmill panel, he wanted to stay on as head of the RPDC until his retirement date in October but Mr.Lennon insisted he leave. This explains why Mr.Green was given \$140,000. It may have been severance pay not, as the Mr.Lennon claimed, an ex-gratia payment. Mr. Lennon, however, when questioned about this, said that 'The Mercury' report was wrong.

#### **24/2/07: PULPMILL INFORMATION MAY BE DELAYED - RPDC**

The RPDC have said that 'it may be weeks' before the supplementary information is available for public viewing as they want to make sure it conforms with the first directions hearing. Some aspects of the information will be referred to their technical consultants for an opinion. The information will then be put on public display for a minimum of 6 weeks.

#### **23/2/2007: BLUE-GREEN ALGAE IN WATER SUPPLY CAUSES CHOAS IN WATER EVENTS**

An outbreak of blue-green algae in Lake Trevallyn has organisers of swimming events trying to find new venues. The algae appeared when Hydro Tasmania cut the flow from the Great Lake to try and conserve water. The water supply authorities have had to take the local supply from deep in the lake to avoid contamination. A spokesperson from Hydro Tasmania said 'we can't do much else because there is no water'. The pulp mill will take 70 million litres of water a day from Lake Trevallyn and it begs the question: 'Where is that water going to come from if the current long-term drought persists?'

#### **22/2/07: RPDC DIRECTIONS HEARING - DECISION NOT EXPECTED UNTIL END OF NOVEMBER AT EARLIEST**

At the directions hearing, RPDC chairman, Christopher Wright, blamed Gunns Ltd for delays in the assessment process and now says that the assessment will not be complete until the end of November at the earliest (and then it will go to Canberra where the Minister will have 30 days to decide whether to approve it). Construction of the mill will therefore have to wait until early 2008. Whether Gunns Ltd CEO John Gay, who said Gunns needed to know by 30th June this year, will wait that long we shall have to see. Gunns' lawyers attended the directions hearing but made no comments. Gunns have accepted the assessment process and have now provided the details requested by the RPDC although they have not been viewed by the panel yet. The additional details will be put on public view for at least 6 weeks.

#### **Transcript of directions hearing**

#### **17/2/07: GUNNS HAVE NEGOTIATED FINANCE FOR THE MILL - REPORT**

It is reported (but not confirmed) that Gunns Ltd have arranged finance for the mill via the Finnish company Poyry Finance. It was thought that Australian banks would be reluctant to lend because they have signed the Equator Principles Agreement which sets out very stiff conditions for loans for major projects. Poyry Finance are not a signatory to this agreement (details of this are in Machteld Speks publication [Financing of pulp mills](#)). Gunns Ltd, however, may find the cost of building the mill is too high because of all the extra environmental measures required because they have chosen the Tamar Valley as their site for the project. Also, if the above report is true, then the project will be subject to exchange rate fluctuations.

#### **15/2/2007: RPDC SETS DATE FOR NEW DIRECTIONS HEARING**

The RPDC are holding a directions hearing on 22nd February in the Albert Hall, Launceston to *'facilitate and clarify those steps which are necessary to ensure the completion of the assessment process'*. In addition *'the Commission will consider the compliance by the proponent with the directions of the Commission published on the 1st December 2006'*. Gunns will not have complied

with the directions until the additional information is supplied. They also will have to explain to the RPDC why the requested information is late after Gunns themselves set the date. Gunns Ltd say that they will consult their lawyers (again) to see if they should provide the information or attend the hearing. If they fail to do either it is difficult to see how the process can continue. There is still a lingering suspicion that the information is not ready yet or, if it is, Gunns Ltd are not confident it will stand critical examination.

#### **13/2/2007: GUNNS MAY TAKE MILL TO VICTORIA**

In the Examiner today there is a report that Gunns are talking to Glenelg Shire in Victoria about moving the pulpmill there if the mill is not approved in Tasmania. It did not say if Glenelg Shire has the 26 billion litres of water a year that the mill would use (it has not - a current mill project has applied for a Government grant to recycle the water; in other words make it closed loop) or the forestry resources. It is possible that opponents might say that this report is an attempt to put pressure to speed up the approval process (the original report was on 22nd January) and it is really difficult to see how this would be superior to Hampshire economically.

#### **Newspaper report**

#### **11/2/2007: RAVERTY THREATENS PROTEST**

Ex RPDC panel member, scientist and pulpmill expert Dr. Warwick Raverty has said he will lead a protest himself if the State Government overrules the RPDC. He repeated that the proposal has not met the guidelines even though Gunns CEO John Gay says it has. He also said that the public needed to know if Gunns were keeping their Hampshire plantations to sell to Japan as chips and pulping the native forests to sell to China. Meanwhile, Gunns have still not provided the information that was due on 31st January saying they want to know how the process will proceed. The RPDC say that the process depends on the information supplied but it is all detailed on the RPDC website and has not changed. It is difficult to see what Gunns are going to gain from this - except further delays.

#### **8/2/2007: ANOTHER MLC SAYS RPDC MUST DECIDE**

Labor MLC Terry Martin has joined the ranks of those in Parliament who say that the RPDC must give the decision on the pulpmill and the State Government must not interfere or try and change the decision. Steve Kons, Michael Aird and Michelle O'Byrne are other Labor members that hold these views as well as independent MLC Jim Wilkinson. It's looking increasingly unlikely that premier Paul Lennon would get an approval through the Tasmanian Parliament and even if he did the Federal Government would not support it.

#### **6/2/2007: RPDC VACANCIES FILLED**

The RPDC have announced that the two vacancies have now been filled in their assessment panel with the appointment of Andre Hamman as scientific advisor and Christopher Wright QC as chairman. The process can now continue as soon Gunns Ltd provide the information asked for (a week overdue already) at the Directions hearing.

#### **5/2/2007: RAVERTY WOULD WELCOME INQUIRY**

Dr. Warwick Raverty has said that he would welcome an inquiry into the reasons for his and Julian Greens' resignation. There is growing pressure for an inquiry as the RPDC decision could be challenged in court if the allegations of Government interference are not cleared up. Meanwhile, Bob Gordon has denied that he dismissed the concerns of the RPDC in the way reported and Paul Lennon is trying to find out who leaked the story about Julian Green's ex-gratia payment of \$140,000.

#### **2/2/2007: JULIAN GREEN TOLD TO 'GET LOST' - RAVERTY**

In an another extraordinary revelation in this extraordinary affair, according to Dr. Warwick

**Raverty, when Julian Green complained to Pulpmill Taskforce boss Bob Gordon about interference in the process, he was told to "Get lost" and that Premier Paul Lennon was his (Gordon's) friend and that Lennon would take no action against the Taskforce. It was also revealed that another reason Mr. Green resigned was because of intimidation.**

#### **1/2/2007: NEW RPDC BOSS APPOINTED**

**The State Government have appointed retired Supreme Court Judge Christopher Wright as head of the RPDC. A scientific consultant to replace Dr. Raverty has yet to be found. Premier Paul Lennon also reserved the right to change the recommendations of the RPDC if appropriate. It sounds as though Mr. Lennon will only accept one outcome!**

#### **31/1/2007: GUNNS WILL NOT SEND INFORMATION TO RPDC - JOHN GAY**

**In a statement this afternoon, Gunns Ltd CEO John Gay said that they would not be sending the additional information asked for by the RPDC, which was due in today, until the assessment process was clarified. If the information was sent in the process could go on to the next stage (put on public display for 28 days) without the RPDC being complete as the assessment process will not start again until further submissions have been received and a public hearing is held. The RPDC could also request further peer reviews on the additions. So Gunns actions will just result in further delays and it is difficult to see why; unless of course they haven't got the extra information ready yet or don't want their revamped IIS to be sent for peer review.**

#### **29/1/2007: MLC SAYS RPDC MUST DECIDE**

**Legislative Councillor Jim Wilkinson has warned the State Government not to interfere in the approval process for the pulp mill. "I am bitterly disappointed with the political interference in the RPDC assessment panel" he said. The Legislative Council would need to pass any change in the way the pulp mill is assessed.**

#### **26/1/2007: MILL APPROVAL MUST BE DONE PROPERLY - ABETZ**

**Senator Abetz, the Federal Forestry Minister, has confirmed the Federal Governments view that the mill must be assessed properly or it will be rejected. Paul Lennon says that a decision will be made one way or other in the next 5 months. It is difficult to reconcile these two statements. Gunns Ltd is due to supply the RPDC with its updated IIS by next Wednesday 31st January 2007.**

#### **25/1/2007: MILL APPROVAL TO BE REMOVED FROM RPDC**

**According to an article in the Tasmanian Times, the State Government are preparing legislation to remove the assessment process for the mill from the RPDC with the aim of approving it by a vote in Parliament. This will entail getting two bills through both houses - one to stop the present process and the other to approve the mill. If this is true, the fact that this breaks every promise ever made about the assessment process or that the independent scientific peer reviews and Dr. Raverty say that the mill as it stands is unsatisfactory does not seem to bother the State Government. Their excuse will be that the current process has been tainted. The proposal will also have to be passed by new Federal Environment Minister Malcolm Turnbull.**

#### **15/1/2007: MILL TIME-FRAME RIDICULOUS - RAVERTY**

**Dr Warwick Raverty, formerly the RPDC pulp mill panel expert, said that the six month timeframe for the mill assessment is ridiculous for such a sensitive area. 'Only a man with inadequate knowledge of what his company is contemplating would make such a ridiculous demand' Dr Raverty said of John Gay's demand the process be completed in 6 months. He also said that all of the delays have been caused by Gunns Ltd not providing timely and adequate information and by the actions of the pulp mill task force. Dr Raverty has identified five areas in which the mill is seriously deficient (of which probably the most important is air quality as it**

affects public health). He also said that the odours from the mill as detailed in the draft IIS might spread right up to Launceston.

### Dr. Raverty's letter

#### **APPROVAL IN SIX MONTHS? - IMPOSSIBLE!**

A look at the approval process on the link below shows that a full assessment of this project will take much longer than 6 months - probably nine. Gunns are due to send in their revised IIS by the end of January and this will be put on public display for probably 28 days and public submissions invited. Meanwhile a new RPDC boss has to be recruited. It seems unlikely that a suitable highly qualified person will be available immediately but they might get lucky. Even so, it will take several weeks to catch up on two years of process (The IIS itself is 7500 pages long!). There will then be more hearings in perhaps March and if the RPDC think the IIS is up to standard they will then produce a draft assessment report which will take a few weeks. There will then be another 28 day comment period. This should take up the 6 months and there are still several more stages to go:

### RPDC assessment process

#### **13/1/07: CAMPBELL SAYS NO FAST-TRACK FOR MILL**

Premier Paul Lennon has backtracked on his guarantee that the decision on the mill the mill would be decided by the RPDC. He claims it is taking too long (but he failed to mention that the delays have been caused by Gunns Ltd and the pulp mill taskforce). He says the process may be fast-tracked to enable the decision to be made within 6 months. However, Federal Environment Minister Ian Campbell, who will make the final decision, says that he would not support fast-tracking. 'It is in everyone's interest to get the decision right' he said. Meanwhile, the State Government have advertised for a new head for the RPDC. Both the State Government and Gunns Ltd are seeking legal advice about Dr. Raverty's statements to see if the process has been contaminated.

#### **10/1/07: MILL MUST BE APPROVED IN 6 MONTHS OR CANCELLED - GAY**

Gunns CEO John Gay said that unless the mill was approved within 6 months the project would be axed. He also said that the RPDC had not asked them to build it at Hampshire. However, Dr. Raverty said that Julian Green had written to Gunns at least 3 times on the subject. He also said that Mr. Gay was wrong when he said that Gunns had satisfied the guidelines and that they (Gunns Ltd) needed to improve things in several areas. He said that the guidelines at Longreach were far higher than Hampshire because of the unsuitability of the location. Meanwhile Forest workers union boss Terry Edwards has blamed Mr. Green for his own demise by instructing Gunns not to plug the mill during the assessment process. He said it was unfair that opponents could criticise the mill without reply.

#### **9/1/07: MILL IN WORST POSSIBLE LOCATION - RAVERTY**

Dr Warwick Raverty has said that the location of the proposed pulp mill is the worst possible because of the surrounding population, the already polluted valley air and the inversion layer. He said that the RPDC has tried to persuade Gunns to build it at Hampshire but because it would cost \$20m more Gunns were sticking with Longreach. He said that with a project costing \$1.4bn it was questionable whether this was a sensible decision. He said that he would only live near the proposed mill if it was built to the standard of Stendal in Germany, a mill he regarded as the best for emissions. (NOTE - SEE ODOUR SECTION - STENDAL STILL SMELLS). In an interview, Gunns CEO John Gay blamed the Greens for the resignation in spite of the fact that Julian Green and Dr. Raverty both made it clear that was not the case. Mr. Gay said that Gunns had satisfied the conditions in the guidelines (in spite of the fact that all the independent scientific

reviews said they had not) and that the Government should let them go ahead and build it straight away.

### **Julian Green's letter of resignation**

#### **8/1/07: HEATED ARGUMENT BETWEEN PAUL LENNON AND JULIAN GREEN**

According to the Examiner, it is believed there was a heated argument between the Premier and RPDC chairman Julian Green when Mr. Green announced his decision to quit.

#### **8/1/07: PULPMILL TASKFORCE MUST GO - RAVERTY**

Dr. Raverty, who has just resigned from the RPDC, has called for the Pulpmill Taskforce to be disbanded because its activities were in contempt of the approvals process. If he fails to disband it then Dr. Raverty said that he would have absolutely no confidence in Paul Lennon as an ethical Premier and he would call for his resignation. He also said that the committee had become increasingly frustrated by the task force's blind promotion of the mill. For instance a letter drop to residents in Rowella and Kayena that assured them that there would be no adverse smell, noise or light pollution - a matter that is effectively sub-judice. Bob Gordon, head of the Taskforce until December and now boss of Forestry Tasmania, refused to comment as he is no longer in the organisation.

#### **7/1/07: CONTENTS OF RESIGNATION LETTER 'EXPLOSIVE' - LIBERALS**

The contents of Julian Green's resignation letter have been described as 'explosive' by Liberal Peter Gutwein. Not only did it prove that the Government were lying about the reason for Mr. Green's resignation but also that they had failed to react to warnings that the Pulpmill Task Force was undermining the integrity of the RPDC approval process. Julian Green has been described by Premier Paul Lennon as a man of the highest ability and integrity yet it is Mr. Green who has blown the whistle and said that the present process has become tainted. Opponents of the project now want the Pulpmill Task Force scrapped and truly independent commissioners appointed from interstate before the process can continue. Any other solution will surely lead to legal challenges.

#### **6/1/07: INTEGRITY OF PULP MILL ASSESSMENT PROCESS HAS BEEN UNDERMINED: RPDC CHAIRMAN**

In a letter leaked to the Examiner, the RPDC chairman Julian Green has said the State Government and Premier Paul Lennon had failed to protect the integrity of the assessment process and he accused the Pulp Mill task force of undermining the integrity of the commission. Repeated warnings about the situation were ignored by the Government and so Mr. Green has decided to resign. The State Government are moving to replace Mr. Green and Dr Raverty quickly so the process will not be delayed although the two new commissioners will find that they have an enormous amount of paperwork to catch up with before they can even start to assess the proposal.

#### **5/1/07: SHOCK RPDC RESIGNATIONS**

Dr Raverty has resigned from the RPDC because he has been advised by the Solicitor-General that he might be perceived to be biased. However, the shock resignation is that of the chairman Julian Green who still has nearly a year of his appointment to run. This is leading to speculation from opponents of the project that Mr.Green was either not happy with the way the assessment was being carried out or else was not happy with the project itself however Minister Mr. Kons said that Mr. Green just wanted to take early retirement and there was no pressure or underlying dissatisfaction behind the decision. It will now be a difficult task for the Government to find someone who is perceived to be independent.

# 2006

2006

## **20/12/06: COURT RULES AGAINST FORESTRY TASMANIA**

The court decision won by Dr Bob Brown which has halted logging in the Wielangta State Forest because Forestry Tasmania is not doing enough to protect the Wedgetail Eagle, Swift Parrot and Broad-toothed Stag Beetle (all endangered species) has now cast doubt on the future of the industry. This could potentially affect the supply of wood to the pulpmill as the same court decision could be applied to many areas of Tasmania's forests.

## **19/12/06: VISITING PROFESSOR SOUNDS WARNING ON EFFLUENT POLLUTION**

Professor Eduardo Jaramillo of the Universidad Austral de Chile has visited Tasmania and given lectures on the cause of the environmental disaster near Valdivia. In early 2004, an ECF Kraft pulp mill with a capacity of 550,000 tonnes was started up. It has a state-of-the-art tertiary effluent treatment system. By the end of 2004 the resident Black-necked swans started dying or flying off, the plants in the river died and the river turned brown. Professor Jaramillo was asked to head an investigation into the causes. A comprehensive scientific study was conducted and the conclusions were:

- \* The swans died either of starvation because their plant food died or from heavy metal poisoning

- \* The plants died because of high concentrations of heavy metals - Iron, Magnesium and Aluminium

- \* The source of the heavy metals was the Kraft pulp mill (the same type as proposed at Longreach)

- \* All other possible causes were investigated and rejected

In Chile, by law, the company building the mill had to conduct comprehensive baseline studies of the local environment. This enabled Professor Jaramillo to be able to pinpoint the cause of the problems. The company will now have to pay to restore the environment. Professor Jaramillo has recommended that comprehensive baseline studies are carried out before the Longreach mill is built or else it will be difficult to remedy problems that occur after.

So it is now apparent that the mill effluent has potential environmental consequences (and is not harmless as Gunns IIS has claimed- the inorganic salts can contain heavy metals). The effluent will be discharged 3kms offshore. In 1995, a ship hit Hebe Reef which is 3kms offshore. The resulting oil spill was washed onto the beaches, up the Tamar and all over the Fairy Penguins at Low Head. It was not washed away by currents and tides. What will happen to Gunns' effluent containing 120 tonnes a day of dissolved solids, 31 tonnes of colouring and 1.3 tonnes of suspended solids?

## **18/12/06: GUNNS DELAYS RPDC INFORMATION**

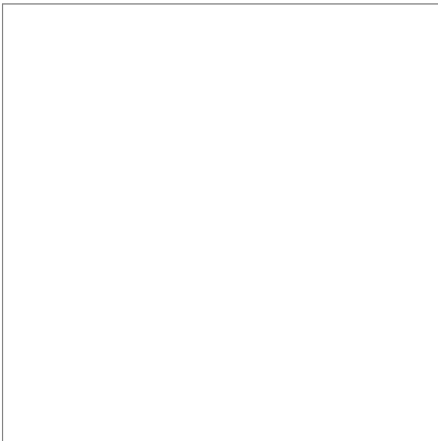
**The RPDC has announced that Gunns will not be providing the extra information and corrections to their IIS until sometime next month instead of December 15th as they initially promised. There will then be a period of public comment followed by another directions hearing in March 2007 at the earliest. The RPDC have now give their decisions on the other submissions presented at the directions hearing. The commission have agreed that weather modelling records should be provided to the Greens but not other confidential data. On the question of Dr Raverty being replaced on the panel, the RPDC have advised that it is up to Dr Raverty himself to decide (he has now resigned).**

#### **1/12/06: LOG TRUCKS ARE UNSAFE: GOVERNMENT REPORT**

**A State Government report just released has confirmed what the Greens independent report says - that all log trucks in Tasmania do not meet stability thresholds and are therefore likely to be involved in rollover crashes. The report has gone to the Heavy Truck Advisory Council which will provide advice by February 23rd 2007.**

#### **29/11/06: BUSH FIRE AT LONGREACH GIVES VISUAL INDICATION OF POLLUTION STREAMS**

**A huge bush fire in the Tippogoree Hills just next to the pulp mill site has, according to opponents, indicated just how unsuitable this site is for a huge factory. First of all, this is the second bush fire to go through this site in 10 years. What would an out of control fire do to the pulp mill and its surrounding infrastructure? Secondly, the huge plume shows visually exactly where the pollution from the proposed mill will end up - in Launceston. Observers will have noticed that when the prevailing wind is blowing, the smoke travelled up the valley like it was enclosed in a tube and grounded just north of Launceston from where it rolled in to the city (and at the time there was no inversion layer). Here is a satellite picture:**



#### **24/11/06: WATER RESTRICTIONS ANNOUNCED IN TREVALLYN CATCHMENT**

**In the Examiner on 23/11/2006, water restrictions were announced for the South Esk River (which supplies the Trevallyn Dam) because of the drought. So it begs the question: 'How is there going to be enough water to go round if the pulp mill is using up 70,000,000 litres a day and there isn't enough water now?'**

#### **17/11/06: PEER REVIEW CRITISISES IIS**

**In the latest peer review on the RPDC site, Uniquet says that Gunns Ltd IIS fails to adequately address concerns about air and water pollution. It says that a lot of extra work needs to be done to achieve credibility and that odours from the mill are entirely possible. These are its recommendations for future work:**

- \* Independent quality checks of data**
- \* Evaluation of fugitive (smelly) emissions**

- \* **Better control of odorous compounds after unplanned outages**
- \* **Complete set of pollutants supplied**
- \* **Consideration of ultra-fine particulate pollution**
- \* **Consideration of air pollution in event of catastrophies**
- \* **Consideration of effluent pipe ruptures**
- \* **Better data sets to describe differences in different types of wood**
- \* **Nutrient analysis of effluent**

**It goes on to say that the IIS has so many uncertainties that it cannot fully predict the detriment in air quality and the potential impacts on human health. 11/11/06: JOHN GAY SAYS PULP MILL WILL BE 'ON THE EDGE' ECONOMICALLY**

**On ABC Stateline on 10/11/06, Gunns CEO John Gay said that economically the pulp mill was 'on the edge' but they would make it work. He didn't go into what would happen if it didn't work but it would obviously cause massive economic dislocation in Tasmania. It was an admission that the project has a certain risk. Opponents have been saying all along that the risks greatly outweigh the possible rewards.**

#### **1/11/06: LATEST PULP MILL STINKS**

**In the Examiner on 1/11/2006, it is reported that the latest pulp mill opened in Chile, which is an ECF mill using Pine and Eucalypt producing 850,000 tonnes of wood pulp (very similar to Gunns project), is causing awful smells with people being ill up to 11kms away. Sales of wine from the area have also been badly affected.**

**All submissions are now on the internet on the RPDC site:**