

Media Release



Dorset Renewable Industries Pty Ltd, Tuesday 27th August, 2013.

For immediate use.

Crunch time for Ling Siding purchase.

The Chairman of Dorset Renewable Industries, David Hamilton, today said that it was crunch time for their plan to purchase the former Gunns site at Ling Siding. “Bids to purchase the site must be lodged with the receiver this Friday”, he said “and the receiver has made it clear that he is looking for bids with funding certainty. Both the federal Government and the federal Opposition have promised to release the \$100 million funding earmarked for economic diversification out of the forestry pace deal, and we have been told that we will receive \$2.8 million of that, a sum which is intended to cover the purchase of the site, environmental remediation and to re-establish timber processing operations at the site.”

“However”, David explained “the difficulty is that we don’t know when we will receive the grant, and the receiver wants bidders to commit to specific dates. We have explained our problem to both sides of politics and asked them both for letters which guarantee specific funding amounts by specific dates. Under the conventions of an election period, both sides need to agree to any new funding, which is why we have asked both parties for the guarantee letters. We have been disappointed that neither party has so far agreed to the guarantee. Time is running out - if we don’t get the guarantees by Friday, then it is unlikely that the receiver will even consider a bid for the site from us.”

“The Scottsdale area is one of the areas of Tasmania hardest hit by the forest industry downturn”, he said “Over 300 direct jobs were lost when the 2 softwood sawmills closed

down and hundreds of jobs were also lost from the region when the native hardwood industry collapsed. Dorset Renewable Industries is a community focussed enterprise aimed at developing new industries for the Dorset region, and we have identified the Ling Siding site as a resource which we think should be available for the establishment of new businesses. Our vision is to encourage businesses which utilize the region's renewable resources in ways which makes the community more resilient and improves the environment. We have two businesses who would immediately commence working on the site providing some local employment.” David said, and went on to say: “Our plan is to use local contractors when ever possible for the environmental remediation and other works required on the site, this will provide further employment to give Dorset a much needed boost.”

David went on: “Community resilience is improved by successful businesses working together to create operations which maximise the value from input resources and minimise wastes. For example, a saw mill co-located with a wood pellet plant could provide its sawdust to the pellet plant to make wood pellet fuel. The two operations working together would be stronger than each on their own. Such cooperative arrangements exist in the forest sectors in Japan and Germany, and we see great potential for such an arrangement to be established in Dorset.”

“Dorset Renewable Industries is also working towards establishing a \$100M Bioethanol plant in Scottsdale. Dorset Council and the Department of Economic Development have recently approved funding for a pre-feasibility study into the project. Securing the Ling Siding site would also provide a significant step forward in the realisation of this major project for the region,” David said.

“To lose the opportunity to bid for the site due to funding timing after it was announced by Prime Minister Rudd would be a bitter pill for our community to swallow,” David stated.

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Background Information: the Integrated Processing Hub:

Such a hub would be established on the old Gunn's sawmill site at Ling Siding. It would attract new businesses to co-locate on the site for mutual advantages. Sharing of resources, labour, expertise, markets and marketing, and practice things like water, weigh bridge, treatment plant and hardstand.

The hub would use locally grown plantation timbers and other resources such as straw, cardboard and paper waste for the highest value first to the lowest value last. That means timber is used for fine furniture, floorboards, structural timbers through to the sawdust and wood chips going to a biofuel plant.

The concept of the hub was first developed as a proposal by the Greens during an extensive consultation phase by the State Government initiative, North East Working Group (who were charged with helping Scottsdale and the local communities develop a vision for a new future) the community have embraced the concept. The hub concept was considered along with the other 86 project submissions and came out 2nd after an extensive evaluation process for being shovel ready, creating jobs and new skills, and being sustainable - able to support itself in an ongoing capacity.