

John Hammond bristles at suggestions that he and others in the valley who are lining up against Gunns' mill are greenies. "Shit no - I'm pro-business, pro-working people, you name it," he says. "But I'm not pro-polluting the friggin' environment."

The 57-year-old lives at Windermere, on the eastern side of the valley. His fishing business - operated with son Jono and 10 employees - is downstream on the west side at Beauty Point. Their catch includes premium Tasmanian scallops, and Hammond is worried that marine effluent from the mill will kill the industry.

"We have the very best, you-beaut scallops in the world but the mill has us all getting very nervous," he says. "Perception is everything. Our clean, green perception is everything."

Hammond says the daily release of 64,000 tonnes of treated effluent from Gunns' mill into Bass Strait will be the death knell for fishing. Gunns' plan is to pump the effluent, via a pipeline, 2.74km from shore. It insists there is "little potential for tainting of fish". Hammond reckons "one whiff" of dioxins, furans or organochlorines in a scallop would destroy the \$30-million-a-year scallop export industry.

The debate over the proposed mill, simmering for years, is now at boiling point. Things came to a head in March when Gunns, struggling to meet several emission guidelines and expressing concern about the length of the process, in effect pulled the plug and said it would no longer go through the normal, independent assessment run by the state's Resource, Planning and Development Commission.

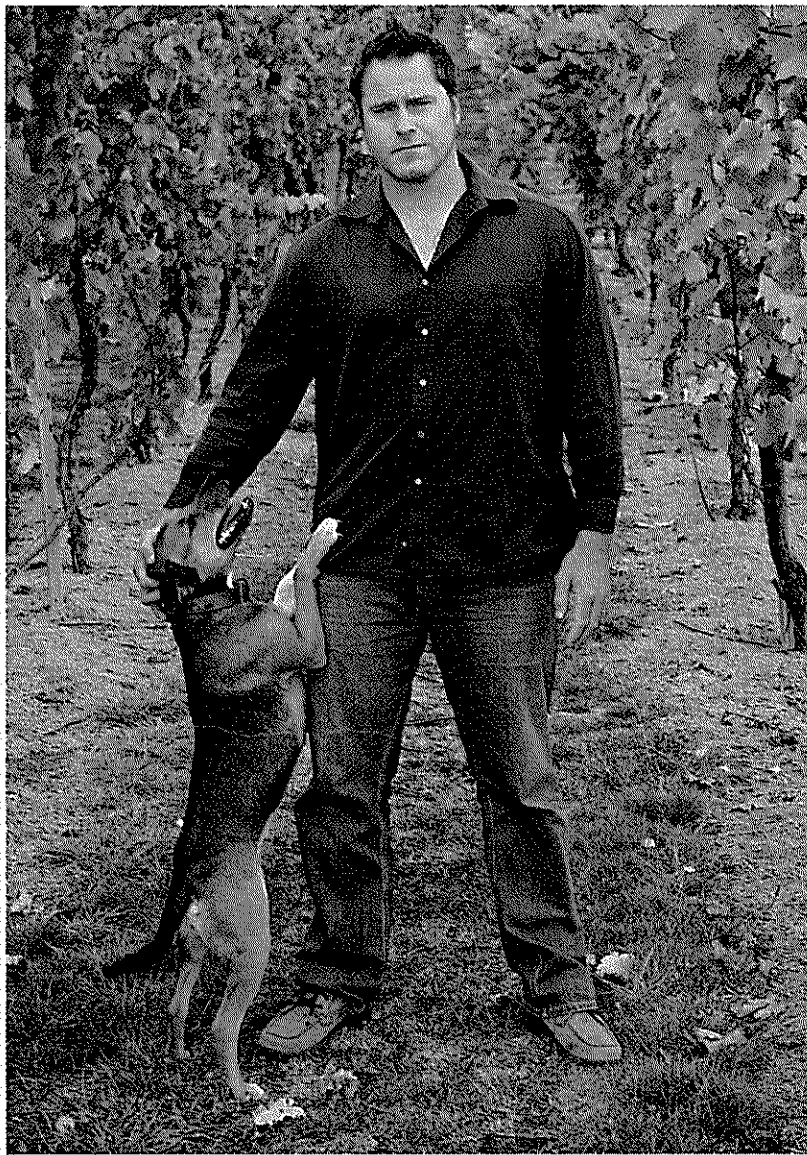
Tasmanian Premier Paul Lennon responded immediately with laws to fast-track assessment of the project by government-appointed consultants. Bypassing the independent planning process created a political firestorm. One of Lennon's backbenchers, Terry Martin, crossed the floor in state Parliament and accused his Government, on the floor of the Legislative Council, of abandoning good governance to make "shonky" deals for corporate mates.

"What we see now in my opinion, tragically, is a return to the rhetoric of the cargo-cult mentality which was prevalent and held this state back for decades," Martin told fellow MPs. "In the '70s, we were told the skies would fall in if we didn't build a dam. In the '80s, the sky was going to fall in if we didn't build a pulp mill at Wesley Vale. In the '90s, the sky was going to fall in if we didn't sell the Hydro [power generation assets]. Well, none of these things has happened and the sky did not fall in."

Martin's stand failed to halt the fast-track. The new consultant assessor, Finnish engineer Sweco Pic, must make draft recommendations by next month, and Lennon has promised Gunns a decision by the end of August. The focus of mill opponents has shifted to the federal assessment of the mill. Required under federal environment law, it could halt the project by finding the mill's construction or marine emissions incompatible with endangered

species legislation or international treaty obligations. And, unlike the state fast-track, its verdict will be open to a court challenge.

**W**HEN THE MILL WAS FIRST MOOTED, IT was the old players who lined up - pro-logging politicians, timber groups and Gunns versus the Greens and The Wilderness Society. It was a predictable enough division in a state traditionally dominated by forestry, dams and mining, and which has been fractured by battles from Franklin Dam to old-growth logging.



**PETER WHISH-WILSON**

THE VIGNERON

But in the Tamar Valley, the debate is taking a different turn - and one that has far wider ramifications than just Gunns' pulp mill.

There is a growing backlash from the valley's great success story of the past 10 years: its tourism, viticulture and fine food industries. The vigneron and chefs, fish producers and small agribusiness operators who have exploited the state's "clean, green and clever" brand are worried the pulp mill will destroy their business models - if not from pollution, from the *perception* of pollution. What happens to the image of the valley, they ask, when hundreds more log trucks start moving through? Are products still clean and green, much less organic,

if cultivated amid the odours and emissions of a pulp mill? This is the new face of Tasmania.

"We are the ones that have driven the tourism industry to what it is; we have contributed enormously; we are the industries employing new people coming into the state," says Rod Ascui, of Launceston's award-winning Stillwater restaurant and wine bar, employer of 43. "We have created the culture that now exists. We were here doing business in the dark days. We don't deserve to be cut down like this."

Ascui's business partner and wife, Kim Seagram, says many businesses are frightened to speak out against the mill. "There is a climate of fear surrounding this debate," she says.

Some companies - among them Stillwater, on the banks of the Tamar River near the entrance to Launceston's Cataract Gorge - believe they may have lost business since expressing concerns about the mill. Gunns cancelled a contract with the gourmet food producer and supplier Wursthause after it backed opposition to the mill.

Gunns refused to respond to these claims but in the past has demonstrated its determination to fight opponents, famously suing 20 anti-logging activists in protracted legal action.

The forestry industry and the state Government have lashed out at anyone questioning the pulp mill fast-track and Lennon's actions. Journalists, judges, experts, academics: all have been subject to personal attacks. The owner of a large tourist company told *The Weekend Australian Magazine* that the mill was anathema to the state's "clean, green" brand, but later backtracked when the firm decided it could lose "significant government business".

At its March meeting, the Tamar Valley Wine Route, representing some of Australia's best producers of cool-climate wines, threw aside any reluctance to be seen as "political", passing a motion demanding its concerns about the mill be addressed. The wineries want government assurances that they will be able to seek redress should the mill's operations damage their businesses.

Leading the debate within the group has been Peter Whish-Wilson, who has an award-winning winery five kilometres from the mill site. "A 150-metre smoke stack, a one-kilometre smoke plume, hundreds more log trucks every day, and bad odour - it's not what people want to see from your cellar door," he says. "All

wine routes around Australia are scenic places. If there is any odour problem, it will just be devastating for us. Tourists get out and stretch their arms, breathe in the fresh air and think about food and wine. This is a disaster waiting to happen."

Gunns insists a state-of-the-art process to reduce odour from the mill's main stack will make bad smells "very unlikely". But producers and tourist operators are unconvinced. "On average, two per cent of a pulp odour comes from this stack - 98 per cent of the odour comes from what are called fugitive emissions," Whish-Wilson says. "One foul-smelling episode could wipe out the Tamar Valley Wine Region's reputation as a clean, green place to grow wine."

MATTHEW NEWTON

Growers are also nervous about the impact of emissions on the flavour of olives and wine. Vines are well known for their tendency to soak up compounds in the air and soil, including odours such as eucalyptus. "You can't help being concerned about the impact of chlorine, nitrous oxide, heavy metals," says Whish-Wilson. A young entrepreneur, he plans to convert his Three Wishes Vineyard, located on a small peninsula with sweeping views down the Tamar, to an organic winery and has planning approval for tourist accommodation and a cafe. The mill may end all that. "I don't want to live in a valley torn between those for and against the mill - I don't want that sort of conflict," he says. "This is poisoning our society and fracturing the community."

Kim Seagram, of Stillwater restaurant, says the

green' valley and smell a pulp mill," Judy says. "Where else in the world has these clear skies? Most people who come here sleep like they haven't slept since they were kids because they're not used to the clean air. That's not a small thing to lose."

One of the ironies of this story is that Gunns owns three vineyards in Tasmania. Two of them are in the valley - Tamar Ridge, which is close to the mill site, and Rosevears Estate. The company has expanded into vine planting and wine production in recent years, using favourable tax treatments under the federally managed investment schemes that also fuel its forestry plantations. Gunns repeatedly declined requests for an interview for this article and has rarely highlighted its wine properties in the context of this fight. Yet it could argue it has a vested

holidays when Gunns executive chairman John Gay warned he might pull the plug on the mill.

The company says the mill - which would process up to four million tonnes of pulpwood a year and produce about a million tonnes of air-dried pulp - would be the "world's greenest". Its modelling shows the mill's emissions would have "insignificant impact" on the valley's notorious inversion layer - a natural phenomenon that traps smoke from industry and home wood fires, which are still widely used in Tasmania. The smell of wood smoke is part of the charm of winter nights in the Apple Isle, but it ensures Launceston exceeds national pollution limits 40 times a year. The Australian Medical Association estimates the Tamar Valley's "air-shed" kills at least eight people a year by aggravating respiratory and other illnesses. The federal Government and Launceston City Council have spent millions paying residents to swap old wood-heaters for cleaner heating.

Opponents of the mill fear its levels of in-stack emissions of oxides of nitrogen (linked to smog and acid rain) and sulphur compounds (linked to odours) will breach guidelines - at least at times. Gunns and the state Government say any breaches would be insignificant but the AMA is not convinced, and has warned politicians they will have to live with any additional community health problems.

Pulp mill expert Warwick Raverty, a former member of the RPDC panel assessing the project, is among many calling for the mill to be located outside the Tamar Valley to reduce the impact of emissions. Raverty says it's a case of "right mill, wrong location".

Lennon has defended his fast-track assessment of the project, saying he is merely trying to ensure the mill is assessed against the guidelines rather than be abandoned untested. And he has some strong supporters in the valley.

ON THE EASTERN SLOPES OF THE TAMAR, IN industrial George Town, Tom Frain says: "I can't understand anyone saying they *don't* want it. We don't want to see anyone mess up something so big. It has the potential to lift the whole state." A partner in engineering firm AP-Kempe, he says the mill

## "We have to decide what we want to be. Are we an innovative, go-ahead community, or are we a pulp-mill town?"

valley faces a stark choice. "We have to decide what we want to be. Are we an innovative, go-ahead community, or are we a pulp-mill town? We have created the clean, green, creative Tasmanian brand but we are now going to compromise it. We are being consigned to becoming 'the industrial north'."

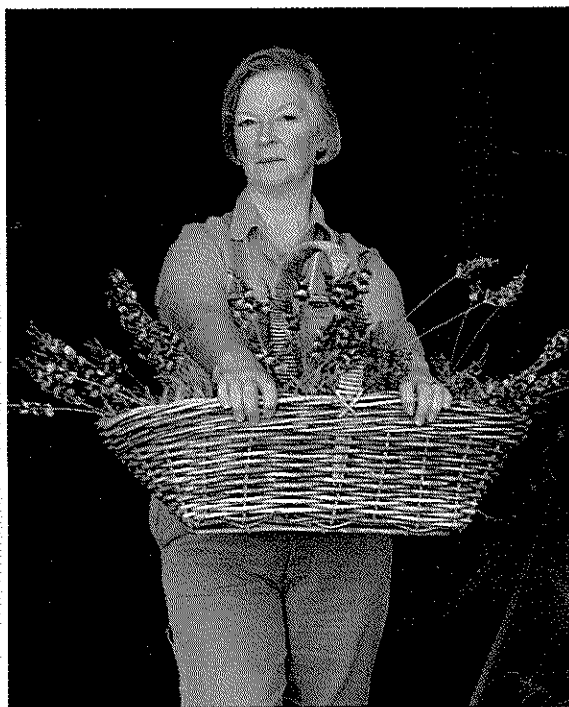
Some people are already preparing to leave. Mark and Marion Semmens are selling their Marion's Vineyard, perched on a steep hill in the charming hamlet of Deviot. Mark is plotting a new life in New Zealand. "This place won't be worth a bucket full of warm spit once that mill goes in," he says.

In Rowella, on the river's western banks directly opposite the mill site, Judy and Chris Beanlands are also trying to sell their Vintner's Rest winery. "I don't think anyone is going to want to come to a 'clean,

interest in ensuring the mill does not taint local vineyards or damage tourism. Many local vigneroners are not persuaded that owning vineyards is a sufficient guarantee, however. "That is only one little piece of their business pie," Judy Beanlands says.

Down the road, Holm Oak Vineyards manager Rebecca Catlin is also concerned. She says there is need for research on whether pulp mill emissions taint wine. More immediately, her "big concern" is the potential impact on cellar-door sales from the increased noise, traffic and odour from the mill.

Gunns is a powerful foe. A substantial donor to both major political parties over many years, the company has the ear of key politicians. Premier Lennon chose a Gunns company to complete his recent home renovations and cut short his summer



**FRANCES MAMO**  
THE LAVENDER FARMER

## FARMERS PREPARE TO ABANDON PARADISE

**F**rances Mamo, director of Lavender Fields Tasmania, says she has "contingency plans" to move her business if the mill is approved. "I doubt we'd stay," she says. "We are looking at other states."

Mamo established her company at Rowella 31 years ago, and she does not want to leave. It would mean losing \$500,000 sunk into the business - and an idyllic lifestyle.

"We believe in the tourism potential of the valley," she says. "It's absolute paradise. It's just magic to live here and make a living here. It's a shame to see such an area potentially spoiled. We're not against a pulp mill; just the location of it. Tourism is the

lifeblood down here. Any impact on tourism is impacting on the income for the valley."

Organic walnut producers Chris and Lucy Landon-Lane are also planning to abandon their stunning property and business in Rowella if the mill proceeds. "If this goes ahead, we're out of here," says Chris. "We wouldn't want to breathe the air, wouldn't want to bring up our kids beneath it."

Lucy and one of their two young sons suffer from asthma, and they share concerns held by the Australian Medical Association that the mill's emissions of fine-particle pollution will exacerbate the Tamar's winter air quality problems. The Landon-Lanes

are also worried mill emissions could jeopardise their organic certification, as well as plans for expansion into the manufacturing of oil, pesto and ground-up shells for cosmetics.

Chris, a former consultant on sustainable agriculture and international finance to UN agencies and the Asian Development Bank, says a lack of risk analysis on the Gunns project flies in the face of best practice. "There probably would be some dictatorships where this would occur - the 25 least developed countries and some communist countries," he says. "It wouldn't happen in Bhutan, but it would happen in Bangladesh or China."

would provide enough work to double his firm's workforce of 50. "I can see where these people are coming from - we all want clean air, a clean state - but we can have that if it's done properly," he says. His business partner, Roger Aalbrecht, adds: "If the mill doesn't go ahead, it will send a signal to future investors: 'Don't come to Tasmania.'"

David Dudding, who runs the town's newsagency, agrees: "We need jobs, we need industry - otherwise all of these skills will go overseas. Tourism is not going to sustain the state alone."

It is this support for the project, in the marginal seat of Bass, that has so far seen both major political parties federally line up behind Gunns. Opposition to the project is concentrated west of the Tamar River, where many of the new "clean, green" industries are based. These businesses fall in the relatively safe Labor seat of Lyons, a sprawling rural electorate where any anti-mill sentiment is diluted by pro-forestry support.

In Bass, many businesses depend on the pulp mill to secure their long-term future. Launceston-based logging contractors Rodney and Glenys Bye last year lost a 25,000-tonne contract with Gunns, stripping their business of 50 per cent of its work and forcing a workforce cut from 30 to 19. With the volatile market for woodchips taking a downturn, the couple fears their business and many like it will struggle unless a pulp mill proceeds. "Without more stability in the industry I don't think our business would survive long-term," says Rodney, a veteran of 42 years in the timber industry. The mill, with an appetite for up to four million tonnes of woodchips each year, could provide just that stability.

The Byes have sympathy for some businesses opposed to the mill. "I can reverse the roles - if the mill was going to encroach on my business, I would have concerns, also," he says. "There should be fishing, tourism - and a pulp mill. They should be able to work side by side."

For its part, Gunns says the future of the region does not lie in tourism. Its draft "integrated impact statement" states: "While other industries, such as tourism, will continue to develop, they do not offer

such a potential for wealth-creation and for increasing living standards in a sustainable way."

That's a red rag to a bull for people such as Whish-Wilson, who is also a senior economics lecturer at the University of Tasmania. "There have been changes in traditional employment patterns in the past 10 years and traditional forestry, fishing and agriculture has declined by 20 per cent, and will continue to drop," he says. "New industries have filled that gap. Gunns talks about creating 280 jobs at the mill, but what if we lose 280 or 500 or 1000 from these new industries? What about the skills and knowledge we will lose? These questions need to be part of the assessment process, and the fact that they are not is an embarrassment and an insult."

April of 1000 Tasmanians, conducted for the Tourism Industry Council, credited tourism as the industry that had made the biggest contribution to economic growth. Tourism was ranked in first place by 44 per cent of respondents - and 51 per cent of people believed tourism had the greatest potential to drive economic growth.

A former partner with accounting firm Deloitte Touche Tohmatsu, Naomi Edwards, warns that if the mill turns away even 10 per cent of visitors, it will cost the area's economy \$735 million each year.

For his part, Lennon has justified his attempts to fast-track the project by warning that if it falls over, Tasmania will go "back to the mid-1990s", dark days when "6500 jobs were lost in a 15-month period".

**"This is our last chance. If this mill is stopped ... investors will simply decide it's too hard to do business in Tasmania."**

Figures prepared for *The Weekend Australian Magazine* by the Australian Bureau of Statistics show a rise of tourism jobs and a less spectacular performance for forestry. Fifteen years ago, cafes, restaurants and accommodation employed 9000 Tasmanians, or 4.74 per cent of workers. In February this year, those areas employed 16,200, or 7.32 per cent of workers. Forestry and logging, by contrast, employed 2000 people in February 1992, or 1.05 per cent of the workforce. In February this year, they employed 3900, still only 1.76 per cent of workers.

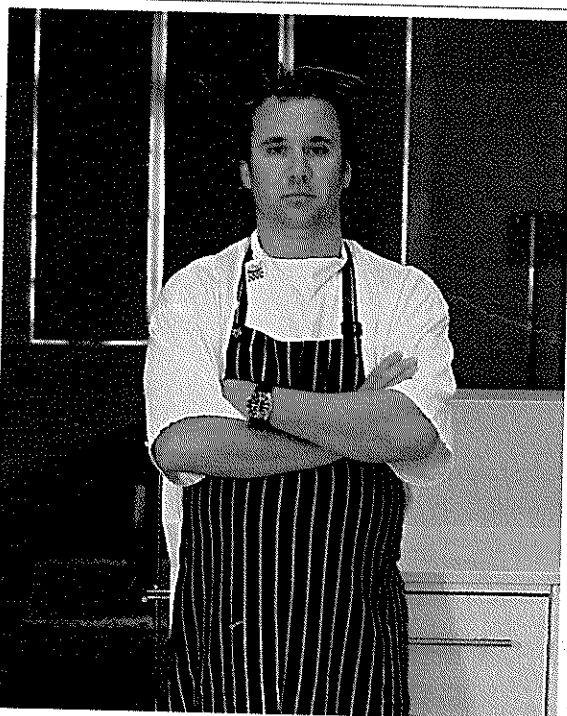
Tourism Tasmania says the tourism industry employs 22,900 directly. If wood and paper product manufacturing are added to logging and forestry, the figure still only stands at 7200 - less than a third of the number employed in tourism.

Tasmanians are recognising the shift. A poll in

Similar assertions are made by Robin Gray, a former Liberal premier who pushed the doomed Wesley Vale pulp mill proposal in 1989. Now a Gunns board member, Gray recently told Launceston's *The Examiner*: "This is our last chance. If this mill is stopped, investment will dry up, investors will simply decide it is too hard to do business in Tasmania."

But with state unemployment at a record low and growth forecasts not predicated on the mill, several senior economists reject Lennon's warning of a return to dark days if the mill does not proceed.

"It is not sound economic logic," says Saul Eslake, an economist with the ANZ bank. "The dark days into which Tasmania sank in the 1990s were not primarily a response to Wesley Vale falling over, but were instead a consequence of the fiscal ineptitude of the Gray government, which required subsequent governments



**DANIEL ALPS**

THE CHEF

## A CLASH OF CULTURES AND GENERATIONS

**D**aniel Alps is one of the state's leading chefs and his restaurant, Daniel Alps at Strathlynn, is set amid vineyards on a particularly scenic stretch of the Tamar. He sources 90 per cent of his produce from up to a dozen local producers - and fishermen.

"We have 150,000 to 200,000 people through each year - all this from one little restaurant," says Alps. "We have two world-class restaurants in the valley, but the potential for many more."

He will not renew his lease on the restaurant after 2009 if the mill is built. "It would decimate my business; I wouldn't be here."

Alps' suppliers, such as

York Town Organics and Lentara Olives, are equally concerned. They fear a double whammy: the tainting of their produce by the perception of pollution, if not actual pollution; and the departure of key clients such as Alps.

They also question whether, in times of drought, other water users will suffer from the mill's annual use of 26-gigalitres of water - a volume similar to the region's existing domestic and industrial use.

Alps sees the debate as a clash of cultures and generations, as well as visions for the state's future. His own family is divided but he says: "This project is too big for our

generation to ignore because we are the ones that will be cleaning it up. A lot of people don't yet realise that this mill is being put into a wine route. Can you imagine if that was proposed for the Hunter, the Yarra Valley or the Barossa? The Tamar Valley has the ability to become one of the fantastic wine routes of Australia ... but instead we're putting a pulp mill in the middle of it.

"We need to build industries beyond the 30-year life of this mill. Where do we pick up in 30 years? I'm not a staunch greenie at all. This is the new debate: you don't have to be a greenie to be a very concerned citizen."

to impose contracting economic policies in order to clean up the mess that Robin Gray left.

"Rather than illustrating the failure to get major investment projects, it illustrates the consequences of unduly relying on them. The long-standing Tasmanian model ... of attracting energy-intensive commodity processing basically came to grief in the 1990s when commodity prices reached rock bottom. Tasmania missed out on a lot of the other developments in the global economy that were

a blueprint for the community's "vision, priorities, goals and values". He argues that rather than staking its future on "one or two mega-projects", Tasmania's prosperity depends on its ability to produce and market premium goods and services with a "high intellectual content". As an example, he points to the "four Ws" – wool, wine, wasabi and wagyu beef – as well as cheese, onions and salmon. "And that's only in the agricultural sector," he says.

Eslake is critical of Lennon's decision to conduct

woodchips are now sourcing it from other places. The forest industry really isn't all that healthy. It's not clear that bending the rules to get a particular project up is going to improve the investment climate in the long run."

Although paid by The Wilderness Society to assess Gunns' economic impact study on the project, Wells is not aligned to any group and says he does not oppose a mill. His main finding is that Gunns' impact study ignores considerable risks. "If world pulp prices fall and the Australian dollar continues to rise, then Tasmanian taxpayers will end up footing the bill," he says. "Gunns will find ways of getting subsidies. In practice, if timber industry mills are [in trouble], then politically there is a way found to keep them going and it costs taxpayers money. Whereas if it were six to eight tourist hotels, then certainly they would be on their own.

"I'm not against the pulp mill, particularly; I just don't believe it's such a big deal in terms of the economics of it."

John Hammond, the man who fishes for those pricey scallops in Bass Strait, is not so sanguine. He may not be a greenie. But like many others chasing the dollar as well as their dreams in Tasmania's new economy, he will join the tree-huggers on the barricades if needs be. "Everything hinges on our clean, green image," he says. "We can't afford to screw this up." ☉

*Matthew Denholm is The Australian's Tasmania correspondent. His previous article for the magazine was "Sympathy for the devil" (October 22-23, 2005), about a mysterious disease blighting Tasmanian devils.*

## "Everything hinges on our clean, green image. We can't afford to screw this up."

happening at the time. So I wouldn't agree with the assertion that if Tasmania fails to get the Gunns pulp mill, it inevitably is going to go back to where it was a decade ago.

"[Late Labor premier Jim] Bacon and Lennon have done a pretty good job of dramatically improving Tasmania's public finances. In some ways it would be a harsh judgment on their track record to argue that their failure to secure a project that they haven't had over the past 10 years would somehow now mean that Tasmania would go back to where it was 10 years ago."

Eslake, born and bred on Tasmania's north-west coast, helped draft Launceston's Vision 2020 plan –

a narrow "benefits study". "If you're going to make a decision you need to know about the costs as well as the benefits," he says. The Government declined repeated requests to explain the extent to which any such costs would be examined.

Graeme Wells, associate professor of economics at the University of Tasmania, is also critical of the focus on "mega-projects". "All the modelling says the pulp mill is marginally positive for Tasmania – it's about the equivalent of six to eight decent-sized hotels in terms of economic impact," Wells says. "Investment in forestry has been going down for years, largely because of the higher Australian dollar and partly because Japanese buyers of Tasmanian

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