Tasmania - trouble about t'mill

16 Aug 2007 by JR
5 Sep update - see below.

Tony Keys and Jenny Stonier produce The Key Report*, an independent, subscription-based newsletter which plops into my inbox every week. Today's edition carries the following fascinating account of mounting tensions between commercial development and the Tasmanian wine industry which have erupted into a boycott of Tamar Ridge wines by some Australian sommeliers and wine merchants. Such issues are not of course unique to Tasmania but, along with New Zealand, the island of Tasmania has so far been able to play the green, unspoilt card with unusual conviction.*

Tamar Ridge in the Firing Line

Beautiful children, ugly parents – can the kids help it? How about the more quoted text from Exodus: 'God visits the sins of the fathers on the children, even to the third and fourth generation'.

Heavy stuff? Damn right it is. Add in the picture of children being used by adults as suicide bombers and… but I'm drifting far away from the story that started the thought process.

Which is, the Tasmanian timber company Gunns and its offspring Tamar Ridge Wines. The question: 'Is the boycott of Tamar Ridge wines by restaurants, retailers or consumers an effective way to protest against Gunns' siting of its proposed pulp mill in the Tamar Valley?' Does it avoid the real issue with Gunns and take an easy option of 'visiting the sins of the fathers on the children'?

Gunns' relationship with the general public is not the best, and it's fair to say that it is tense at times. They also have a tendency to rush into litigation. The Tasmanian political scene has its own problems often looking to an outsider a cross between Chicago in the 1920s and Zimbabwe today and there are huge environmental, political, financial and ethical issues to be debated. Unfortunately, TKR is not the place to do this.

Our concern is Tamar Ridge and how it fits into the Gunns story, and whether it is right to punish the child for the sins of its father. It's a story that's been building since Gunns acquired Tamar Ridge in 2003.

In simplistic terms, Gunns is proposing to build a pulp mill in northern Tasmania's Tamar Valley. Many oppose the building of the mill at this site, and some are backing their protest by boycotting Tamar Ridge wines. The boycott started locally and has spread to Sydney and Melbourne via restaurants and wine stores refusing to stock the wines.

Jeni Port, writing in The Age on 24 Jul, said 350 members of the Victorian chapter of the Australian Sommeliers Association will be told that Gunns are proposing to build the pulp mill. Apparently the sommeliers are not being directed to de-list Tamar Ridge – that decision is being left to them.

In the article Ms Port says that 'in response, almost a dozen Melbourne restaurant-based sommeliers, consultants and at least one retailer are boycotting Gunns-owned wines. Walk into Fifteen, Bottega, the Carlisle Wine Bar, Oyster or Rathdowne Cellars in Melbourne and you will not find Tamar Ridge wines on sale.'

Graeme Philips writes the wine column for The Mercury - the Hobart daily newspaper. He picked up on Ms Port's article, advancing it to the next stage and reporting that Gunns didn't appear concerned and Tamar Ridge 'sales are as strong as ever'.

He then brings in Dr Andrew Pirie, CEO of Tamar Ridge, who puts forward the point that if this boycott is taken up it could damage the 'growth and momentum of the whole Tasmanian wine industry'. Philips also reports that 'a highly regarded national wine writer has said he'll have nothing to do with any Tasmanian promotion sponsored by or involving Tamar Ridge'.

As can be seen, it's getting heavy. The environmental damage that could arise from the pulp mill is one very important aspect, as is old-growth forest logging and Gunns' dealings with the media, organisations and individuals who oppose them. We strongly defend the right to protest or indeed boycott products, and we decry the powerful company or

individual who runs to lawyers as soon as they are challenged.

However, remaining in the narrow corridor of wine (a minnow in the overall context), our concern is two-fold. First, the overall effect this might have on Tasmanian wine, especially if the issue goes international. The second is echoing Graeme Phillips' last sentence: 'Should the boycott really bite, it will be Tamar Ridge's 150 employees who'll bear the brunt, certainly not Gunns shareholders.'

Robyn Lewis is managing director of Visit Vineyards. Along with Charlie, her husband, she is also a farmer and passionate about Tasmania. She is concerned that the mixing of politics and business is not healthy.

TKR: 'Is boycotting Tamar Ridge wines really doing any harm to Gunns?'

Robyn Lewis: 'In my opinion, in terms of their bottom line, I doubt that unless the boycott is extended Australia-wide there will be any impact on Gunns' profits whatsoever, and even then it would be minimal – wine accounts for a very small percentage of their profits.

'However, the boycott is drawing attention to their more questionable land use and other practices, and down here the boycott has quite some private support. Few dare speak out in Tasmania against Gunns or the State government publicly, so it's a good way for people who object to the Tamar pulp-mill issue and/or the related erosion of democratic processes to feel that at least something is being done, and that someone outside this State is taking any notice at all. People here are also getting very depressed about the issue and the abolition of the proper assessment process, and to feel that others outside this State are also supportive, even in such a small way, gives them some hope.

'The main task in implementing the boycott will be to try to make consumers aware that it's not all Tasmanian wines (which would not seem to be difficult to do, at the sommelier level).'

TKR: 'Is it doing more harm to the Tasmanian wine industry than Gunns?'

Robyn Lewis: 'There could perhaps be some short-term impact on the industry if the boycott were carried further, e g into retail outlets etc, when consumer confusion might result if there were not adequate explanatory materials. But in the long term, in my opinion, the Tasmanian wine industry stands to gain from the boycott, because if the mill is stopped or (perhaps more likely, if there is Federal intervention) relocated out of the Tamar, the enhancement to the clean, green, unpolluted Tasmanian brand – especially in the key wine and food region of the Tamar – will assist them enormously. Tasmanian wine is very closely linked to the Tasmanian brand, in my opinion, being a substantial point of difference relative to other States, and anything that enhances the brand will also lift consumers' perceptions of Tasmanian wines (and the reverse).

'Look at it another way: do you think interstate/overseas demand for Tamar Ridge/Gunns wines is going to go up if the mill is built? I certainly don't, and I don't think it will for other wineries either, especially those located nearby.

'I hear from wine show sources in the US that they can hardly believe what Tasmania is contemplating doing with this pulp mill, especially just as Tasmanian pPinots are poised to become more recognised on the world stage.'

TKR: 'Put us right by all means, but we are concerned that the damage to the big bad wolf will be little, but the workers at Tamar Ridge will bear the brunt.'

Robyn Lewis: 'The point of it is to get publicity and draw peoples' attention to the reality of what is going on in Tasmania. I don't think anyone believes that Gunns will directly lose any dollars over it.

'The wine industry in the Tamar Valley will surely bear the brunt if the mill goes ahead – already several vignerons are threatening to move to NZ in disgust if it does, and some major restaurateurs are also very unhappy. Of course, they have been informed in advance by our Premier that they have no case for compensation.'

The passion that Robyn Lewis exhibits is a fair indicator of many locals. Requesting anonymity, another appeared stressed and upset with the issue, and told TKR that 'this battle over the proposed pulp mill has disempowered, disenfranchised and is destroying many of the small unique wine, agriculture, tourism and fishery producers in the region and the State'. TKR was directed to consult the following websites to find the following information:

• 64 percent of this State feels the assessment process is a sham – see www.investorsfortas.com.

• 34 percent of tourism operators feel that this proposed mill will have direct negative impacts on their business. 58 percent feel it will damage the Tasmanian brand – see www.tict.com.au.

• True, but to be fair it also said 64 percent expected the net benefits to the Tasmanian economy from the pulp mill within the next five years to be positive and 53 percent expected the net benefits to the Tasmanian economy from the pulp mill over a period greater than five years to be positive.

• Check out the ITS Global Report, on www.justice.tas.gov.au. It says there will be a 'small' negative impact on the region's tourism from the proposed mill but more significant on the agriculture and fishery businesses. How much is 'small'?

The ITS Global Report says that ‘even though there is wide acknowledgement that the Project will be located in a diverse industrial precinct and operated to reduce emissions and effluent below technical environmental benchmarks, businesses are concerned that visitor experiences, and hence tourism and recreation levels, will be decreased if there is a perception that the resources – visual amenity, fresh air, “clean and green” seafood and wine – required to attract tourists are tainted.

The Report continues:

‘The common opinion amongst tourists is that the Tamar is primarily about vineyards, orchards, agriculture, seafood and small scale industry, compatible with the tourism industry.

‘The most significant adverse cumulative impacts of these consequences would be captured indirectly by businesses in the Tamar Valley utilising lifestyle and food from land (e g grapes and olives) and marine sources (e g fish, scallops, lobsters) to market their activities.

‘These adverse cumulative impacts would fall largely on businesses immediately to the west of the operating Project and the handful of businesses on the Rowella Peninsula at the local level, and more broadly in the region, i e the Tamar Valley and associated wine route, utilising lifestyle and food from land (e g grapes and olives) and marine sources (e g fish, scallops, lobsters) to market their activities.’

It’s here the logic becomes confusing. As Gunns, via Tamar Ridge is the largest vineyard owner in the region, are they doing a disservice to themselves with this pulp mill? There would be some irony if the investors of Gunns wine grape managed investment scheme demanded compensation from Gunns pulp mill for devaluing their investment.

Rod Ascui, part owner of Stillwater restaurant in Launceston, Tasmania, told TKR that ‘it's not just about logs anymore, it is much wider reaching. Are we one of the “small” affected businesses? Will this make us unviable and therefore our businesses fail and directly affect the 43 people that we personally pay every week as well? They have only done benefit analysis of the project and haven't done any cost/risk analysis to quantify the impact on the businesses, other industries and the community.

‘Some local vineyards that I buy from are feeling their livelihood is being threatened by the proposed mill. We specialise in Tasmanian wines and any damage to the Tasmanian wine brand will affect what we do in the restaurant. It could be built at Hampshire, near Burnie in the middle of a plantation away from people and tourism with minimal impacts on airshed, odour, reduced marine issues etc.'

‘As approximately 66 percent of Tasmanian wines are currently produced in the Tamar Valley region and the pulp mill has the potential to impact on these producers directly or through brand damage (H2S and Pinot don't go well together as you know), a boycott is hardly the issue here.’

Not that Andrew Pirie, CEO of Tamar Ridge, and his team can do much about being owned by Gunns (apart from find jobs elsewhere) but they do have to live and deal with this issue. They are indeed between a rock and a hard place. One also gets the impression they are cowed by Gunns. TKR asked if they would like to contribute, and then sent a reminder a few weeks later. We finally received a telephone call and email saying yes, they would like to respond.

The response was two previously published releases – one from Gunns and the other in the form of an open letter

published in Harvest, the Wine Industry Tasmania newsletter.

What the three pages from Gunns boil down to is the company saying that the mill will be clean and efficient and they have the research and reports to back up that statement. It will also be of great economic benefit to Tasmania and won't harm tourism or vineyards in any way.

In regard to Tamar Ridge, we are told they are a 'significant player in the Tasmanian wine sector with over 100 hectares of estate vineyards in the Tamar Valley'. They also buy grapes from growers and contract winemaking for a dozen or so brands. They're involved in tourism via cellar door and contribute to the whole industry via 'its research programme on Pinot Noir'.

Bringing the two together is the following paragraph:

'Tamar Ridge Estates is very conscious of its viticultural environment and is embarking on various aspects of a sustainable viticulture programme, which encompasses consideration of any impacts of the mill on the surrounding region.

'We have studied mills co-existing with viticultural production in other countries, and experience to date has indicated there is no evidence of any negative impacts of emissions on grape and wine production from comparable mills located near wine regions. Our own consultant, Dr Richard Smart, an internationally respected and world-leading viticulturist, endorses this view.' One could ask the oblivious [obvious?] question arising out of this statement: is a viticulturist the right person to consult about wine production and how confident can a viticulturist be regarding the quality of the finished product?

John Gay, Gunns Executive Chairman, says 'I do not believe this issue is about a choice between pulp mills or the tourism and the hospitality sector. Benefits from the pulp mill do not have to come at the expense of other industries.'

It's fairly obvious that many others in the state do not share the view, and maybe there is some truth in Robyn Lewis' statement that 'in fact, you could even see them (Gunns) as trying to buy some credibility in buying it (Tamar Ridge)'.

The letter in Harvest starts 'Dear WIT members, We're going through what could only be described as a significant period of history for the Tasmanian wine industry.'

Dr Pirie gives some justification for his current position. 'I took the job of guiding the expanding enterprise because I was excited by the challenge, I thought that Gunns' vision for their involvement in the Tasmanian wine industry was sound and I wanted to see the industry expand and be successful.'

Then follows a 'Gunns is good' statement, 'Tamar Ridge has a fair degree of autonomy' and hey guys, there's no problem with the pulp mill because 'our consultant Richard Smart has done that work and has assured us, and the parent company, that there is no detectable problem'.

More flag flying follows before moving on to the boycott and saying it's not as bad as Jeni Port's article suggests and that several of the sommeliers 'indicated they were not totally happy with the way they were quoted. I believe they have written to Jeni, indicating that to her.'

Dr Pirie continues. 'As the press has become involved in this debate it is a challenge to have our feelings and sentiments accurately conveyed, either by our own press releases or words, which is one of the main reasons I am writing this. In a brief conversation with The Mercury a few days ago, an attempt to explain how the good things that Gunns were doing for the wine industry would be impacted by boycotts became construed as a headline saying that the boycotts would damage other growers.'

It's a little unfair to cut Dr Pirie off at this juncture, but the rest drifts away from our story. The point we stay with is that the CEO of Tamar Ridge – an extremely talented man and one that has done so much for Tasmanian wine – has become an apologist for the parent company Gunns. What a waste.

It will also happen to other employees such as Anthony Woollams and Will Adkins. Instead of being in London, Copenhagen or New York giving talks on their wine and exciting people about Tasmanian wine in general, they will be defending Gunns. Our fear is that London or Toronto restaurants won't be able to separate Tasmania from Tamar Ridge.

Before sommeliers start delisting Tamar Ridge wine they should, as should everybody, look to their super fund or bank and see if they themselves are inadvertently investing in Gunns. In the 2006 annual accounts, the top 20 investors in Gunns included National Nominees, JP Morgan, Citicorp, Westpac, ANZ, AMP Life etc.

This is a huge issue that we fear will end with more losers than winners. The losers, we fear, will be the innocents, not the perpetrators.

***3 Sep** – Robyn Lewis reports:* The proposal was passed by the Tasmanian Parliament on 29 Aug, but seems now set to become a national issue with the looming Federal election. The Tasmanian wine industry remains divided, but within the wine industry it's becoming a more national issue also.

Sheena High of Swan Bay Vineyard, Tasmania writes:

For updates can I direct you to www.tamarpulpmill.info

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We truly need immediate support at present from a voice that might be listened to and would value your support. You have visited Tasmania and written about the wine industry here which deserves your acclaim in its infancy with, I believe, great potential in the future.

My husband from Yorkshire and myself from Inveneess selected the Tamar Valley as an optimum location to grow and produce premium cool climate wines in the southern hemisphere.

We emigrated, bought a few paddocks and, despite the hard work, have enjoyed converting some of those paddocks into a vineyard which now produces 35 tonnes of Pinot Noir, Pinot Gris, Sauvignon Blanc and Riesling. We and others in the industry are disillusioned at present by the short-sightedness of our state government with regard to the wine industry.

Despite local petitions and rallies, we are not being heard. The environmental impacts of the pulp mill proposal in its existing form are well documented and are a disgrace to Australia.

We wish to preserve the unique qualities of an island which we and many others value in its current unstained, unpolluted form for future generations and to maintain our existing sustainable wine/tourism/fishery industries. Any help you can give re publicity or campaigning for support on your website would be much appreciated.

The proponents who want to build this world's largest pulp mill in the Tamar Valley plan to use old growth forests which must be preserved, not turned into pulp to be sent to Japan. The mill if built will pollute the air and Tamar Estuary with chemicals which are carcinogenic and will be irreversibly damaging to marine organisms with follow on up the food chain.

Having been fortunate to live in and visit many places around the world, we are passionate about Tasmania and the wine industry here. Any commercial industry short term gain with potential damage to our fragile environment must be questioned and hopefully opposed by those who value an environment to be proud of and to inherit.

My personal feeling is that we need help and support globally to speak

out in opposition to any project which today has the potential to damage a unique environment. I ask for your help.