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MEDIA RELEASE

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Mr Crean should do his homework

Community group Friends of the Tamar Valley said today that federal Regional Development Minister Simon Crean's position of unequivocal support for logging company Gunns Limited's Tamar Valley Pulp Mill, suggests he is not only relying on out-of-date and discredited information, he is also clearly unaware that the flawed development will never receive a social licence.

Mr Crean made his comments during a visit to Tasmania last week in conjunction with a federal Community Cabinet meeting held in Launceston on Wednesday 3rd October.

Community opposition to Gunns' controversial pulp mill has been ongoing since the project was first proposed by Gunns in 2004. Successive Labor state and federal governments, and the Liberal opposition have always fully supported the divisive project, claiming it will generate 'thousands of jobs', despite the independent Tasmanian Roundtable of Sustainable Industries Project in 2007 showing the pulp mill would provide 280 full time jobs.

Approximately 600 Gunns' employees across Australia lost their jobs when the company went into voluntary receivership at the end of September.

"Like Gunns' former CEO John Gay, Simon Crean has clearly refused to recognise widespread community concern about the pulp mill, or acknowledge that the controversial fast-tracked pulp mill approval process, with its obscene Section 11 clause, was the reason so many more Tasmanians voiced their disapproval for the project," said spokesperson Anne Layton-Bennett.

Despite over 20 announcements that Gunns has made during the last eight years, about a financial partner being secured for the project none has ever emerged. Ms Layton-Bennett said this was a clear indication the financial market globally recognised the economics of the project didn't stack up.

"Gunns risked the future of the company, and the livelihoods of 600 employees, on a massively inappropriate development that was deemed unsustainable, uneconomic and unviable by numerous experts. The pulp mill has been mired in controversy since it was initially proposed eight years ago. The Tasmanian community have long recognised the risks involved, and the fact no investor wanted to finance the project should have told Gunns' board and management the mill had serious problems. Mr Crean would be well advised to understand this also," said Ms Layton-Bennett.

“Even if the pulp mill project is sold by the administrators, there is still a court challenge to be faced on the validity of the permits, and no investor is likely to risk putting money into such a “dodgy” venture. Gunns was once a proud Tasmanian company that has been ruined by the greed of its managers,” Ms Layton-Bennett concluded.

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****Before 10am only****

