

# TA ANN TASMANIA REGROWTH EUCALYPT MILLS - DIRECTION TAKEN & LESSONS -



TA ANN TASMANIA PTY LTD

EWPA 2009 CONFERENCE \_16 November 2009



# TA ANN TASMANIA (TAT)?

## WITH SHAREHOLDERS INCLUDING:

**SMKC (JAPAN)** – Marketing

**TA ANN HOLDINGS (MALAYSIA)** - Manufacturing

**FORESTRY TASMANIA (AUSTRALIA)** – Exiting

**TA ANN MEANS:** ‘strong and safe’

**CONSTRUCTION:** Huon (SE) & Smithton (NW);

\$AUD76M

**COMBINED PEELER INTAKE:** 265,000 – 300,000m<sup>3</sup>/yr

**CURRENT OPERATIONS:** 70% level; 5 days /24hrs



Starting production  
Huon mill, Tasmania



# CONSTRUCTION



	Huon	Smithton
<b>Log yard</b>	BY FT Buy billets at mill door	TAT - 7000t Buy logs at weighbridge
<b>Log cutting line</b>	By FT	Korean (\$3M) – off ground storage
<b>Billet charger</b>	Taihei	Taihei
<b>Lathes</b>	Meinan: 6' & 8' (120m/minute) 3' & 4' (90m/minute)	Meinan: 6'(120m/minute) 3' & 4' (90m/minute)
<b>Clipper</b>	Green clip/auto stackers 6' – 6 stacks 3' – 4 stacks	Green clip/auto stackers 6' – 6 stacks 3' – 4 stacks
<b>Green veneer transfer</b>	Manual	Manual



# CONSTRUCTION Continued



	Huon	Smithton
<b>Dryer</b>	Uroko: 6 deck (4 LG & 2 SG) Taihei: 6 deck (all long or short)	Grezenbach: 6 deck (4 LG & 2 SG)
<b>Auto suction stacker</b>	Uroko auto suction stacker Taihei – manual stacking	GBK Auto suction stacker
<b>Wrapper</b>	Route (Finland)	Route (Finland)
<b>Waste chipper</b>		Vecoplan (German)
<b>Boiler</b>	20 MW ; Maxitherm , semi attended; Wet scrubber	20 MW; Takuma design, semi attended; Electrostatic precipitator
<b>Transport</b>	Contract truck & stevedore Hobart wharf 78km	Contract truck & stevedore Burnie wharf 85km
<b>Shipping</b>	4-6 weeks; 8000m3 to Sibu Malaysia; 5 vessels (twin deck)	4-6 weeks; 8000m3 to Sibu Malaysia 5 vessels twin deck)
	\$38M; 77 employees AFS/PEFC chain of custody	\$38M; 52 employees AFS/PEFC chain of custody



# PRODUCT DIRECTION



Regrowth and plantation *Eucalypt* veneer

4'x8' (Huon)

3'x6' (Huon and Smithton)

3'x6' (Huon and Smithton)



1mm to 4.2mm thickness

Patching and composing: Sibul (Malaysia)

# PRODUCT continued

**Green recovery: 82%**

**Invoice recovery: 52%**

**Core diameter for long billets: av 8cm**

**Core diameter for short billets: av 4cm**



**For 1.7mm/3.6mm (Sibu results)**

- **Specific density : av 750-830kg/m<sup>3</sup>**
- **Moisture Content: 8%**
- **MOE : 16.5%**



# **PRODUCT DIRECTION** continued



**Main use - high quality Japanese flooring (E70 and E100 product)**

**At this stage not appearance market**

**Thus no veneer grading in Tasmania unless special order**

**No log selection unless special order**

**Potentially 50-60% long grain veneer with billet selection**



# LESSONS

## Huon mill:

Passed onto Smithton mill

## Planning approvals:

Investment ready sites



## Resource:

Using pulp logs otherwise made into wood chip

Plantation and regrowth (not old growth)

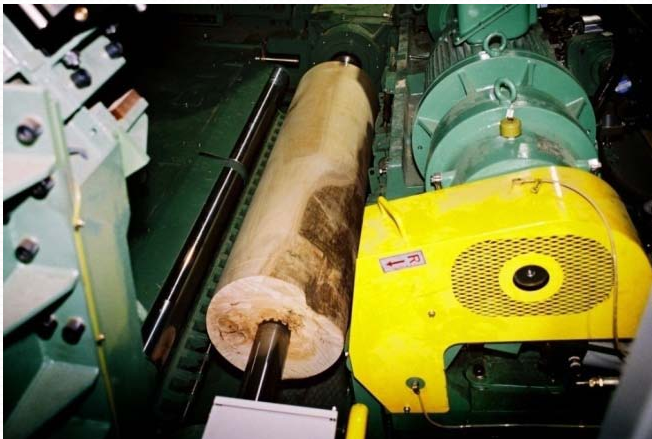
Under 20 year WSA + some private property

Regrowth Tasmanian Oak

Plantation *E nitens* & *E obliqua*

Chain-of-Custody

Log yard by TAT or Forestry Tasmania





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# LESSONS continued



## **Workforce matters:**

40% LTU challenge for Huon

Workforce Hire company at Smithton

Value of 457 visa holders

(construction/commissioning/training/expensive)

## **Marketing:**

High value flooring; certification; cycles



## **Key drivers:**

Sales, safety and waste (need a good chipper)

## **Local community support:**

Brand new industry for Tasmania

Using logs otherwise made into woodchips

\$37M+ per year into Tasmania community

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25 year old regrowth forest



## THANKS

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