



**Hydro Tasmania**  
*the renewable energy business*

19 April 2010

Dear Applicant,

**TRANSFER OF USED WOODSTAVE PIPELINE MATERIAL (CREOSOTE TREATED TIMBER)  
FROM THE LAKE MARGARET POWER STATION  
INVITATION FOR EXPRESSION OF INTEREST (“Invitation”)**

1. Hydro Tasmania owns and operates the historic Lake Margaret Power Station, situated near Queenstown on Tasmania’s west coast. Following approvals from the Hydro Tasmania board, Heritage Tasmania and the West Coast Council, a redevelopment project for the power scheme commenced in July 2008.
2. A key feature of the redevelopment project is the construction of a new woodstave pipeline to transfer water from the dam to the top of the pressure penstock that feeds water to the turbines in the power house. The construction of the new pipeline was made necessary by the old pipeline having reached the end of its service life. Constructed in 1937, the old pipeline was made from creosote treated King Billy Pine woodstaves. The pipeline was 1.2 meters in diameter and approximately 2.2km long. The old pipeline was demolished and the creosote treated woodstaves have largely been removed from the site.
3. A high level of interest has been expressed by different groups and individuals throughout Tasmania concerning the re-use of the old creosote treated King Billy Pine wood staves. This Expression of Interest document gives details of the commercial arrangements to be applied to the allocation and transfer of the creosote treated woodstaves to interested parties. Recipients need to be aware that creosote is a toxic compound and as a result there are both:
  - (a) constraints which ought to be applied to the potential uses for the creosote treated woodstave material; and
  - (b) precautions which ought to be taken when handling and working with the creosote treated woodstave material, including concerning disposal of off-cuts, saw dust and shavings and the like.

**Toxicity and Precautions When Working or Disposing of the Woodstave Material**

4. The woodstaves have been treated with creosote in past years, and tests undertaken on Hydro Tasmania’s behalf have shown not insignificant levels of residual toxicity in the outer parts of the woodstaves, mainly from Polycyclic Aromatic Hydrocarbons (PAH’s) particularly Pyrene, Napthalene and Anthracene.
5. Generally speaking, testing indicates that the levels of residual toxicity are recorded as being the highest in the former outer surface of the old woodstaves. Recipients should undertake their own investigations and make their own determinations with respect to handling and use of the

creosote treated woodstaves. Hydro Tasmania does not make any representations as to how the creosote treated woodstaves may be safely handled and used. However, it raises for consideration precautions including but not limited to:

- (a) planing off the outer layers, capturing the dust and shavings and bagging in a way to prevent the escape of dust, and disposing of any waste material at an approved waste disposal facility; and
- (b) persons working the creosote treated woodstaves should wear appropriate Personal Protective Equipment (PPE) and take other precautions to prevent inhaling or ingesting sawdust or otherwise coming into contact with toxic materials, including without limitation:
  - (i) wear a dust mask when machining or sawing the wood;
  - (ii) wear long sleeve shirts as well as pants and gloves;
  - (iii) wash hands prior to eating or using tobacco products;
  - (iv) wash work clothes separately to other household laundry or have work clothes professionally laundered;
  - (v) avoid having dust particles accumulate indoors; and
  - (vi) collect all wastes and dispose of at an approved waste disposal facility.

### **Potential use of the Woodstaves**

6. Given the recorded levels of toxicity, recipients should be aware that the woodstaves should not be used for any products or utensils that may come into contact with persons, food, or be buried in soil. If the woodstaves are used to make boats, furniture or any other use where it is possible that skin contact or contact with the environment could potentially occur, the timber surface should be thoroughly sealed to prevent toxins being transferred to the skin or the environment.

### **Nature of Woodstaves**

7. Hydro Tasmania has approximately 100,000 lineal metres of woodstave to dispose of. Generally speaking the staves are approximately 130mm wide by 30mm thick in cross section. The internal and external surfaces are slightly radiused (rounded) to the profile of the former four foot diameter pipeline. Lengths vary between a minimum of about 2 metres to a maximum of around 5 metres. The timber has been bundled for ease of handling on site during the demolition process. The bundles of timber contain a variety of different lengths of woodstaves of varying quality. There is some damage including splitting and rot present in some of the staves.

8. Applicants should note that it will not be possible to request timber of particular lengths or choose particular bundles of timber at the time of collection.

9. The former external face of the timber has been coated with creosote and is also irregular, showing marks from the position of the former steel bands. The former internal surface of the stave has been worn away by decades of water flow, leaving an uneven surface with knots and the like standing proud of the general surface of the timber. The edges of the staves display the remains of a tongue and groove detail that ran along all longitudinal joints in the pipe.

## Terms of Sale

10. Hydro Tasmania shall offer the woodstave timber for sale on the terms of the attached Timber Allocation Agreement. If an Applicant wishes to be eligible to receive woodstave timber they must accept without departure or qualification the terms of the attached Timber Allocation Agreement.

## Expressions of Interest

11. Hydro Tasmania is seeking Expressions of Interest from parties interested in receiving the creosote treated woodstave timber, including information in relation to:

- (a) details of the Applicant;
- (b) the intended use of the creosote treated woodstave timber, including whether it is proposed to be utilised for commercial purposes;
- (c) requested quantity; and
- (d) preferred collection point.

12. Hydro Tasmania will consider Expressions of Interest and decide in its sole and absolute discretion how much timber is allocated to each Applicant. No correspondence in relation to allocated quantities will be entered into.

13. Hydro Tasmania has, and will continue to incur significant costs involved in transporting the timber to the collection points as well as in administering the allocation and collection process. Consequently, Hydro Tasmania intends to charge applicants a fee for the allocated timber that will be used to defray the costs incurred. The level of the fee will be **\$ 1.00 per lineal metre**. Hydro Tasmania may elect, in its absolute discretion, to waive the fee for charities or other community based organisations and rather seek a nominal contribution of \$1 only.

14. If you wish to submit an Expression of Interest to Hydro Tasmania to purchase creosote treated timber woodstaves, please:

- (a) complete the Expression of Interest Schedules attached;
- (b) sign this letter where indicated; and
- (c) return this letter to the address set out in paragraph 26 by no later than **2:00pm on Wednesday 5<sup>th</sup> May** ("the **Closing Date and Time**").

15. Expressions of Interest that are received after the closing time and date listed above will be deemed to be late. A late Expression of Interest may be considered by Hydro Tasmania (in Hydro Tasmania's sole and absolute discretion and whilst being under no obligation whatsoever to do so) if the reason for the lateness was outside of the control of the Applicant.

## Proposed Collection Process for Woodstaves

16. Hydro Tasmania will arrange for timber to be delivered to a facility in the south of the state and one in the north-west, with some remaining at Lake Margaret. The precise location for collection (and time for collection) will be confirmed with successful Applicants.

17. Successful applicants will require a suitable roadworthy vehicle to collect the timber from the nominated collection points at the nominated time.

18. Before timber is loaded, applicants must provide the signed Timber Allocation Agreement and make payment. Acceptable forms of payment include personal cheque made payable to

Hydro-Electric Corporation and crossed "A/C Payee only", or via EFT (Electronic Funds Transfer). Payments using the EFT system must be advised the day payment is made by emailing [EOI.Woodstave@hydro.com.au](mailto:EOI.Woodstave@hydro.com.au), and must be made at least 4 working days in advance of collection in order to give Hydro Tasmania time to ensure that payment has been made prior to collection of the timber. Assistance may be available to load allocated timber onto trucks, utes or trailers at the collection point. Timber shall be allocated by Hydro Tasmania's representative at the relevant collection point. No discussion will be entered into about which specific bundles of timber will be provided to each Applicant.

## **The Expression of Interest Generally**

19. The Applicant:

- (a) warrants that in completing its Expression of Interest and entering into any contract with Hydro Tasmania with respect to the purchase of the creosote treated woodstaves it will rely upon its own investigations, interpretations, deductions, information and determinations, including with respect to information conveyed to it or made available by Hydro Tasmania;
- (b) acknowledges that:
  - (i) to the extent permitted by law, neither Hydro Tasmania, nor anyone on Hydro Tasmania's behalf, warrants, guarantees or makes any representation about the condition of the creosote treated woodstaves or their fitness for any purpose or any special purpose;
  - (ii) to the extent permitted by law, Hydro Tasmania will not be liable upon any Claim by the Applicant arising out of or in any way in connection with:
    - A. the creosote treated woodstaves;
    - B. the Invitation for an Expression of Interest; or
    - C. the Timber Allocation Agreement (if any); and
  - (iii) Hydro Tasmania will be entering into any contract with the Applicant with respect to the purchase of creosote treated woodstaves in reliance upon the terms of this agreement.

20. The Applicant acknowledges that it will rely upon its own skill and judgement in considering any information conveyed to it or made available by Hydro Tasmania (or anyone on behalf of Hydro Tasmania) for the purposes of preparing its Expression of Interest or negotiating or entry into any contract with Hydro Tasmania with regard to purchase of the creosote treated woodstaves.

21. Acceptance of an Expression of Interest or notification by Hydro Tasmania that an Applicant has been successful is not to be taken as a representation that Hydro Tasmania will enter into a contract with the preferred Applicant for the sale of creosote treated woodstaves, and does not bind Hydro Tasmania to do so.

22. Hydro Tasmania will notify the Applicant in writing if its Expression of Interest was unsuccessful.

23. The Applicant acknowledges and agrees that:

- (a) Hydro Tasmania is under no obligation to consider your Expression of Interest, makes no representation to you that it will enter into a contract with you for the

sale of creosote treated woodstaves and may consider offers from other parties to purchase the whole or part of the creosote treated woodstaves;

- (b) if Hydro Tasmania considers (in its sole and absolute discretion) that it is in the business interests of Hydro Tasmania to end this process at any time and for any reason, Hydro Tasmania may do so by written notice to all Applicants;
- (c) this letter does not constitute or give rise to a tender process contract; and
- (d) it releases and indemnifies Hydro Tasmania from any Claim (whether in contract, tort including (without limitation) negligence, restitution or statute, to the extent it is possible to do so) arising out of or in connection with:
  - (i) this Invitation and the Expression of Interest (if any); or
  - (ii) any act or omission of Hydro Tasmania (or any of its employees, contractors or agents) in connection with this Invitation, Expression of Interest (if any) or the creosote treated woodstaves.

In this letter “**Claim**” means (without limitation) any claim:

- (iii) under, arising out of, or in any way in connection with, any contract which the Applicant may enter into with Hydro Tasmania in respect of the purchase of creosote treated woodstaves;
- (iv) arising out of, or in any way in connection with, any task, thing or relationship connected with the purchase of the whole or part of the creosote treated woodstaves, including but not limited to the information conveyed and made available by Hydro Tasmania with respect to the creosote treated woodstaves; or
- (v) otherwise at law or in equity including (without limitation):
  - 1) by statute;
  - 2) in tort for negligence or otherwise, including (without limitation) negligent misrepresentation; or
  - 3) for restitution.

24. If the Applicant wishes to make any enquiry concerning the Invitation, it may telephone the enquiry support number on 03 6230 5999, or may notify the Invitation Administrator in writing as follows:

**Name:** Woodstave EOI Administrator

**Address:** Hydro Tasmania  
4 Elizabeth Street  
HOBART TAS 7000

**Email:** [EOI.Woodstave@hydro.com.au](mailto:EOI.Woodstave@hydro.com.au)

25. Hydro Tasmania may amend the Invitation at any time prior to the closing date and time. Any such amendment will be issued in the form of an Addendum and will become part of this Invitation letter. Applicants are not entitled to and shall not rely on any statement as amending or adding to this Invitation letter unless it is issued as an Addendum pursuant to this clause.

26. Expressions of Interests must be submitted by no later than the Closing Date and Time to one of the following addresses:

**Email:** [EOI.Woodstave@hydro.com.au](mailto:EOI.Woodstave@hydro.com.au)

**Address:** Attention: Invitation Administrator – Disposal of Timber Woodstaves  
Records and Data Management  
Hydro Tasmania  
Level 6  
4 Elizabeth Street  
HOBART TAS 7000.

27. In consideration of each party promising to pay the other party \$1.00 on written demand by the other party, upon submission of its Expression of Interest the Applicant agrees that the terms of this letter constitute a contract between them and is subject to and is to be construed in accordance with the laws of the State of Tasmania, Australia.

Yours sincerely

**Woodstave EOI Invitation Administrator**

**Attachments:**

- A. Annexure A – Signature Page
- B. Annexure B – Details of Applicant
- C. Annexure C – Requested Quantity of Timber Woodstaves
- D. Timber Allocation Agreement

**Distribution:**

All Applicants

**Annexure A**

**SIGNED** as an Agreement

By signing in the space below and returning this letter to Hydro Tasmania, the Applicant hereby submits its Expression of Interest on the terms of the Disposal of Used Woodstave Pipeline Material Invitation for Expression of Interest document

Signed by:

\_\_\_\_\_  
**[INSERT NAME OF APPLICANT]**

**(ACN \_\_\_\_\_ [INSERT])**  
by or in the presence of:

\_\_\_\_\_  
Signature of authorised representative

\_\_\_\_\_  
Name of authorised representative in full

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name of witness in full

Details of Applicant

Name: \_\_\_\_\_  
[INSERT NAME OF APPLICANT INCLUDING ABN, ACN OR EQUIVALENT]

Address or Registered Office of Applicant (if applicable): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
[INSERT]

Address for service of notices (NOT P.O. BOX): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
[INSERT]

Telephone Number: \_\_\_\_\_  
[INSERT]

Fax Number: \_\_\_\_\_  
[INSERT]

If a firm, the names and addresses of the individual members are: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
[INSERT – OR ATTACH AS SEPARATE DOCUMENT]

Provide any additional information as the Applicant sees fit: [INSERT - OR ATTACH AS SEPARATE DOCUMENT]

## Requested Quantity of Creosote Treated Woodstaves

NAME OF APPLICANT: \_\_\_\_\_

## REQUEST – TO BE COMPLETED BY APPLICANT

Lineal Metres	Price	Total
[APPLICANT TO INSERT REQUESTED QUANTITY]	\$1.00 (excluding GST) per lineal metre	[APPLICANT TO INSERT PRICE BASED ON REQUESTED QUANTITY]
Proposed use to which the old woodstaves will be put.		

ALL ENTRIES BELOW THIS LINE TO BE COMPLETED BY HYDRO TASMANIA

Load Number	Timber quantity collected	Price	Total
1		\$1.00 (excluding GST) per lineal metre	
2			
3			
4			
5			
<b>TOTAL:</b>			

Timber Allocation Agreement signed and provided: Payment made: Receipt issued: Receipt No. \_\_\_\_\_