

Tasmanian Industry Participation Plan Executive Summary

Procurement details

Procurement Reference No.	
Procurement title	Construction of 50 tonne per annum Large Scale Prototype at the Boyer Mill to produce a bio-solvent product and develop local capability in advanced manufacturing.
Name of Responsible Agency/Entity	Department of State Growth

Supplier details

Name of supplier	Norske Skog Paper Mills Australia Ltd (Boyer Mill)
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Executive summary

Norske Skog Paper Mills Australia with Circa Group Pty Ltd have formed a joint venture company (FC Five Pty Ltd) to a large scale prototype plant (LSP) to produce a high-value platform biochemical and non-toxic bio-solvent at a nominal rate of 1 tonne per week (50 tonnes per annum). The targeted end-users of these products are pharmaceutical, agrichemical and specialist chemical industries primarily in Europe and Northern America.

The LSP represents an approx. \$6.5m capital investment at the Norske Skog Boyer (NSB) Mill facility in the Derwent Valley, with a significant worth of goods, services and labour will be from Tasmanian businesses. Design and construction will take about 9 months and, once commissioning is complete, followed by nominally 2 years of production and optimisation activity. Based upon the output and of the success of this work full commercialisation would then likely occur during 2020. The LSP will employ around 7 FTEs with management of the facility supported by NSB and Circa Group.

During the construction phase, 10 FTEs (average over the duration) will be employed to install the equipment ranging from civil, mechanical, fabrication and electrical/instrumentation tradespeople. Procurement of custom equipment will be from local SMEs and procurement of materials for construction will be through local suppliers. There is some specialised equipment required as part of the plant. It is likely most of this equipment will require design and fabrication on mainland Australia. All other fabrication and installation work will be by local fabricators and suppliers. Tasmanian contractors will be provided opportunities to provide proposals for the manufacture of equipment that suits their capability. Boyer Mill has an established procurement process to enable a competitive and fair process.

Ongoing operation of the plant will also require maintenance, repair and operations procurement from local suppliers as well as ongoing maintenance, repairs and optimisation work providing opportunities for local contractors and suppliers. The employees engaged in the operation of the LSP will develop skills and experience in the process establishing a solid platform for further development and diversification.