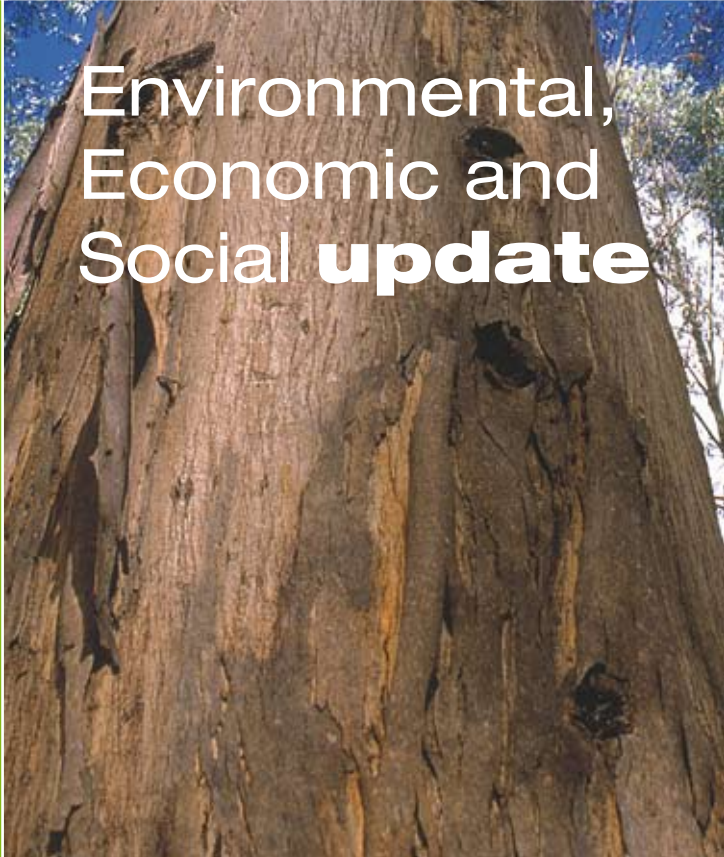




# BELL BAY PULP MILL

Environmental,  
Economic and  
Social **update**



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# A message from Gunns Executive Chairman, John Gay

Our world-class pulp mill project has received the overwhelming approval of the Tasmanian Parliament, with the project supported by both the Labor and Liberal parties and the majority of independent members of the Legislative Council.

This is a strong vote of confidence in the project and the employment economic, social and environmental benefits it will bring to Tasmania. Parliament's decision was underpinned by the independent Sweco Pic and ITS Global reports that confirmed Gunns Limited's world's best practice approach to the development of the \$1.7 billion project. Importantly, the consultants clearly determined and recommended that the pulp mill should be built in Tasmania.

The independent assessment by the two consultants confirmed that Gunns' will be using world's best technology and practice in developing the mill and that the project will bring unprecedented benefits to Tasmania. The findings and the support of the Tasmanian Parliament clearly dispel the predictions of dire consequences made by the project opponents.

It is unfortunate that critics of the pulp mill proposal have used misinformation, false claims and scare tactics in their attempts to destroy the project. The facts have now been assessed by independent, highly experienced and reputable consultants and this assessment confirms the approach that Gunns is taking. Parliament has now expressed its strong support.

This pulp mill is probably the most scrutinised project in Tasmania's history. All the public input to the RPDC and the Commonwealth has been, or is being, taken into account and our company is now more determined than ever to ensure, subject to the approval of the Commonwealth Minister, that we can bring this project to fruition. Through this development, we are determined to establish new benchmarks in environmental, social and economic excellence for pulp mill development.

This publication provides more of the detail featured in our recent newspaper information campaign to inform Tasmanians of some of the key issues surrounding the pulp mill project.



John Gay  
Executive Chairman

# The Facts – Pulp Mill will meet stringent environmental conditions

Tasmanians can be confident that the proposed Bell Bay pulp mill will meet the stringent environmental provisions including all the matters identified in the expert Sweco Pic report.

The independent Sweco Pic assessment found that Gunns' project met 92 of the Government's 100 emission limit conditions, two were deemed to be not significant and the company has undertaken to meet the remaining six through operating permit conditions.

- Gunns Limited is committed to address each of the issues outlined in the report and will work with the State Government and regulatory authorities to meet Sweco Pic's recommendations.
- Gunns has already agreed to operate the chemical plant in accordance with Sweco Pic's recommendation, as a non-integrated plant, removing all concerns.
- The company has agreed to do more work to develop a comprehensive plan for managing accidental spills and leaks as well as undertake the required hydrodynamic modelling and monitoring. This has been specified in the mill permits.
- Gunns will instruct the project builders to ensure operations of the pulp mill comply with all requirements, conditions and permits and indeed, this is already a condition of the construction contract.

Sweco Pic reported that two conditions were not significant – one concerning odour emissions predicted to exceed design criteria once every 11 years over what are unpopulated areas, and the second regarding the height of the smoke stack being lower than 20 year-old criteria.

- The proposed smoke stack height is environmentally sound under modern emission dispersion modelling and using modern boilers, and Sweco Pic agrees this is acceptable.
- Nitrous oxide emissions slightly exceeding the guidelines is a result of Gunns' preference to use gas instead of heavy fuel oil in the lime kiln and delivers a far better overall environmental outcome with significantly reduced sulphide emissions.

**TASMANIANS CAN BE ASSURED THAT GUNNS WILL BE EMPLOYING WORLD'S BEST TECHNOLOGY TO DEVELOP A WORLD-CLASS PULP MILL THAT MEETS ALL GUIDELINES AND PERMIT CONDITIONS – CONDITIONS THAT WILL BE MUCH TIGHTER THAN ANY OTHER COMMERCIAL OPERATING FACILITY IN TASMANIA OR AUSTRALIA.**

# The Facts – Tourism and Wine Industries will continue to grow

The independent Sweco Pic assessment demonstrates there will be no significant impacts from the proposed pulp mill on the air and marine environments of the Tamar Valley and the surrounding region and therefore no significant impacts on local industries that rely on those environments.

The proposed mill will be located in the Bell Bay Major Industrial Zone, an area expressly zoned for heavy industry. It will be situated amid existing industries including:

- A thermal power station
- An electricity sub-station
- An aluminium smelter
- An aluminium powder plant
- A ferro-alloy smelter
- Two woodchip mills
- Wood processors
- A major port facility
- A municipal landfill
- A municipal sewage treatment plant.

Pulp Mills are in operation and co-exist without impact on other industries throughout the world. Examples of this include Spain, Portugal, France and Chile, all regions rich in tourism, wine-growing and fishing industries.

**LOCAL TOURISM AND WINE-MAKING INDUSTRIES  
WILL BE ABLE TO CONTINUE TO DEVELOP AND  
PROSPER AS THEY HAVE DONE TO DATE IN THE  
REGION, ALONGSIDE HEAVY INDUSTRY AND  
OTHER LAND USES.**

# The Facts – World-class in every respect

The Bell Bay Pulp Mill project has been under development for four years and under public scrutiny for two and a half years. This represents the most extensive planning and examination of a development project in Tasmania's history.

- Gunns engaged leading international pulp mill consultants Poyry to lead the mill design. Poyry have been involved in the development of nearly every bleached Kraft pulp mill in the world for the past 50 years.
- Gunns has selected Andritz, one of two leading international pulp mill manufacturers, for the supply of the pulp mill's main equipment. This agreement involves the purchase and commissioning of the mill and contains guarantees of compliance with the stringent Emission Guidelines.
- Gunns and its experts have spent more than two years preparing documentation to ensure and demonstrate that its project meets the Emission Guidelines and the RPDC's Scoping Guidelines. The Draft Integrated Impact Statement (IIS) was submitted in July 2006.
- All matters raised through the RPDC consultant reviews and public input of the Draft IIS have been addressed comprehensively and are presented within the Supplementary Information, submitted in February 2007.
- Gunns and its experts stand behind the quality of this work. The company has spent \$30 million on studies, research, investigations and planning to get to this point.

**THE PROPOSED MILL TRULY REPRESENTS THE BEST AVAILABLE TECHNOLOGY THAT WOULD BE ACCEPTED BY ANY OTHER COUNTRY IN THE WORLD. WORLD LEADING CONSULTANTS POYRY FOREST INDUSTRY OF FINLAND HAVE CONFIRMED THAT YOU SIMPLY CANNOT DEVELOP A BETTER WORLD-CLASS PULP MILL TO PRODUCE HIGH QUALITY BLEACHED PULP.**

# The Facts – Public input being considered

The Bell Bay Pulp Mill project has been in development for four years and under public scrutiny for two and a half years. During that time approximately 150 days of public consultation has been undertaken.

- Gunns and its experts spent more than two years preparing documentation to ensure and demonstrate that the project meets the Emission Guidelines and the Scoping Guidelines established by Tasmania's Resource Planning and Development Commission (RPDC). The Draft Integrated Impact Statement (IIS) was submitted in July 2006.
- More than 750 formal comments and submissions were received in response to the Draft IIS.
- All matters raised through the RPDC consultant reviews and public input to the Draft IIS have been addressed and were presented within the Supplementary Information, submitted in February 2007, and available publicly on the project website at [www.gunnspulpmill.com.au](http://www.gunnspulpmill.com.au).
- Importantly, all public comment and submissions are being considered, ensuring that the input of all interested parties is taken into account.
- A further opportunity was provided for the public to comment on matters of national environmental significance through the Commonwealth Environment Protection and Biodiversity Conservation Act assessment. More than 250 submissions were received, with Gunns providing a comprehensive Response to Submissions document to respond to this comment.
- Gunns and its experts stand behind the quality of their planning, scientific and environmental work and are confident that the project will stand up to the most rigorous assessment.

**THE PROPOSED PULP MILL HAS BEEN SUBJECT TO THE MOST COMPREHENSIVE PUBLIC SCRUTINY AND ALL PUBLIC INPUT, COMMENT AND SUBMISSIONS ARE BEING TAKEN INTO ACCOUNT IN ASSESSING THE PROJECT.**

# The Facts – Effluent Quality and Monitoring the Marine Environment

Extensive scientific studies show that the proposed Bell Bay Pulp Mill's planned state-of-the-art effluent treatment will safeguard the surrounding marine environment. Gunns Limited will institute an extensive monitoring program to ensure the study results become a reality.

- The mill effluent treatment plant will be state-of-the-art, incorporating best design principles of primary and secondary treatment plants in operation in the pulp industry around the world.
- Extensive scientific studies have confirmed that the quality of the effluent will meet the stringent emission guidelines developed by the RPDC, and that there will be insignificant or no impact on the aquatic environment or marine life.
- To ensure that the quality of the effluent is as predicted by the studies, Gunns will conduct an extensive and ongoing monitoring program, both at source (within the mill) and in the receiving waters. The cost of the marine monitoring program is expected to be more than \$1 million annually.
- Results from this monitoring program will be publicly available to ensure an open and transparent process. Gunns will need to demonstrate that the effluent from the mill is not impacting on the environment in order to comply with licence conditions.
- To understand the current state of the existing marine environment, Gunns will conduct extensive background monitoring until the mill is operational. Pilot monitoring for this program commenced six months ago.

**EXTENSIVE STUDIES INDICATE THAT THE EFFLUENT FROM THE MILL WILL NOT IMPACT ON THE MARINE ENVIRONMENT. MONITORING PROGRAMS AND PUBLICISED RESULTS WILL ENSURE THAT THIS OUTCOME IS REALISED IN AN OPEN AND TRANSPARENT MANNER.**

# The Facts – Impact on the atmosphere not significant

One of Australia's leading experts in meteorology and air quality - Mr Robin Ormerod of Pacific Air & Environment – conducted a comprehensive review of the research and modelling on atmospheric emissions from the proposed Pulp Mill.

Mr Ormerod also performed additional modelling based on CSIRO standards and concluded that the Pulp Mill emissions will have an insignificant impact on the Tamar Valley air shed. His key findings were:

- Residents in the area of the Pulp Mill should not notice any odour from the mill.
- Emissions of particulate matter (PM10) are expected to have an insignificant impact on Launceston. Any exceeding of the national PM10 guidelines in Launceston will be due to existing local sources rather than any influence of the mill.
- Emission of nitrogen and sulphur oxides will not exceed State Government guidelines criteria at any of the 14 modelled location points in the Tamar Valley.
- The impact of carbon monoxide will be negligible.

**AN INDEPENDENT REVIEW FOUND THE ATMOSPHERIC IMPACT OF THE MILL WOULD BE INSIGNIFICANT. MR ORMEROD'S FULL REPORT IS AVAILABLE WITH OTHER SUPPLEMENTARY INFORMATION AT [WWW.GUNNSPULPMILL.COM.AU/IIS](http://WWW.GUNNSPULPMILL.COM.AU/IIS)**

### The Facts – Dioxin claims refuted

Tasmanian Greens' claims over an error in the calculation of dioxin levels from the proposed Bell Bay Pulp Mill are nothing more than irresponsible scare-mongering.

The proposed Pulp Mill will meet the most stringent emission guidelines agreed to by the Tasmanian and Commonwealth Governments.

The falseness of claims by the Greens and petroleum engineer Associate Professor Andrew Wadsley is clearly demonstrated in the recommended environmental emission limit guidelines for new bleached eucalypt pulp mills issued by the Resource Planning and Development Commission (RPDC).

**“THE NATIONAL PULP MILLS RESEARCH PROGRAM (FANDRY, JOHANNES AND NELSON 1989) HAS SHOWN THAT 2,3,7,8 TCDD (DIOXINS), 2,3,7,8 TCDF (FURANS) AND CERTAIN POLYCHLORINATED BIPHENYLS ARE NOT DETECTABLE IN MODERN PULP MILL EFFLUENT, EVEN USING THE IMPROVED ANALYSES NOW AVAILABLE.” \***

The likely concentration of dioxins and furans in the pulp mill effluent is the equivalent to the concentration of salt after one salt grain has been put in a volume of water occupying 70 olympic size swimming pools, and will be 10 times lower than drinking water standards in the United States.

Gunns stands behind the quality work of its expert consultants who have spent thousands of hours modelling the project's potential impact on the environment and had reached thorough, scientifically-based conclusions. These findings are now undergoing full and independent review by the Tasmanian and Commonwealth Governments.

\* RPDC

*Recommended environmental emission limit guidelines for any new bleached eucalypt kraft pulp mill in Tasmania.*

*Volume 2*

*[http://www.rpdc.tas.gov.au/\\_\\_data/assets/pdf\\_file/0016/66310/Final\\_Report\\_Vol2.pdf](http://www.rpdc.tas.gov.au/__data/assets/pdf_file/0016/66310/Final_Report_Vol2.pdf)*

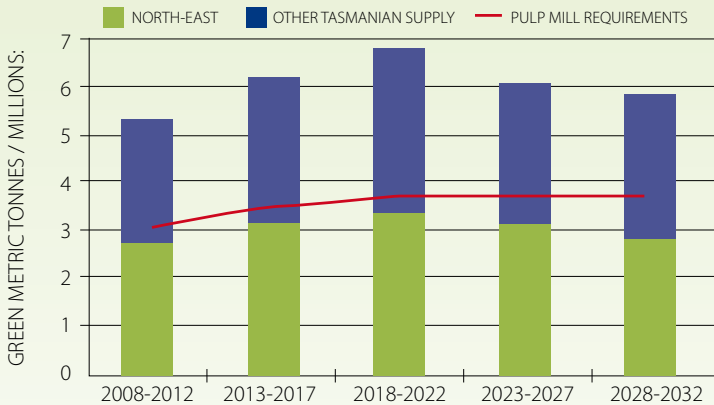
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## The Facts – No extra timber harvest for Pulp Mill. Potential decrease in log truck movements

The proposed Bell Bay Pulp Mill pulpwood requirements could be almost completely met from Tasmania’s north-east catchment – wood currently supplied to Gunns’ export woodchip facilities at Bell Bay. As well, the preferred transport strategy, employing rail where possible, would result in an overall decrease in log truck movements across Tasmania.

- There will be no extra harvesting from Tasmania’s forests as a result of the Pulp Mill development. It will simply divert woodchips that are currently exported to local processing, creating jobs and economic growth for Tasmania.
- The Pulp Mill will use between 3.2 million and four million tonnes of woodchips each year from plantation and regrowth forests, mostly from the North East. No increase in forest operations will be required to supply the mill.

### Projected Tasmanian Pulpwood Availability to Gunns by Location



- The preferred transport strategy for the Pulp Mill is to use rail wherever possible to transport wood from areas outside the north-east region to reduce the potential for adverse impacts on our roads. This depends on the outcome of negotiations between Gunns, government agencies and the rail operator to ensure that the rail network is capable of transporting the wood.

**THE PULP MILL WILL NOT INCREASE THE TIMBER HARVEST IN TASMANIA’S FORESTS AND IF RAIL TRANSPORT CAN BE USED, OVERALL LOG TRUCK MOVEMENTS WILL DECREASE.**

# The Facts – No old growth timber will be used in Mill

The proposed Bell Bay Pulp Mill will use between 3.2 million to four million tonnes of woodchips each year. The woodchips will come from plantations and regrowth forests. Absolutely no old growth wood will be used in the mill.

- There will be no extra harvesting from Tasmania's forests as a result of the pulp mill development. It will simply divert woodchips that are currently exported to local processing, creating jobs and economic growth for Tasmania.
- Tasmania's forests currently sustainably produce approximately five million tonnes of woodchips a year and this will rise in the future as more plantations come on stream. This is more than sufficient to supply the mill without increasing forest operations.
- The mill will use a mixture of wood from regrowth native forests and pine and eucalypt plantations.
- Within five years of establishment, 80 percent of the wood supply will come from plantations. Only 20 percent will come from regrowth native forests.
- No old growth forests, as defined by the Regional Forest Agreement (RFA) will be used to supply this mill.

**THE PROJECT WILL VALUE ADD TO TASMANIA'S FOREST RESOURCE AND KEEP JOBS AND WEALTH IN TASMANIA. IT WILL NOT INCREASE THE TIMBER HARVEST AND IT WILL NOT USE OLD GROWTH TIMBER.**

## The Facts – Water usage and power generation

- The Bell Bay Pulp Mill will use up to 26 gigalitres (GL) of water annually – this represents approximately one per cent of the flows into Lake Trevallyn.
- The water usage will have no impact on the environmental water flows through the Cataract Gorge. These are absolutely protected.
- The Pulp Mill off-take water will be taken from water that would have otherwise flowed through the Trevallyn Power Station. The volumes that will continue to flow through the power station would be sufficient to supply the water needs of a city twice the size of Melbourne.
- The Pulp Mill off-take volume would generate 0.86 Megawatts (MW) of electrical power at the Trevallyn Power Station. In contrast, the Pulp Mill, when built, will generate more than 180 MW –90 MW on site and 90 MW to be supplied into the Tasmanian electricity grid.
- To put the surplus power generation into perspective:
  - The Trevallyn Power Station generates 80 MW in total.
  - All industry and domestic power usage in the greater Launceston area (defined by the 7248, 7249 and 7250 post codes) averages 76 MW.

**THE PULP MILL WILL SUPPLY MORE THAN ENOUGH  
POWER FOR THE WHOLE OF LAUNCESTON.**

### The Facts – Greenhouse positive

Gunns Limited commissioned experts to make an assessment of the impact of the Pulp Mill on greenhouse gases. These studies confirmed that overall, there will be a reduction of more than 1.1 million tonnes per annum in Carbon Dioxide equivalent emissions into the atmosphere as a result of the Pulp Mill operating at Bell Bay.

Significant factors contributing to this large reduction include:

- Exporting pulp rather than woodchips results in a very large reduction in emissions as much less fuel oil is burned by ships used to transport the chips.
- The Pulp Mill's surplus electricity – sourced from sustainable biomass – and sold into the national electricity grid, will replace other electricity predominantly derived from fossil fuels such as coal and gas (unlike Tasmania's hydro power).

As the Tasmanian forestry operations that will supply the mill are sustainable, the greenhouse gas impact from these operations is neutral.

**INDEPENDENT EXPERTS CONFIRM THAT THE OPERATION OF THE PULP MILL WILL RESULT IN A VERY SIGNIFICANT REDUCTION IN GREENHOUSE GAS EMISSIONS.**

### The Facts – Technology

The Bell Bay Pulp Mill has been designed to comply with the world's most stringent Emission Guidelines issued by the Tasmanian Government.

- The mill is designed to use the prevailing global technology Elemental Chlorine Free bleaching (ECF) producing world-class quality Eucalyptus Market Pulp.
- Wood residue from the chipping operation and additional forest wood waste will be used to produce Green Power that will fuel the mill and at least 90 MW of surplus electricity will be fed into the Tasmanian grid.
- The mill has been designed to the very highest standards of both energy consumption and generation.
- The mill is designed with a dedicated Chemical Plant only requiring Australian salt as raw material, so avoiding the need to transport chemicals to the site.
- The odour abatement system is more advanced than any other mill in the world because it uses a three-tier back up system.
- The mill will be 70 per cent more efficient in water usage than previous technology.

**THE BELL BAY PULP MILL WILL SET A NEW GLOBAL BENCHMARK IN ENVIRONMENTAL STANDARDS.**

# The Facts – Major economic and employment boost

The Bell Bay Pulp Mill will provide a major boost to the Tasmanian economy and employment, unseen since the major hydro-electric construction program of the 1960s and 1970s.

- At around \$1.5 billion in capital expenditure, the proposed mill will be the largest ever investment by the private sector in Tasmania, and the largest ever by the forestry sector in Australia.
- The project will add around \$6.7 billion, or 2.5 per cent to the Tasmanian economy. Investment and growth in this State is essential if we are to enhance our living standards and match those of mainland States.
- The construction phase will provide a further boost to the economy through higher investment and employment activity. The annual construction expenditure is predicted to be \$39 million and the impact on the trade and accommodation sector, \$98 million during this period.
- Construction of the Pulp Mill and flow-on investment will create some 8000 direct and indirect jobs spread across the trades and other areas. A further 1500 to 1600 additional direct and indirect jobs will be created during the Pulp Mill's operation. These jobs will be sustained through the lifetime of the mill's operation.
- The increase in value of pulp compared to export woodchips will reduce Australia's balance of trade deficit in forest products by an impressive 25 per cent.
- The project will generate an additional \$900 million in extra government revenue for social distribution in the community. This can be used to help fund health, education, roads, police and other essential services.

**THE PULP MILL WILL GROW THE WEALTH OF THIS STATE AND BRING SIGNIFICANT NEW EMPLOYMENT OPPORTUNITIES FOR TASMANIANS.**

Tasmania's Parliament has provided a resounding vote of support for the Bell Bay Pulp Mill and the world-class project now has full State approval.

The pulp mill will be the best of its type in the world and meet the most stringent environmental guidelines.

This confidence is backed by the findings of the independent Sweco Pic report and the commitment to meet tough emission conditions through the mill operating permits.

Tasmania can protect its environment and have the jobs, economic and social benefits to be provided by the pulp mill.

The project provides an unprecedented opportunity to grow the Tasmanian economy in a sustainable way, to benefit all Tasmanians.



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