

Keynote Speaker

Bob Gordon

**Executive Director
Pulp Mill Task Force**

Keeping our
economy
in
the **green**



Project of State Significance

Gunns pulp mill



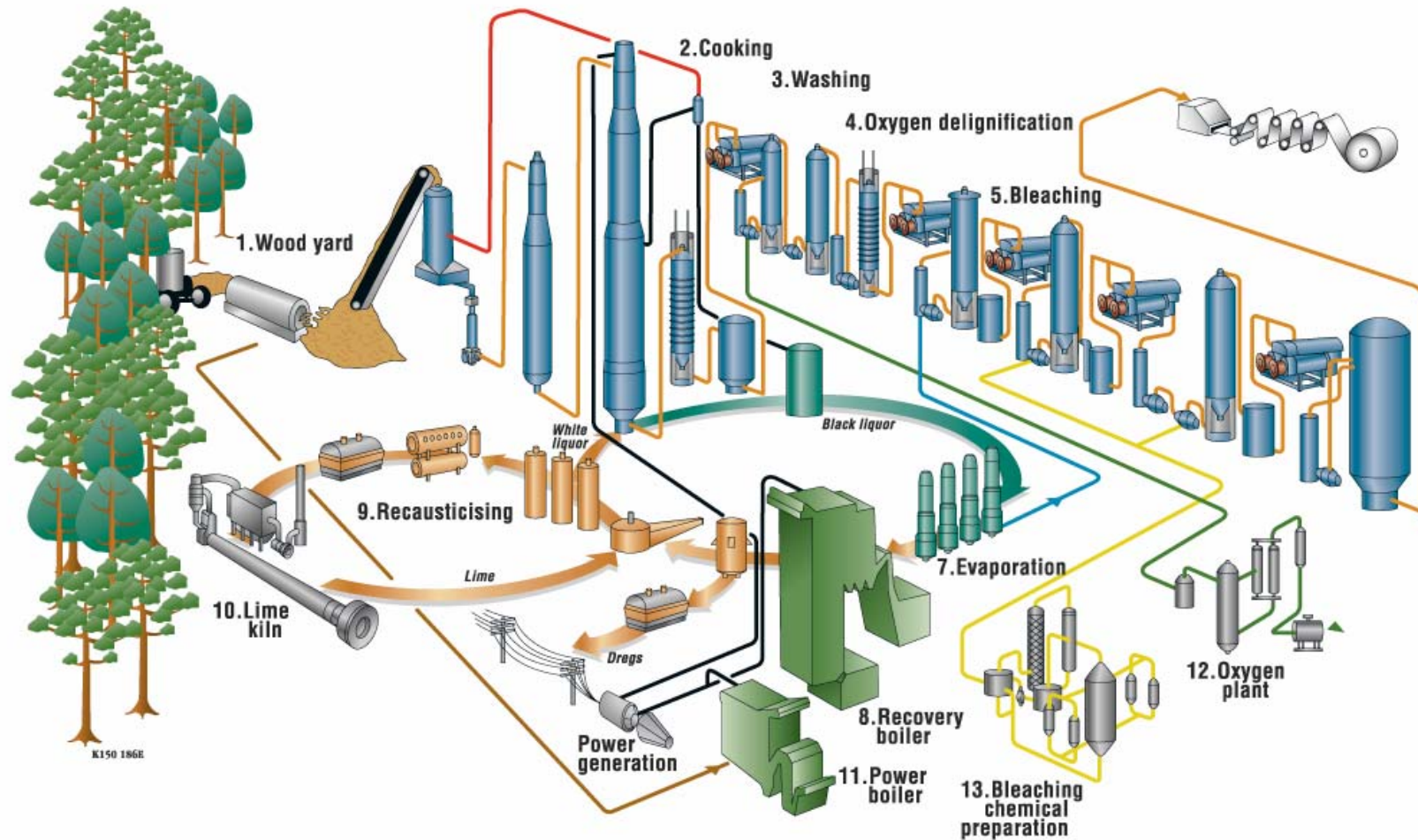
Location



Key elements



Process Flow Diagram



PoSS for big projects

- involve large capital investment
- have a significant contribution to the State's economy
- impact on roads, railways, energy, etc
- impact on environment
- complex technical processes and engineering designs
- potential significant contribution to Australia's balance of payments





Open, transparent independent assessment

- **Because of the scale of the project, a PoSS operates outside normal land use planning provisions**
- **Conducted by the independent Resource Planning and Development Commission (RPDC)**
- **Assesses**
 - **environmental**
 - **social**
 - **economic**
 - **community impacts**
- **Thorough, full public consultation**



Public scrutiny

- **What the proponent should address in an Integrated Impact Statement**
- **What the proponent reported**
- **What the RPDC then reports**

The final say



- **RPDC makes its final report to the Premier on whether the project should proceed**
- **Conditions**



The Guidelines

Commercial pulping processes



- **CHEMICAL PULPING** - Wood chips are cooked with chemicals to degrade and dissolve the lignin “cement” between the fibres. There is relatively low mechanical energy involved and the fibres are largely intact. Products are kraft pulp, soda pulp and sulphite pulp.
- **MECHANICAL PULP** - The fibres in the wood chips are separated by the application of mechanical energy. Process has a large energy input which results in much fibre breakage and fine fragments. Thermomechanical pulp (TMP) uses heat to soften the chips prior to separation.
- **SEMI-MECHANICAL & CHEMI-MECHANICAL PULPS** - These sit in the middle of the above range of processes and use varying proportions of chemical and mechanical energy.
- Chemical pulps particularly kraft pulp are much stronger than mechanical pulps and is the dominant traded pulp (70%).

A green mill



- A new pulp mill in Tasmania has to be safe for the community
- It has to be safe for the environment
- Not one extra tree will be used



A green mill

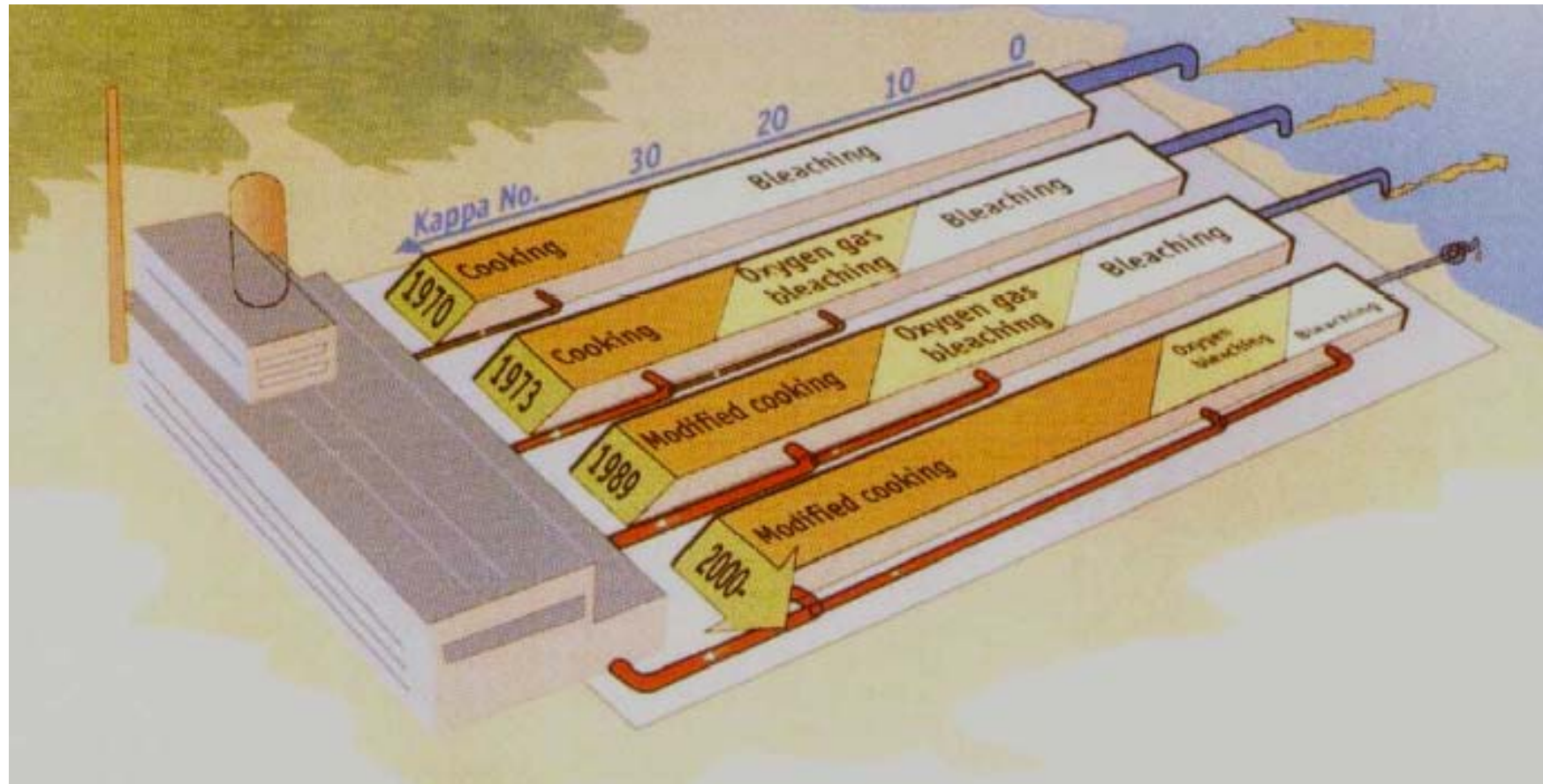
- **Tasmanian Government has set a tough environmental test for the pulp mill**
- **RPDC produced emission guidelines that are the tightest in the world**
- **Gunns Ltd has now said it wants to accept the challenge**



Safest in the world

- **Update 1995
Commonwealth guidelines**
- **Strict standards for air,
liquid emissions and solid
waste**
- **Environmental limits dictate
world's best technology**

Process Changes over time



Effect on Kappa No (residual lignin) of process changes

1973 O₂ Delignification introduced, 1989 Modified continuous cooking, 1990s ECF bleaching and compact cooking

each change increasingly reducing effluent emissions to the environment

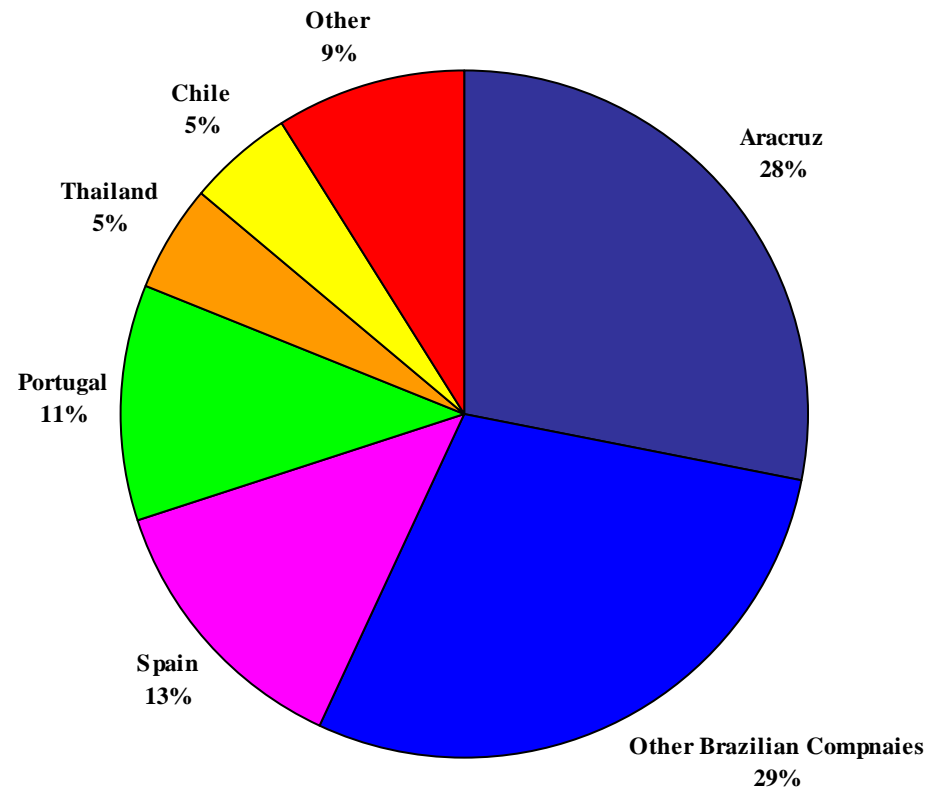
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Economics

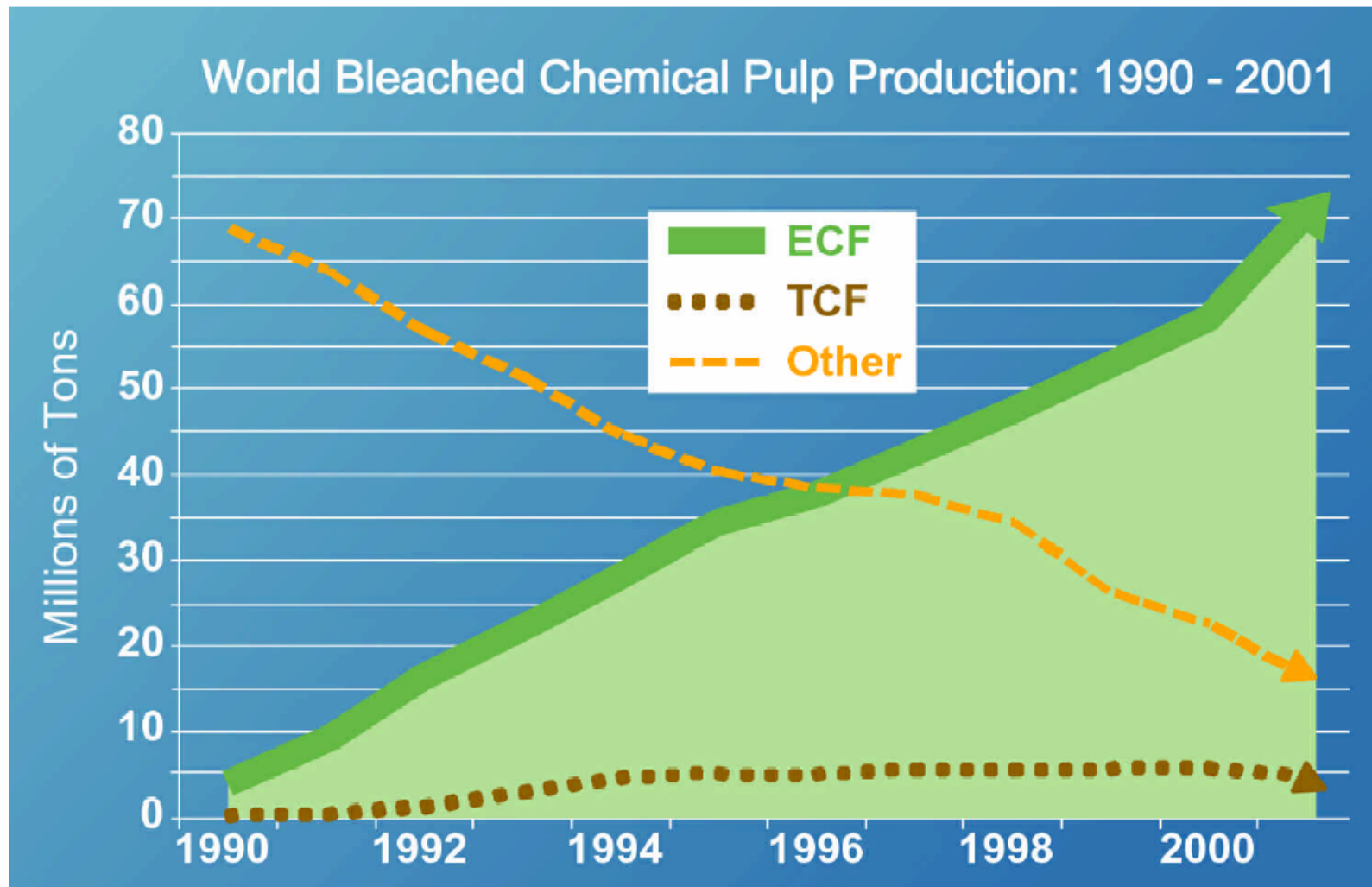
Market Bleached Eucalypt Pulp

World BEKP Market Pulp Capacity 2003



Source Aracruz Annual Reports

EFC or TCF bleaching



Economic impacts

Monash study outcomes based on:

- **650,000 tonne p.a. pulp output**
- **Minimum \$1 billion capital investment**

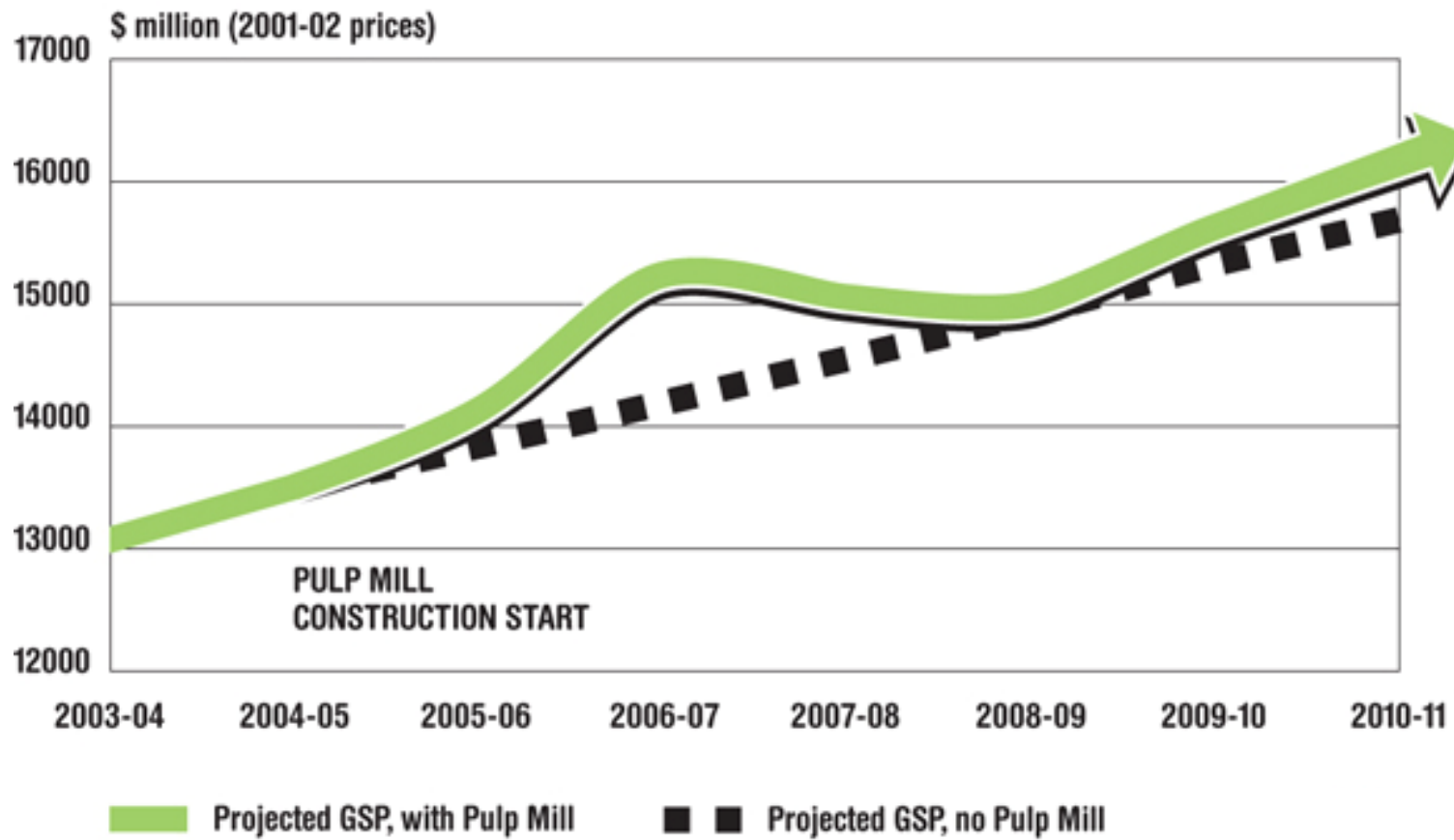




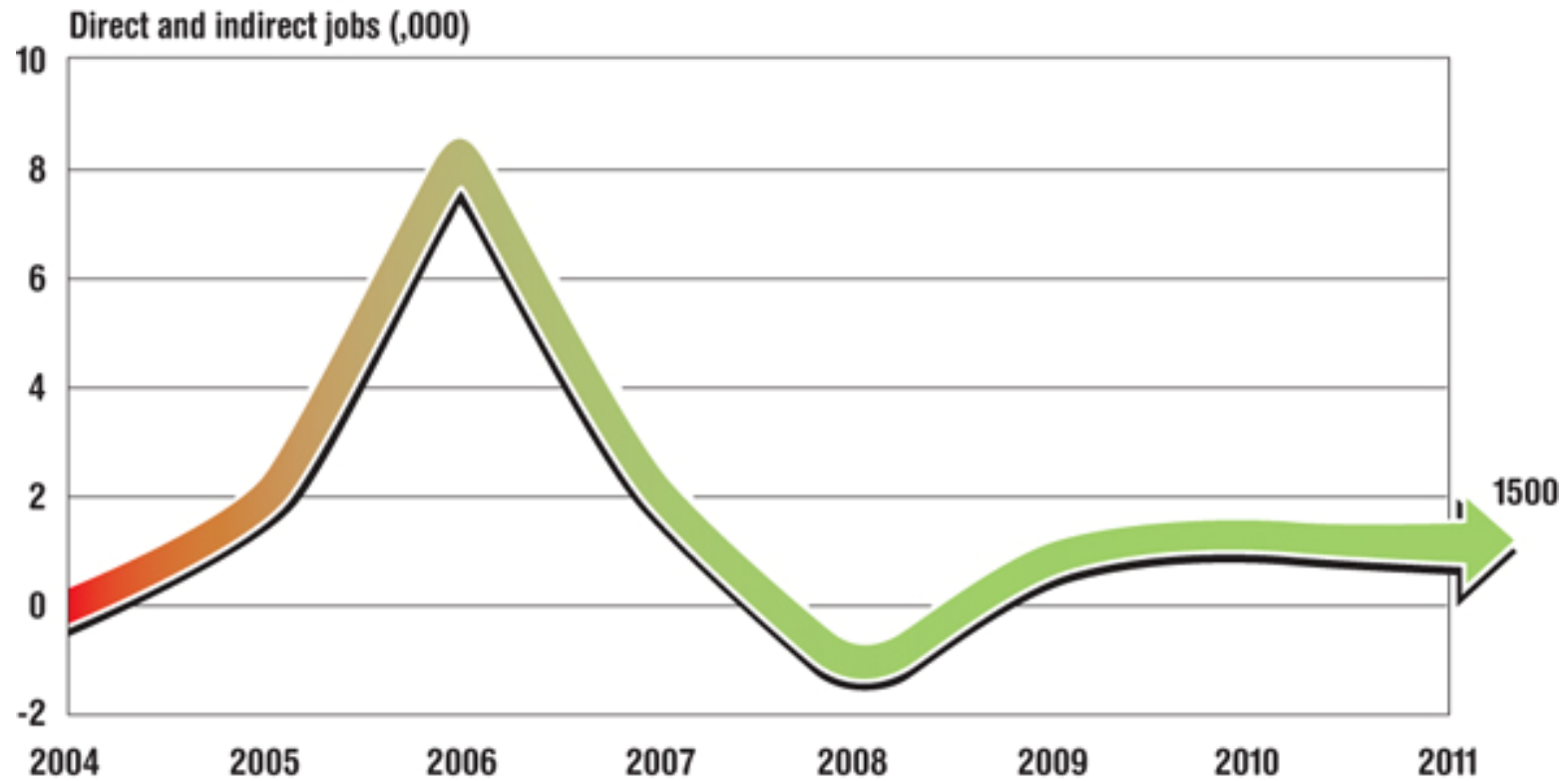
Immediate response

- After one year of operations, **Gross State Product up 2.1 per cent**
- **\$2000 p.a. increase in average household consumption**

Economic growth (GSP)



Direct and indirect job effects



Net job effects



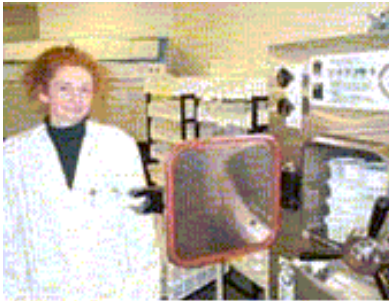
- More than 300 jobs at the mill
- 500 long-term increase in construction, trades jobs
- 300 long-term jobs in finance, business

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A whole-of-government approach

Local content



Maximising Opportunities for Tasmania:

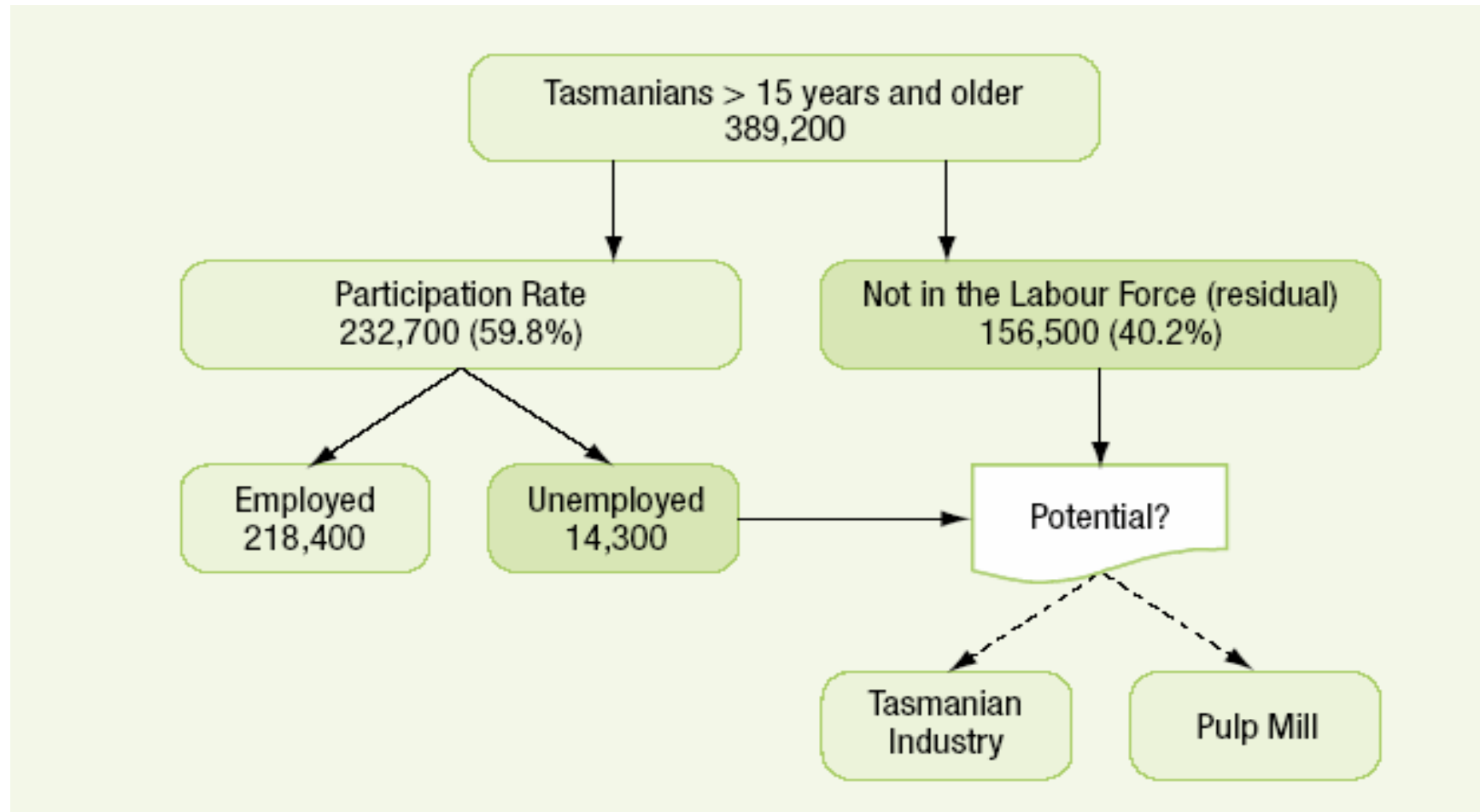
- Gunns has indicated a commitment to encourage local content whenever it is commercially feasible;
- Suppliers provided with information CD on Tasmanian economy;
- ICN Tas working with Gunns on local supply;
- Registration of interest through ICN Tas;
- “Meet the buyers” forum later this year.

Employment opportunities

Indicative labour force projections for the construction phase

Task	People
Earthmoving & site works	100
Steel fixing	250
Concrete finishing	150
Metal fabrication & welders	600
Riggers	150
Fitters	250
Electricians	300
Plumbers (sanitary), HVAC	150
Project staff	200
Labourers, etc.	200
Total	2350

Employment opportunities

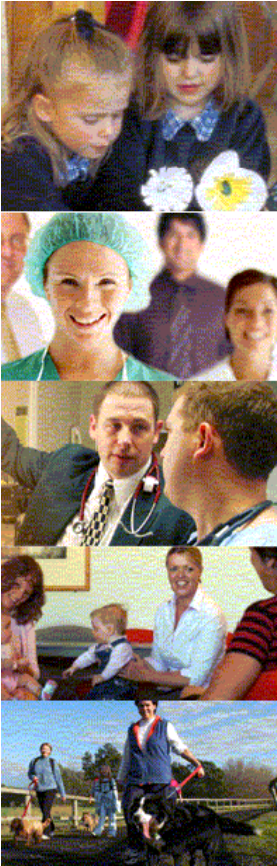


Skills requirement



- Audit process in place to identify skills required for construction phase
- Assessment of how this can be best met by the Tasmanian labour force
- Assessment of skills that can be developed within Tasmania and programs to train people

Impact on regional communities



- Housing strategies
 - Existing housing – rental, holiday homes
 - Existing temporary accommodation – hotels etc
 - New facilities – new future aged care, new subdivisions
 - Temporary facilities – construction camp (last resort, design around future subdivision use).
- Services
 - Schools
 - Medical and community services

Infrastructure



- Existing infrastructure in George Town of a good standard needs minor enhancement
- Road and rail infrastructure adequate with some “tweaking”
- Shipping/port good facilities
- Water – needs additional infrastructure to service a pulp mill



>> PLAY <<

A Pulp Mill Community

The Finland Experience

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