

Fact Sheets – Bell Bay Pulp Mill

Economic impact

- The total value of the project to Tasmania's Gross State Product to 2030 is calculated at \$9.9 billion in today's dollars, which is more than four times the initial investment.
- At \$2.3 billion, the pulp mill will be the largest private sector project ever undertaken in Tasmania, and the largest ever investment in the pulp and paper sector in Australia.
- Woodchip processing through the pulp mill would allow 80 per cent of the value of the plantation resource to be captured in Tasmania. Presently, only 40 per cent of the value is captured in Tasmania.
- In every year of the mill's operation, Tasmania's Gross State Product will be four per cent higher than it would have been without the pulp mill.
- The pulp mill will play a very considerable role in offsetting the negative impact of Australia's 'two-speed' economy on Tasmania.
- The value to the Northern Tasmanian region will be \$3.7 billion, which is a boost to Gross Regional Product of around six per cent each year.
- The project will create approximately 3,100 extra full-time jobs in Tasmania over each year of the mill's operations.
- The number of jobs to be created is more than 12 times the direct employment in the mill. These extra jobs will arise from the positive flow-on effects from the supply of goods and services to the mill. These jobs are in addition to the existing employment in the industry.
- In Northern Tasmania, an estimated 2,600 extra full-time jobs will be created every year during the operation of the mill. This equates to an increase in employment of over 11 per cent each year.
- The positive economic impact of the project would be much greater in Tasmania than in Australia as a whole, reflecting that the supply of services and materials will largely be from within Tasmania.
- Total value to the Australian economy is estimated to be \$2.4 billion (NPV of Gross Domestic Product).

Notes:

Gross State Product (GSP) is a measure of the state's economic performance and represents the market value of all goods and services produced within the state at a particular time.

This economic information is based on an economic analysis of the project undertaken in March 2011 by Insight Economics and Monash University using the Monash Multi-Regional Forecasting Model (MMRF).

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Summary of economic impacts

| Measure | Impact |
|-------------------------------------------------------------------|---------------|
| NPV of Gross Domestic (State) Product impacts | |
| Australia | \$2.4 billion |
| Tasmania | \$9.9 billion |
| NPV of investment impacts | |
| Australia | \$1.3 billion |
| Tasmania | \$4.5 billion |
| NPV of consumption impacts | |
| Australia | \$2.8 billion |
| Tasmania | \$3.7 billion |
| NPV of increased taxation revenues | |
| Australian Government | \$391 million |
| Tasmanian State Government | \$597 million |
| Average annual number of additional jobs in the operational phase | |
| Australia | 600 persons |
| Tasmania | 3,100 persons |
| NPV of Gross Regional Product impacts in Tasmanian regions | |
| Northern Region | \$3.7 billion |
| Mersey Lyell | \$2.1 billion |
| Southern | \$0.9 billion |
| Greater Hobart | \$2.6 billion |

Note a: The net present values in this report are estimated over the period 2011 to 2030 using a real social discount rate of five per cent.

Note b: The Gross Regional Product figures sum to less than Gross State Product because they are estimated at factor cost and exclude taxes and subsidies.

Source: CoPS Modelling

The full economic report is available for download from

<http://www.gunns.com.au/news/latest-news/latest-news-article/Bell-Bay-Pulp-Mill-to-deliver-10-billion-to-Tasmanian-Economy-Report/371/>