



June 22, 2005

Dear Tasmanians

Gunns Limited is committed to building a world-class pulp mill at Bell Bay to add value to Tasmania's forest resource. We are investing millions of dollars in bringing international experts to Tasmania to ensure the pulp mill sets new benchmarks of environmental, economic and social excellence.

The State Government has been extremely proactive in ensuring that any company or individual wishing to build a pulp mill in Tasmania has to follow a strict process in terms of meeting some of the world's toughest guidelines. And that is the process that Gunns Limited is working through.

Finnish consultants Jaakko Poyry concluded last year that a pulp mill project could be viable in Tasmania. On this basis, Gunns Limited employed GHD consultants to prepare a detailed Integrated Impact Statement (IIS) addressing environmental, economic and social factors.

This IIS is expected to be completed by September and handed to the Resource Planning and Development Commission (RPDC) for assessment.

All Tasmanians will be given every opportunity to examine every detail of Gunns Limited's IIS when it is released for public comment.

Gunns Limited has and continues to guarantee we will abide by the process and ensure an open and transparent process. All results from our scientific research and analysis will be released for comment. All detail on air emissions and ocean outfall will be released for comment. And all detail on transport, design, production and other elements of the proposal will be released for comment.

The reality is, despite debate in recent days, the period for formal public comment on the project has not yet commenced. This will occur after our IIS is released.

The comment process that has already taken place is in relation to the guidelines, not the project. These stages have ensured that all interest groups and individuals have input into the benchmarks that have been established by the RPDC.

Gunns Limited has not made major changes to its proposed pulp mill development.

The size of the mill has not changed. About 800,000 tonnes of air dried pulp will be produced each year.

The land required for the mill has not changed. About 100 hectares is required for the mill. The entire site, including the existing chip mill, the proposed pulp mill, buffer zones and land for aesthetic purposes, is about 600 hectares.

The number of employees required for construction has not changed. Monash University estimated that there will be 4000 direct and 4000 indirect jobs created during construction and 1500 direct and indirect jobs once the mill is operational. It is expected that about 2000 of these employees will require accommodation in the area during construction.

The resource for the mill has not changed. Plantation timber contains higher concentrations of cellulose fibre, required for premium pulp production. Our focus has always been to increase the level of plantation timber for the mill as the resource becomes available.

If the pulp mill proceeds, it will be world's best practice. The reality is if Gunns Limited can not meet the rigorous guidelines established by the RPDC, we will not be permitted to build a pulp mill.

I look forward to working with all Tasmanians to build a pulp mill that you and we can be proud of, that creates employment, generates economic growth for our State and adds value to our forest resource.

Yours truly

John Gay

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