

MEDIA RELEASE



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PULP MILL IIS SUBMITTED TO RPDC

Gunns Limited has submitted its Integrated Impact Statement for a \$1.4 billion pulp mill at Bell Bay to the Resource Planning and Development Commission for assessment.

The 7500-page social, environmental and economic analysis represents a planning investment of more than \$11 million and in excess of 350,000 hours of research, study, modelling and reporting.

The IIS is based on the development of a bleached Kraft pulp mill in the Bell Bay Major Industrial Zone that, in the initial stages of operation, will process 3.2 million green tonnes of pulp wood into about 820,000 air dried tonnes of pulp.

The pulp mill project is a downstream processing initiative and will not involve any changes to forest access or additional intensification of forestry operations. Woodchips that otherwise would have been exported will be diverted to the pulp mill for value-added processing. No old growth logs will be used in the mill.

Gunns Limited Executive Chairman John Gay said the pulp mill proposal represented the largest-ever investment by the private sector in Tasmania and the largest-ever investment within the forestry sector in Australia.

"We have worked with the world's top engineers to design the mill, we contracted Australia's best toxicologists to analyse any environmental effects, we engaged a leading university to model economic impacts and we have employed international pulp experts to join the Gunns team on a permanent basis," Mr Gay said.

"The mill design represents world's best practice in achieving the best environmental outcomes."

Monash University's Centre for Policy Studies concluded in its complex computer equilibrium modelling that a pulp mill in Tasmania will:

- Add \$6.7 billion (+2.5%) to the Tasmanian economy;
- Generate almost \$894 million in extra tax revenue between 2008-2030;
- Add \$1.5 billion to the Gross State Product during construction;
- Additional \$39 million annual expenditure by construction workforce in northern Tasmania; and
- Generate 3400 more jobs in 2008 during construction and more than 1600 once operational.

Kraft pulp mills have evolved over recent years with each one being technologically and environmentally better than the last. Gunns' mill will incorporate the best available technology and set new global standards for mill design.

Mr Gay said the Company had gone to extraordinary lengths to investigate and incorporate the best available technology, including a three-tier odour abatement system that is the most sophisticated of any in the world.

“There is no other Kraft pulp mill capable of achieving such a high standard of odour control,” Mr Gay said.

“We also intend to spend up to \$20 million a year over 30 years to incorporate evolving research and development activities worldwide into the project.”

Mr Gay said Gunns had spent a great deal of time listening to the concerns of the community and had taken costly and time-consuming measures to ensure these are addressed.

“I am confident in presenting the project for assessment that it will meet the requirements of the RPDC, the public and Gunns’ shareholders.”

NOTE: A full copy of the IIS can be accessed at: www.gunnspulpmill.com.au and will be available at most libraries around Tasmania and north-east region council chambers.

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