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Your Ref:

Our File:

12 September 2006

Mr J O Green  
Executive Commissioner  
Resource Planning and Development Commission  
GPO Box 1691  
HOBART TAS 7001

Dear Mr Green

**Gunns Limited – Proposed Bleached Kraft Pulp Mill at Long Reach,  
Northern Tasmania – Project of State Significance**

Thank you for your letter of 13 July 2006, regarding the integrated assessment of the proposed Bleached Kraft Pulp Mill at Long Reach by Gunns Ltd. Forestry Tasmania (FT) is pleased to make this submission setting out its views in respect of the proposal, as outlined in the Draft IIS.

The Draft IIS discusses in some detail the legislative and policy basis for the management and control of forest management in Tasmania, including the Forestry Act and the Tasmanian Regional Forest Agreement (RFA) which have specific relevance to State forest management by FT. In all relevant matters of substance, FT endorses the factual accuracy of that discussion.

**The RFA and FT Wood Supply**

The RFA was based on comprehensive assessment of environmental and socio-economic parameters, and established a comprehensive regime for sustainable forest management in Tasmania. Relevantly, that regime included:

- the establishment of a CAR (comprehensive, adequate and representative) reserve system;
- the introduction of policies and systems for the conduct of sustainable forest management on production forest lands; and
- provisions to encourage the local downstream processing of wood grown within the State.

Each of these outcomes have been further strengthened by the Community Forestry Agreement, 2005, which formally formed a supplement to the RFA.



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Under the Forestry Act, and further supported by the RFA, FT is required to make available a minimum annual supply of 300,000 m<sup>3</sup> of high quality eucalypt sawlog. In making this supply available, a further supply of associated "non high quality sawlog" is necessarily produced. This includes lower quality sawlog, and pulpwood log. This latter, which forms the majority of such product, supports a significant local pulp industry, and the export woodchip industry.

Under the RFA, FT is required to "undertake a review of sustainable high quality sawlog supply levels from public land to reflect the changes in the forest inventory and new intensive forest management initiatives concluded in this Agreement. The review will be completed and published during the first year of this Agreement, and thereafter will coincide with the 5 yearly reviews of this Agreement" (Cl 98, RFA). Such reviews were completed and published in 1998 and in 2002. A further update was published reflecting the further resource changes resulting from the Community Forest Agreement.

The RFA provided for the establishment of 20,000 ha of eucalypt plantation by FT to mitigate the loss of resource arising from new conservation reserves. This new plantation resource was included in the 1998 and 2002 sustainable yield reviews. This program of plantation establishment was completed in 2005.

Under the Community Forest Agreement, FT is committed to the establishment of a further 16,000 ha of eucalypt plantation to mitigate the resource losses from further conservation reserves and changes in native forest silviculture which are to be introduced into oldgrowth forests over the next four years. This additional area of plantation has been incorporated into the sustainable yield review published in 2005. The program is currently being implemented and will be completed by 2010.

Full details of the current state forest supply position can be found in "Towards a New Silviculture in Tasmania's Public Oldgrowth Forests: Final Advice to the Tasmanian Government", April, 2005.

FT reports annually on actual supply levels against sustainable yields in its Annual SFM Report.

The pulpwood supply position outlined in the Draft IIS is entirely consistent with FT's published sustainable yield projections. The assumed levels of supply are furthermore consistent with current contractual supply to the company, and with preliminary indications that FT has given in regard to future potential supply. While contractual arrangements are still to be finalised, continued supply along the lines proposed does not represent any change to FT's sustainable supply levels.

FT will continue to seek markets for the projected levels of pulpwood supply whether or not a pulpmill proceeds. We fully support and, indeed, actively seek to facilitate and give priority to the downstream processing of our logs within Tasmania. Ultimately, however, it is a matter for our customers whether logs are exported as woodchip, or used in domestic processing, and we will continue to seek the most profitable markets for the full sustainable capacity of our productive forest estate.

## **Forest Residue Fuels**

The proposal provides for the use of forest residues as fuel for a power boiler. While the specific source of such material is not identified, the recovery of such material is a key strategic objective in the adoption of more environmentally acceptable forest practices on State forest.

The Community Forest Agreement notes: "harvest residue management is a key issue in the improvement of sustainable forest management in the wet eucalypt forests of Tasmania, including reduced clearfelling of Old Growth forest. In this context, the Parties note the use of forest harvest residues as feedstock for biomass energy plants will improve the efficiency of overall resource use and assist regeneration under non-clearfell silvicultural techniques" (CI 57, TCFA).

As well as assisting the introduction of alternatives to clearfall silviculture, forest residue recovery will reduce the extent and smoke impacts of regeneration burning, improve the efficiency of utilisation of harvested material and has substantial greenhouse benefits in replacement of fossil fuel usage.

FT has been actively seeking the establishment of a bioenergy plant based on forest residues in the south of Tasmania, and development approval has been obtained for such a plant as part of the Huon (Southwood) Wood Centre. FT welcomes the establishment of such a processing capacity as part of the pulpmill development and would actively seek to contribute to indicated residue inputs. Such material would come only from residue material remaining after the scheduled sustainable harvest of higher value products.

## **Land Use**

The proposal includes the establishment of a landfill for the disposal of non-toxic wastes on State forest land adjoining the pulpmill site. FT has indicated in principle agreement to the revocation and sale of the land, subject to conditions. As the land is currently an informal reserve, and therefore part of the CAR reserve system, there is a responsibility under the RFA to maintain regional levels of protection of the CAR values contained within the reserve. Alternative reserves identified in the Draft IIS should be sufficient for this purpose, and we have requested Gunns to provide us with formal advice as to the precise arrangements for securing such alternatives so that there is transparent and documented basis for ensuring regional conservation requirements are maintained.

## **Summary**

FT supports the proposed development of a pulp mill as outlined in the Draft IIS, assuming that it meets required environmental guidelines. The proposal is consistent with FT supply projections, and with corporate strategies to achieve higher levels of local downstream processing and value return to Tasmania from its forest products.

The RFA has placed significant focus on achieving greater social and economic return to Tasmania from its forest production, reflecting a long-held view of the Tasmanian community as expressed through numerous inquiries and public discussions. The development of a pulpmill, provided it meets environmental guidelines, provides the single best opportunity available for many years for achieving a major step forward in this direction.

Yours sincerely

A handwritten signature in black ink, appearing to read "Hans Drielsma". The signature is written in a cursive style with a long, sweeping underline.

**Dr Hans Drielsma**  
**Executive General Manager**