

Executive Commissioner
Resource planning and Development Commission
GPO Box 1691
Hobart, Tas, 7000

enquiry@rpdc.tas.gov.au

Submitted by post and email

Submission to the RPDC
on the Proposed Gunns Pulp Mill in the Tamar Valley.

From James Gordon Ingles

Dear Sirs

I enclose my comments on the Allen Group Report of the socio economic impact of Gunns Ltd Pulp Mill Proposal.

My comments were at first prepared to assist the Launceston Environmental Centre but have also been provided to the Wilderness Society. I am advised that you are geared up to efficiently process a great deal of repetition and it is more important for each individual applicant to ensure his views are expressed than to worry about how your Council will manage to process the differing viewpoints and bulk of information.

My response is limited to the economic impact because I will be away during September and as it turned out I was hard pressed to cover as much as I have. I am now retired but from 1973 to 2004 was a self employed chartered accountant in public practice in Launceston. In that capacity I've had extensive experienced in the preparation of business plans, finance applications and the like for small businesses and I must say that if the Allen Group Report had come across my desk for approval as an application for assistance from for example a small tourism operator I would not have allowed it to leave the office. Major omissions include:

- The absence of any reference to a possible negative impact.
- Any consideration of the impact of fluctuations in turnover and it is acknowledged that the paper pulp and woodchip industries are price sensitive and subject to competition predominantly from developing economies which in the price stakes enjoy the competitive advantage. The CEO of Gunns Ltd has publicly threatened that if the proposal is rejected it might be established in Chilli.
- There is no risk assessment.
- The inputs into the modelling software are not disclosed so even if you are prepared to accept on faith the integrity of the software how can you believe the output if you don't know the basis on which it is computed?

For anyone making a submission the cost of accessing that software is prohibitive but I hope that access is available to yourselves and that you will have the opportunity to of running different scenarios. The biggest risk is closure or failure which in some press reports has been rated as probable. I simply don't have the information to pretend to make an assessment but am particularly concerned given the size of the proposal in relation to the Tasmanian economy and the current capitalisation of Gunns Ltd.

Nor is there any basis for assessment of alternative investment for Tasmania. Anecdotal evidence in the community is that the impact of a forest industry policy driven by woodchip and paper pulp production is that opportunity for the higher value but smaller turnover forest based industry such as fine timber and speciality timber is neglected. The same anecdotal evidence is that the impact of this forest policy is that total employment and skill levels have over time decreased and that this is likely to continue going forward. It would be helpful if accurate historical statistical information on these issues was available. If it is available I was unable to find it.

I imagine your Council does have the power to investigate the missing detail but in this instance I don't know how there can be any provision for public scrutiny.

Finally sir I wish to point out that my rather feeble contribution took quite a few days and possibly in excess of a week because the statements and assumptions in the IIS are significantly unsupported by any of the evidence provided and in successive readings there is a feeling of: "Why is that wrong?" It is as though it is written to give a warm feeling without providing any substance.

I am of course willing to answer any questions to the best of my ability or to assist in any way I am able. I of course agree with the statements that this is a massive opportunity and will be delighted if it is successful. My concern is that it might fail. Historically the fact is that notwithstanding all of the vocal noise there was no evidence of economic or social const as a consequence of Tasmania's failure to approve Wesley Vale. On the other hand there is clear and often disturbing evidence of negative consequences from the closure of large industry such as recent closures in Scottsdale and Bell Bay. The impact of a failure by the proposed Gunns Mill would cause any previous Tasmanian experience pale into significance but in the Allen Group Report there is no reference at all.

Thank you very much for receiving my submission.

Yours faithfully

James Gordon Ingles
31 Aug 06

Submission to the RPDC on the Allen Group Report included in the Gunns Ltd Pulp Mill Proposal Integrated Impact Statement

Impact on Gross State Product and Gross Domestic Product.

1. At Section 8.1 third paragraph the Allen Group speak of “converting exports of woodchips into exports of pulp.” That element of substitution does not appear to be reflected in Section 8.6, Figure 8.6, page 23, in Section 8.1 Table 8.1 page 2 nor in any other Domestic Product numbers quoted throughout the Report.
2. To the extent there is substitution and the effect of the decrease in export wood chips has not been adjusted against the impact of the proposed new pulp mill, the statistics quoted must be wrong and the impact overstated.

The basic premise of the IIS includes the following important three matters which are under subsequent headings by my submission refuted:

3. Tasmania’s economy will otherwise be in decline. Refer section 8.1 para 1, section 8.3 and figure 8.1
4. It is implied that the only solution is a major development such as the Gunns Pulp Mill. This same sentiment was proposed by Access Economics in it’s Business Outlook Report of June 2005 (publicly refuted by the Tasmanian Government) which said: “The best investment scenario for the State is that the void be filled by the \$1.3 billion Gunns pulp mill.”
5. Lower Gross State Product per capita in Tasmania compared to national Gross Domestic Product per capita means a lower standard of living is enjoyed by Tasmanians. Reference again the first para of the Summary of Key Results and section 8.3 page 6.

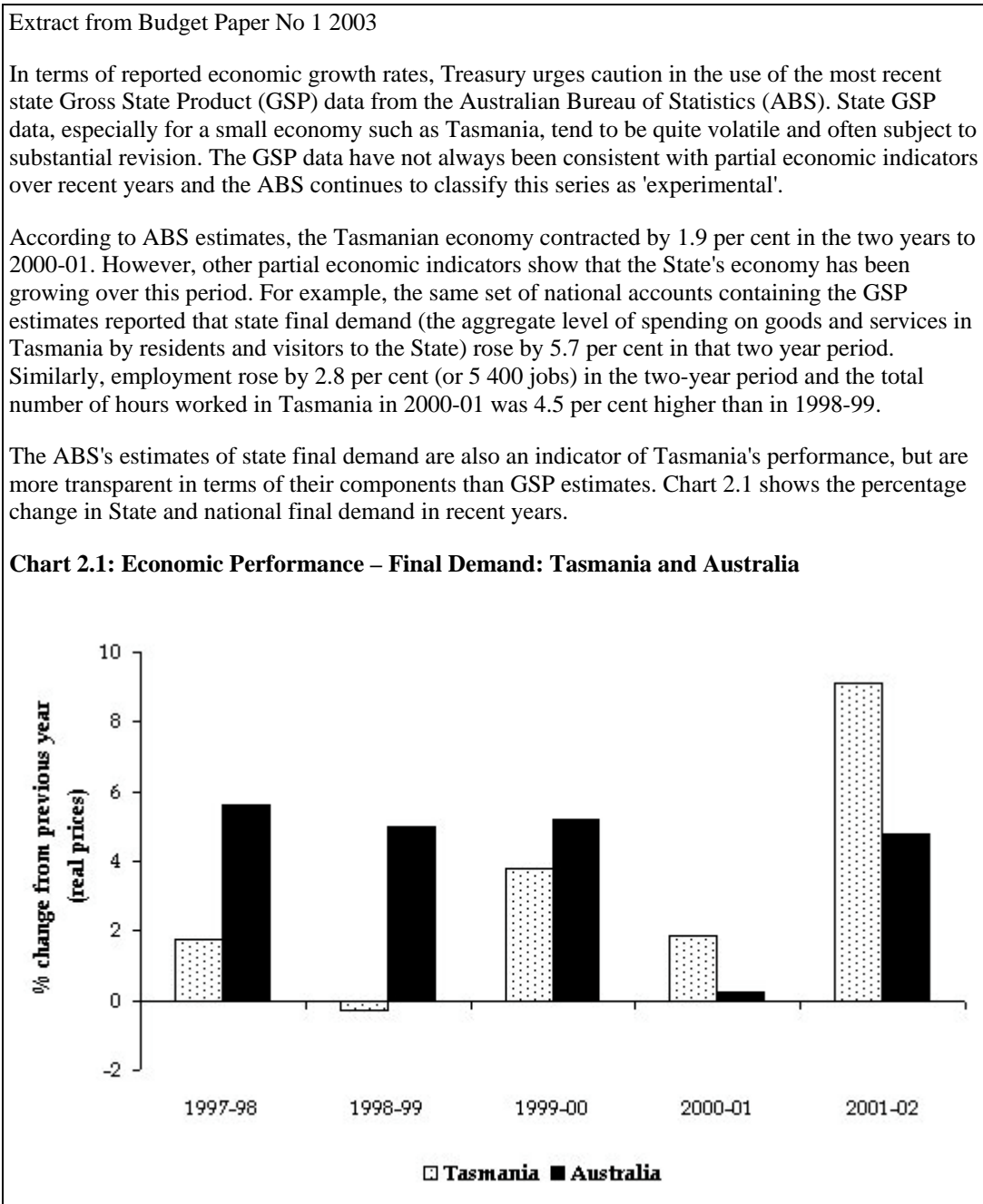
Question of a lower standard of living in Tasmania: (refuting point 5 above)

6. Anecdotally no one in Australia and certainly no one in Tasmania would acknowledge that Tasmanian’s endure a lower standard of living than Mainland Australia; to the contrary.
7. Refer Living Standards Management Study of the World Bank, Information and Research Services of the Department of the Parliamentary Library Brief No 4 of 2000-01. There are many factors to be considered before measuring standard of living. One of those is gross domestic product, but there are many others including the per capita income, population, infrastructural development, stability (political and social) and many other indicators..
8. The issue is addressed annually and more comprehensively in the Tasmanian State Government Budget Papers and the State Government publicly refuted the Business Outlook Report of June 2005 quoted in point 2. It is not satisfactory for a report as significant and allegedly comprehensive as the Economic Impact Assessment report of The Allen Consulting Group to reach a conclusion of lower living standards on the basis of such a superficial analysis. It is as a minimum arrogant to tell Tasmanians their standard of living compared to mainland states is decreasing. Would any member of the RPDC based on personal experience agree with the IIS Statement?

That Tasmania’s economy as a percentage of the national economy is in decline: (refuting point 3 above) Note that on page 23 the Allen Group calculates the improvement as a consequence of the proposed Mill as a once only change of a mere 0.01%

9. The numbers presented reflect simply that Tasmanian growth in Gross Product terms lagged the national average in the 5 years ended 2001 and exceeded that average in the 5 years ended 2006. In Tasmania there is neither a pervasive feeling of pending economic doom nor concern that some urgent solution to a perceived problem is needed; nor should there be. During parliamentary debate of the last State Budget there was neither expression of concern by the opposition parties nor indication of a need for caution from Treasury. Again any Tasmanian resident or business asked to reflect on the past 10 years or 50 years would not speak of low economic performance or the experience of general hardship relative to other countries or Australian States.
10. The Allen Group’s numbers disclose that over the 10 year period the National GDP grew by an average rate of 3.7 per cent per annum whilst the average for Tasmania in the last 5 years has been 3.9 but over the total 10 year period 2.1. Allen Group’s misleading interpretation of those statistics is that: “Australia’s national average rate of growth of GDP over the same period was nearly twice as great.” There is an implied but unwarranted expression of a need for alarm or urgency.

11. The following is the comment provided by the State Budget for 2003 on Tasmania's economic performance of the previous 5 years. That period 1999 to 2003 is selected as representing the time of greatest concern to The Allen Consulting Group who infer that the State economy will revert to those levels if the Gunns Pulp mill proposal isn't implemented.
12. Having defended their economic management of the State against the criticism felt by the State Government in response to the Access Economics Business Outlook Report of June 2005 and given the interpretation of Tasmania's economic performance enshrined in successive annual budgets it would be inappropriate and contrary to the best interests of Tasmania if the sense of urgency or even need described by the Allen Group's interpretation of the State's economy and anticipated impact of the Gunns Pulp Mill was now accepted by Tasmania as valid.



13. At this current time it is commonly accepted that Australia's economic performance is lead by resources and therefore by the resource rich states of Queensland and Western Australia. It is not mandatory for each state to at some time share the lead and there is no desperate need for Tasmania to do so.

14. Having devoted so much attention to the issue of rate of increase in gross product and the impact on standard of living, the Allen Group then concedes at page 23 section 8.6 that the proposed Gunns Pulp Mill is not in any case a solution to the perceived problem they so fastidiously describe:

“Only small growth is expected to be observed in the ratio of Tasmania’s GSP to Australia’s GDP. The model projects a small 0.1 per cent change in this ratio relative to current levels.”

15. Given that the Tasmanian economy and Tasmanian living standards are not in a state of decline or desperately needing redemption, any impression that the Gunns Pulp Mill or a similar large project is urgently needed can be disregarded and the Gunns Pulp Mill Proposal is then dependant on its own merits not Tasmania’s need.
16. Nor is there any commercial benefit in a large project compared to an equivalent number of small enterprises (refuting point 4 above). A better argument is that smaller developments provide spread of risk.

Tasmania’s Economy demograph:

17. Any economy must logically be keen to consider and assess a new industry of the size of the proposed Gunns Pulp Mill. The Allen Report makes that assessment difficult as it labours non-issues and arguably omits others. The following points under this heading seek to address some of the remaining issues associated with the Allen Reports commentary on the Tasmanian economy.
18. Above Figure 8.2 on page 7 the Allen Group make one of their references to Tasmania’s low population growth and ratio of population to GSP which is the same statistic as quoted earlier in the Report as per capita average GSP and then conclude that the “Tasmanian economy ‘punches below its weight’ in economic terms relative to its size. As already described in this submission that conclusion is contrary to the view of Tasmanians and of the Tasmanian Government and Treasury. To briefly explore that statistic, if hypothetically the population of Tasmania included a proportionately higher number of self funded retirees the statistic quoted would be negatively impacted but whether self funded retirees are resident in Queensland or Tasmania surely has no real consequence for the economy of Australia. Therefore on what basis does the Allen Group conclude that the “Tasmanian economy ‘punches below its weight’”?
19. There is no unemployment issue specific to Tasmania. Issues specific to health and education workers and essentially the need to attract those and other professional people to Tasmania are ongoing and have for some time been under discussion at a government level. (refer for example “The Competition Index a State by State Comparison prepared by the State Government in May 2000 which at page 10 analyses the skills shortage) The flow of young people away from Tasmania is subject to continuous debate and has been for some generations now. The Gunns Pulp Mill IIS does not purport to address these issues. The Allen Report acknowledges simply that currently Tasmania’s unemployment and jobs growth statistics are nationally competitive.
20. Therefore again any impression that Tasmania needs the jobs is unsupported by the Allen Report. What may be true is that Gunns needs Tasmania and in the pursuit of its own corporate goals is dependent on the exploitation of Tasmania’s natural social and human resource.
21. The definition and treatment on page 10 of the Allen Report of STMs (simply transformed manufacturers) is a use of technical jargon to dismiss critical aspects of the Tasmanian economy and specifically characteristics of the Tamar Valley. The demographic of Tasmania and specifically the Tamar Valley is inadequate. As a tourist destination Tasmania’s reputation far out ways actual performance. For example The Examiner 13 July 06 reported US Travel Magazine’s World Best Travel Award to Tasmania as the number one destination “ahead of well known Fiji, Tahiti,...”. Currently the revenue per visitor night from tourism earned by Tasmania is a small fraction of that enjoyed by Tahiti and given that level of reputation the future potential of that industry is significant and importantly in accordance with the Tasmania Together philosophy tourism enjoys a real competitive advantage. It is also an industry in which we have not exploited our potential or even recognised the competitive advantage of reputation as for example published by US Travel Magazine. In the last calendar year Tasmanian grapes were in under supply whilst areas of mainland Australia experienced the opposite. We have a clear competitive advantage from our cold climate vineyards and again future growth potential. In both wine and tourism we have not yet achieved levels of success comparable with New Zealand and the potential for that growth is not questioned. These industries, micro agriculture, aquaculture and others are specifically referenced in the State Government budget and economic reports including the Competition Index a State by State Comparison prepared by the State Government in May 2000.
22. As stated by the Allen Report, Tasmania like Australia nationally enjoys the majority of its export income from commodities including woodchips and the argument in favour of down stream processing isn’t in dispute. The question is whether the Gunns Pulp Mill is an appropriate investment in down stream processing for Tasmania.

Impact of the Project Not Proceeding (refers section 8.8 page 49)

23. If all of the claims made by the Allen Group on Gunns' behalf are accepted at face value (and they should not be accepted at all.) it does not follow that: "If the project were not to occur, none of these social and economic benefits would be realised." The same resource that attracts Gunns including labour, water and of course a unique timber resource remain.
24. The Allen Group state that in this instance: "Tasmania's employment profile would roughly similar to current rates and trends, as Gunns would continue to produce forest and wood products as it currently does." Do they imply that future employment is dependant only on Gunns and there is zero potential for any other enterprise; tourism, wine, fishing or aquaculture for example, to grow? In reality there is no reason for the Tasmanian Government and the people of Tasmania to be less optimistic than was the case previously.
25. The disdain for the value of the Tasmanian resource which the proposal seeks to exploit is exemplified by the statement that: "After a negative experience with this project and the previous decision on Wesley Vale, it would seem very unlikely that any other investor would develop a major investment proposal in this industry again." It is a simple historic reality that the former Wesley vale development was proposed on the basis of technology which was environmentally unacceptable to Tasmania and for the proponents of Wesley Vale higher technical standards were either not available or were not commercially feasible. This may well be the case with the present Gunns proposal and Tasmania should not be scared into submission by the unsupported statements that comprise the Allen Report.
26. Gunns would see their cause advantaged by any concern on Tasmania's behalf that there may be no other possible applicant or perhaps they consider the expression of that unfounded concern in the wider community might assist their efforts to attract public support. However at any point in time notwithstanding the history of prior proposals the commercial reality of a free market economy is that if or when it is technically possible and commercially attractive to utilise a resource in an environmentally acceptable manner others will seek to do so. An excellent example of the perseverance of commercial enterprise to meet the demands of supplier and or market is provided by the case studies of companies who over many years planned commercial enterprises in Vietnam and China and eventually succeeded. In those case studies the now successful companies often faced insurmountable odds but the potential gain from the investment justified their continued effort. The only reason Gunns wishes to exploit the resource offered by Tasmania and establish a Pulp Mill is the prospect of commercial advantage for Gunns Ltd.
27. That for example tourism does "not offer such a potential for wealth" as stated by the Allen Report is not supported by any of the analysis provided. It is equally arguable that in reality the potential of tourism, aquaculture and other primary and secondary industry might be greater. It certainly appears to be the case that these less publicised future options for Tasmanian development have real competitive advantage, not threatened by third world economies of Chilli and others.
28. There is no worse consequence of the failure of the Gunns proposal to proceed than was experienced as a consequence of the rejection of the Wesley Vale proposal to which the Allen Group refer. The Allen Group offer no support at all for their contention that the Tasmanian economy or living standards have suffered as a consequence of that rejection nor have subsequent economic reports or Government budgets indicated let alone lamented the consequences of that decision. To the contrary the annual Treasurers report to Tasmania has expressed satisfaction and success and in the main that contention has not been found vulnerable to challenge by opposition scrutiny in parliament.
29. The important conclusion is that there is no negative economic or social consequence from the failure of the proposal to proceed. No matter how attractive the proposal, prudent investment principle dictates that no single investor can enjoy 100% of the available sound investments (In this instance the Gunns Pulp Mill investment may be enjoyed by a Mainland state of Australia or another country such as Chilli) and the process and principle of prudent analysis and selection must take priority. There is no reason for the Tasmanian community to be scared of missing out.

What are the most significant socio economic concerns for Tasmania associated with the project and how are they addressed by the Allen Report?

30. Those who seek to independently assess the Allen Report have no independent access to the chosen or alternative financial modelling systems which is not of major concern because if the project proceeded and the additional employment in trade and accommodation achieved only 120 in year 2008 rather than the 1,200 projected by the Allen Group's modelling (refer page 45 immediately below figure 8.22) no one would worry. From the viewpoint of Tasmania the profitability enjoyed by Gunns Ltd and the flow on benefits to other businesses cannot be too high. What might have been hoped for from the IIS is greater analysis of the downside risks for Gunns Ltd and for direct suppliers including logging contractors and consideration of possible negative impacts on unrelated Tasmanian businesses, the economy and lifestyle currently enjoyed. Without intending disrespect, the Allen Group is paid directly by Gunns Ltd and arguably a more impartial report might have been possible had their funding been provided through the RPDC and had the reporting been directly to the RPDC. There has to be a perceived lack of impartiality.
31. The likelihood of a negative impact on Tasmania's emerging tourist industry and others is not contemplated by the IIS. Where the published reason for discharging fluid waste into Bass Strait rather than the Tamar estuary is to avoid any perceived environmental impact on the tourism industry, what other characteristics of the proposal might have a perceived environmental impact that might negatively affect the Tourism industry and how does the modelling system assess that impact? As another simple example when the Trevallyn Dam was constructed the published environmental impact on the river was at that time assessed as zero because the flow of water into the estuary remained constant. That is all that changed was that some proportion of the water which previously flowed from the South Esk into the Tamar estuary would now flow through the power station outlet into the same river. It is now proposed that same water will be piped to the Pulp Mill and into Bass Strait which clearly has a perceived impact on the estuary. As much as the perceived economic impact on tourist operators of the method of liquid effluent was considered it is appropriate for the Allen Group report to reflect on and quantify the possible economic impact of the choice of water source on those same tourist operations. In general the fact that at this stage the pulp mill proposed is perceived as technically less than the best possible has the same negative impact on the image of excellence and the developing tourism reputation of best location. It is certainly not consistent with the strategies of Tasmania Together to draw an analogy between the Tasmanian Tourism industry and Gladstone. (refer Page 44) The statement that "it can be assumed that drive-by visits *to the mill* will be a key element of visitation to the Tamar Valley" like many similar assumptions is unsupported. A proposal by an intending tourism operator to provide a facility based on that level of evidence (a mere assumption) would be immediately rejected. If it is competent for the IIS to assume a positive outcome for the tourism industry it is equally incumbent on them to contemplate the abundance of evidence similar to that recognised when Gunns Ltd made their decision that in the interests of tourist operators liquid effluent should be piped into Bass Strait, and on that basis predicate possible negative impacts on Tasmania's potential tourist revenue. In the IIS there is no downside assessment or risk management disclosure.
32. The RPDC is asked to assess the economics of a single proposal by a single operator in the absence of any tender process and knowing that the operation for all practical purposes will be a monopoly. Presumably there is more information about incomes and costs made available to the RPDC than to the general public but notwithstanding that, in the absence of local competition the RPDC is of necessity dependent on the proposer for explanation of technical and financial data as will the State Government be dependent in any future negotiation. Is that an issue of finance and governance that is albeit inadvertently hidden?
33. A foreman for a Tasmanian owned building company expressed his concern that Tasmania's direct and indirect investment and unqualified parliamentary support for the proposal was a massive weakness. He said: "In my industry for example quoting on the construction of a hospital my company knows that it is competing against Gunns Ltd and others and therefore that nothing can be hidden and that major discrepancies will more than likely be self evident in the comparison of quotes. Likewise the quality of construction is open to investigation by opposition firms who have the same technical expertise. In respect to the Pulp Mill the government appears totally dependent now and in future on Gunns Ltd to disclose any information. Wouldn't it be better if as a consequence of Tasmania's investment and approval of the development, there was an element of State ownership giving the government the same access to information as is and will be enjoyed by Gunns Ltd under its present or any future ownership?" The possible social and economic impact on Tasmania of governance issues in the approval, construction and continued operation of the proposed pulp mill is not addressed in the Allen Group Report.
34. Whilst much of the sentiment described by the Allen Group Report reflects Gunns Ltd's Tasmanian heritage and presumed loyalty, it is a publicly listed company and therefore ownership and directorship may change at

- any time and without any input from the Tasmanian government. Accordingly the reference to supporting Tasmanian employees and suppliers must be disregarded because there is no such responsibility imposed by reason of the acceptance of the proposal and in practice the directors will pursue the best interests of the shareholders and the company as is their fiduciary duty. In the absence of specific contract they have no obligation to Tasmania. By way of example the Tasmanian directorship has already publicly expressed its preparedness to take the proposal elsewhere if their terms are unacceptable to Tasmania. There is anecdotal evidence from logging contractors involved in Gunns Ltd's existing operations of a feeling of oppression during contract negotiations. Any loyalty to Tasmania should not be expressed or implied by the Allen Group Report.
35. Specifically Gunns have publicly stated that if the current proposal is not acceptable to Tasmania they will relocate the project to Mainland Australia or Chilli. What are the anticipated future consequences on price of product or raw material as a consequence of competition from economies such as Chilli, particularly given that countries having similar resources to Tasmania can in some if not all respects be described as 'third world' and are therefore capable of imposing extreme price pressure? Not addressed.
 36. What would be the cost and consequence to Tasmania if the project fails? We are aware of closure of industry recently at Georgetown and historically that incidence has not been uncommon. This proposal is described as massive and presumably the impact of its demise would be proportionately destructive to the economy and society of Tasmania. Not addressed.
 37. There has already been publicly published opinion expressed by financial analysts advising investors in Gunns Ltd that the proposal will have a negative effect on their investment. It is known that the woodchip industry already suffers from competition with suppliers such as Chilli and that as a consequence logging contractors for Gunns Ltd must cope with fluctuations in demand of the order of plus or minus 20% to 40% which anecdotally has had a significant negative impact on those business enterprises and the dependant Tasmanian families and suppliers. The IIS includes no analysis of variations in units of production or unit price. It isn't possible that Gunns Ltd has proceeded to this stage of their investment without that advice and it must surely be appropriate for the RPDC to be advised of the best and worse case scenarios including the possible impact of escalating costs and similar commercial contingencies. The IIS includes no analysis of variations in units of production or unit price and the impact of those variations on contractors and service providers whose business enterprise may be totally dependent on the proposed Gunns Pulp Mill. The Allen Group Report does not address any such possible impact on committed external contractors and suppliers.
 38. Alternative investments for Tasmania need not be subject to the same high level of competitive constraint and might enjoy real strategic competitive advantage commensurate with the philosophy of striving for excellence advocated by the Tasmania Together strategic document. Obviously it is not a requirement for the Allen Group to comment on alternative current and future investment available to Tasmania but in assessing the economic and social impact of the proposal hopefully that assessment will be deemed mandatory by the RPDC.
 39. In that context (point 38) it is hoped the RPDC will dismiss the myth that one large project is automatically superior to many small. As a theoretical example and it is stressed that the Allen Group modelling is equally theoretical, 700 acres of vineyard or 28 small wineries costing \$200k per acre is an equivalent investment to the proposed Pulp Mill. The point that is made for consideration by the RPDC is that industry such as wine, the emerging Tasmanian fine timber and tourism enjoy real competitive advantage not prejudiced by threat from developing economies and most importantly the downside economic and social impact of the failure of one or more of 28 small businesses is insignificant compared to the horrendous consequence of the failure of the proposed Gunns Pulp Mill. Equally and without prejudice the RPDC might consider the vulnerability of Tasmania to the closure of the proposed Pulp Mill compared to the impact that event would have on perhaps a larger economy such as Western Australia. Compared to other existing and potential Tasmanian industries, the woodchip and pulp mill investment offers marginal future profitability, a limited life of less than 30 years in a highly competitive international environment, thus characterised by a higher risk of failure and in the event of closure an apparently massive economic and social cost which the Allen Group Report fails to consider and does not assess.
 40. What happens at the end of the Mills economic life of 30 years and what concern is there associated with the "increasing uncertainty of outcomes over long time frames" (the year 2030) described by The Allen Group? Not addressed.
 41. The Allen Report makes no reference to the issues currently confronting the timber and forest industry in Tasmania in which respect anecdotal evidence is that contractors are oppressed and evidence from the public press is that the issues associated with the industry are divisive. It is hoped that the RPDC will consider that aspect of the forest based industries when forming its opinion and in that context call evidence if it is not already provided from independent sawmill, speciality and fine timber enterprises.

42. It is regrettable from an economic viewpoint that the costing and comparative attributes of alternative technologies was not presented to the RPDC and that consequently the Allen Group Report denies Tasmania the opportunity to consider those alternatives including the possibility of funding or compensating financially. If in accordance with the principles of the Tasmania Together Strategy Tasmania does seriously seek excellence and the benefit that genuine pursuit might in turn provide to tourism and other Tasmanian enterprises and in turn the future wellbeing of the State. It is hoped that the RPDC will accordingly seek that evidence from the proponent as Gunns Ltd must have made the assessment of alternatives itself and in the context of seeking Tasmania's support of its monopoly should be prepared to be transparent with the RPDC in this regard.

Summary

43. Living standards in Tasmania are not lower than those of mainland states, the standard of living in Tasmania is not decreasing in relative terms and per capita domestic product on its own is an inappropriate indicator of standard of living.
44. Nor is the economy of Tasmania at risk or in decline. There is no urgent need for a solution. If the Gunns Pulp Mill proposal is for any reason unacceptable then the state economy will not move into decline.
45. The current state of Tasmania socially and economically is not sick or in desperate need of rescue and Tasmania is in a position to assess the proposal and with or without negotiated amendment accept or equally totally reject the intended Gunns Ltd development without prejudice to its continued economic and social health. In that context the Allen Group Report discounts the importance of STMs.
46. The impact of the project not proceeding is not negative. Tasmania's resource is equally attractive to other enterprises.
47. There are possible serious consequences associated with the Gunns Ltd proposal which the Allen Group Report has not addressed and others which the RPDC must address in the interests of Tasmania's economy and social wellbeing.
48. Attachments are an extract from the Access Economics Report of June 2005 which was refuted by the Tasmanian Parliament and some considerations on the meaning and measurement of Standard of Living.

If the Mill proposal is after genuine impartial scrutiny and where appropriate amendment then found to be beyond reproach then in the interests of the Tamar Valley region I will be delighted but to the extent of the socio economic considerations that assessment is not possible based on the Allen Group Report provided in the Gunns Ltd IIS.

ATTACHMENTS

Extract from Access Economics Business Outlook Report of June 2005

Industrial investment of late has been strong, led by the Basslink and Duke Energy gas pipeline projects. But most of the gas pipeline has been rolled out and Basslink should be complete by April 2006, so that could then leave a void. The best investment scenario for the State is that the void be filled by the \$1.3 billion Gunns pulp mill, but that is a long way from a sure bet. The key question is whether or not the good times will continue to roll. The Apple Isle enjoys strengths in commodities – both rural and non-rural – as well as having built up good export markets. And unlike the rest of the eastern seaboard States, its housing boom hasn't reached a tipping point. The continuing gains in some house prices means retail has been rather more protected in the State, and consequently the outlook for commercial investment is healthy. These indicators may well be proof positive that Tassie has finally emerged from the doldrums of the early 1990s recession. Or it could be a temporary growth spurt before the State's destiny (brought about by the '3 Ps') is fulfilled. Hydro Tasmania recently signed a deal to underpin financing of its \$260 million wind farm project at Woolnorth in the north-east. While the timing of the project remains uncertain, the deal firms plans for the first two stages, with the Hydro hopeful of finding a similar funding arrangement for stage three. Elsewhere, Hydro Tasmania is on the lookout for a partner to construct future wind farms developments. Although Hydro Tasmania recently signed up to the NEM, it is membership in name only until the delayed completion of the Basslink cable in the first half of next year.

Some considerations on the meaning and measurement of Standard of Living

From Wikipedia, the free encyclopedia

Jump to: [navigation](#), [search](#)

The **Standard of living** refers to the quality and quantity of goods and services available to people and the way these services and goods are distributed within a population. It is generally measured by standards such as [income inequality](#), [poverty rate](#), real (i.e. [inflation](#) adjusted) income per person. Other measures such as access and quality of health care, educational standards and social rights are often used too. Examples are access to certain goods (such as number of refrigerators per 1000 people), or measures of health such as life expectancy. It is the ease by which people living in a country are able to satisfy their wants.

The idea of a 'standard' may be contrasted with the [quality of life](#), which takes into account not only the material standard of living, but also other more subjective factors that contribute to human life, such as leisure, safety, cultural resources, social life, mental health, environmental quality issues etc. More complex means of measuring well-being must be employed to make such judgements, and these are very often political, thus controversial. Even among two nations or societies that have similar material standards of living, quality of life factors may in fact make one of these places more attractive to a given individual or group.

However, there can be problems even with just using numerical averages to compare material standards of living, as opposed to, for instance, a [Pareto index](#). Standards of living are perhaps inherently subjective. As an example, countries with a very small, very rich upper class and a very large, very poor lower class may have a high [mean](#) level of income, even though the

majority of people have a low "standard of living". This mirrors the problem of [poverty](#) measurement, which also tends towards the relative. This illustrates how distribution of income can disguise the actual **Standard of living**.

There are many factors being considered before measuring standard of living. Some factors are gross domestic product, the per capita income, population, infrastructural development, stability (political and social) and many other indicators..

[\[edit\]](#)

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[\[edit\]](#)

See also

- [Gross national product](#)
- [Physical quality-of-life index](#)
- [Standard of living in the United States](#)
- [UN Human Development Index](#)
- [Human Poverty Index](#)