

Tasmanians Against the Pulpmill (TAP) Comments to RPDC on Submission by The Wilderness Society (TWS) on the inadequacy of the Final Scope Guidelines for the Draft IIS for Gunns Pulp Mill Proposal

TAP contends the omission from the guidelines of forestry and wood supply impacts, the most pervasive and consequential by far of all the anticipated effects of the pulp mill, is totally indefensible. TAP fully supports TWS's contentions that this omission is in breach of legislative requirements, and maintains there are further grounds for this view.

As one of numerous submitters who have already challenged the omission of forest impacts in submissions on the draft guidelines and/or the Draft IIS, TAP is bemused by your decision to invite only TWS to make a further submission on the legal adequacy of the guidelines. We would appreciate being adverted to the rules and reasons for this.

Counsel for the Panel, Mr Sealy, acknowledges in his defence of Dr Raverty that s.10 of the RPDC Act requires the RPDC to observe the rules of natural justice in its adjudications. Among the rules of natural justice is one requiring the consideration of all relevant evidence. It would be difficult to cite a more relevant matter than all the environmental, economic, and social impacts of a 'world scale' pulp mill operating for thirty years.

TAP also believes that the ministerial directive which omitted the forestry impacts, RPDC's recommendation of approval, and the subsequent ministerial approval of the project based on information omitting relevant evidence, could constitute a jurisdictional error which could be subject to the Judicial Review Act, notwithstanding the privative clause of s 28 of the SPPA and s 15 of the JRA. This and other legal arguments, such as improper motives, will doubtless be put to test if the proposal is approved.

In any event, the exclusion of forestry and wood supply impacts is as much a logical as a legal anomaly. The RPDC's nominal defence of the omission, that the forestry and wood supply impacts consequent to the mill would be no greater than those contemplated in business as usual under the RFA, is not tenable for manifold reasons. As the TWS submission points out, the RFA is not an assessment system whose function satisfies the RPDC's obligations. The RFA is subject to 5-yearly reviews and expires in 2017. A pulp mill approval will, with its attendant wood supply guarantees, effectively pre-empt any reviews or renewal considerations and renew the RFA for a further 20-year term. A 20-year wood supply guarantee to Gunns was recently negotiated by a minister now under indictment for criminal conspiracy. That secret agreement remains in force. Tasmanian forestry is characterised by an extremely high extraction rate, accounting for around 70% of Australia's woodchip production from 13.6 % of its RFA forests, and an extremely low rate of value recovery, being overwhelmingly woodchips..All logic suggests that Tasmania is a prime candidate for an immediate and exhaustive review of its forestry practices.

WA, Victoria and NSW have largely discarded their RFAs after finding them unsustainable at logging intensities a fraction of Tasmania's. A thirty year extension of the present arrangements in Tasmania, which has seen Forestry Tasmania running at an effective loss, is unconscionable.

On any reasonable assessment, the pulp mill will have to result in a major intensification of forestry impacts. The projected woodchip volumes of nearly 7 m tonnes p.a. is an 84% increase on last year's volume and a 34% increase on the all-time high of 5.6 m tonnes. Additionally, it will involve a severe intensification of logging activity in NE and N Central Tasmania, as evinced by the announced plans to double the wood chipping capacity at Bell Bay to 5m tonnes p.a.

The increase in woodchip production will have to be accompanied by an increase in the rate of conversion of native forest to plantation, a major environmental impact. With Tasmania the only state with no legislation restricting the clearance of native forest on private land, it is a major environmental threat. Some 1.025 m ha of native forest is found on private land, and Private Forest Tasmania's wood-flow estimates to 2032 reveal they are targeting virtually all that is available. The further displacement of agriculture from the additional 50,000 ha of plantation on private land planned by Gunns will also have major economic and social impacts. The denial of any prospective damage to a predominantly nature-based tourism industry worth more to the Tasmanian economy than forestry is one of the more absurd claims of pulp mill proponents.

It is noteworthy that most of the assurances given by Gunns as to restraints on the logging of native forests have no statutory certainty. Independent analyses of Gunns' economic performance have attributed much of their success to date to the very low price at which they obtain wood from the State Forest, and predict problems for them if they shift to reliance on plantations. It is implausible that Gunns will not avail themselves of this windfall to the maximum. There is also a legitimate concern that over 70,000 ha of State Forest plantation transferred to the ownership of FT as freehold land in 1998 and 2000 may be made available to the pulp mill at concessional prices, to the economic detriment of the public.

Forestry and plantation impacts on water supplies and hydrology generally are not addressed by either the RFA or the IIS guidelines. A recent report from the Wentworth Group identified plantation interception of catchment yields to the Murray/ Darling system as among the most significant problems. Given the severity of the drought on the mainland, to ignore this issue, which is but one aspect of the wood supply issue, and to give present practices or worse a 30-year license at a time of decreasing rainfall, would be derelict in the extreme.

The Panel Chairman has already publicly stated that the IIS submitted has so many errors and omissions that it may have to be redone. Virtually all the mistakes and omissions operate in favour of the proponent. To remedy the omission of forestry impacts would be a major undertaking, but entirely appropriate to a project that will change the face of Tasmania. The following is a list of some of the issues that will

need to be addressed in a revised IIS, together with a chart of TAP's estimate of the likely costs and benefits of the project which was gained from extensive community and business consultation..

Indicative list of issues that need to be addressed in an IIS that is sufficient for a responsible State planning decision in the matter of a 'world scale' pulp mill.

Forests

The costs of obtaining wood supply in catchments - in terms of water lost to other users

The costs to industry of losses of recreation areas and visual amenity as it applies to tourism and local populations

The costs of losses of biodiversity, and the impacts on the wider ecology

The aggregate effects of logging shown with maps of areas to be logged and harvesting plans to allow independent analysis

Water

The value of water lost to the plantation estate, which consumes around 1.5 Ml/ha per annum, which water could have been productively used by others (e.g. agriculture)

The likely degradation of remaining water with plantation biocides such as atrazine (this should be defined in terms of types of chemical, quantities to be used and time periods of application to allow proper consideration of possible impacts)

The likely impacts of poisons in water catchments as it relates to Tasmania's brand, and the potential costs of brand degradation to markets (e.g. organic industry) and human, stock and animal health

The value of water reserved for mill operations forecast at likely future value and having regard to the fact that Tasmania could sell that water via pipeline to Victoria
Information from farmers and hydrologists about the overall impacts of logging operations on water supplies in general.

The impact and likelihood of artificial droughts induced by water use by plantations and disruptions of water caused by wood supply operations, particularly in light of recent climate changes

Land

How much active farmland is proposed to be converted to plantations. There should be an enforceable maximum to this

A total plantation cap to define the upper limits of plantations (to be used for water calculations earlier)

Traffic

The number of log trucks likely to be operating, their likely routes (from logging and harvesting plans) and means of mitigating hazards created by those trucks

The means by which Gunns will assure their contractors are able to assure that their vehicles are roadworthy (e.g. set aside payments that can only be used for servicing).

NB the purpose here is to assure that drops in pulp prices don't end up forcing further reductions in contractor payments that lead to road safety problems

The number, routes and types of trucks that will contain hazardous chemicals

Strategic issues

The impact of plantation activities on agriculture and the limits that plantation activities would place on agricultural production (e.g. bio fuels feedstock)

The denaturing of soils and losses of flexibility involved in locking large areas of land into plantations

Changes in land availability, price and value due to catchment clearing and plantation development

Economic Models

TAP listing of key variables that should be included in Gunns IIS models, including:

- Pulp price variation
- Wood supply price variation (international)
- Anticipated wood supply price variation (local supply)
- Fuel price variation
- Water price variation
- Anticipated range of stumpage

Worst case scenarios that include:

- Low international pulp prices that move below Gunns cost of production
- Low international timber prices that disadvantage plantation investors
- High fuel costs that move the costs of pulp to uncompetitive levels
- Increased price of water forcing Gunns costs to rise to uncompetitive levels
- Insufficient water to allow plantation growth at forecast rates
- Water becoming unavailable in many areas
- High temperatures coupled with water shortages

NB Outputs from worst case scenario modelling should include impacts on stumpage to allow public understanding of any benefits and risks to the public purse.

NBB. For the benefit of shareholders and investors, sensitivity analysis to critical variables (such as water availability) would normally be included. It is TAP's view that this omission alone indicates an excessively casual approach to such a massive development that places all parties at unnecessary risk, in particular the various investors, shareholders, insurers and others who would normally rely on management to assure that there was adequate due diligence taken in the project's planning and development stages.

The Commission should note that the foregoing list represents a subset of the list of considerations that a proposal of the magnitude of the pulp mill should include. TAP is not opposed to industrial development, nor to forestry operations. TAP is strongly in favour of community, business, environment and economic protection, particularly as it relates to Tasmania. It is TAP's contention and belief that the draft IIS so far produced by the proponent does not allow any reasonable person to have the confidence that reasonable protection has been, or can be, provided.

Our responses and comments have been prepared by asking professionals and others experienced in their fields. In relation to wood supply, what should reasonably be included in a responsible IIS considering the scale of the proposal, its location and the impacts of its long term operation on the cultural landscape of Tasmania.

It is as a result of this approach that we support the Wilderness Society's submission in the matter of the omission of wood supply impacts from the draft IIS. We go further and state that the impacts of wood supply, in their entirety, must be considered both to assure that the RPDC can meet its mandate, and to assure that communities and individuals are provided with reasonable protection for their businesses and lifestyles. In fact, we assert that ALL impacts on community, environment, social, economic and cultural activities should be properly explored and that it would be a failure to leave out relevant impacts by decree (as appears to have occurred with the Tasmanian and Victorian fishing industries in the Bass Strait for example).

Submitted for, and on behalf of, TAP

Robert McMahon
14 November 2006

2 Attachments: Annexure A (diagram) and Annexure B (diagram) detailed below.

Annexure A

Diagram of Community Assessment of Impact

Diagram of community assessment of impacts as titled “Pulp Mill Proposal, Community’s own integrated assessment of impacts” and provided in poster format

The diagram is the result of 3 months research with community members and businesses in Northern Tasmania and is a ‘work in progress’. It shows the activities associated with the pulp mill, particularly those associated with wood supply operations and their impacts on various systems. It details the impacts of each aspect of wood supply on a spread of other systems shown as coloured bars along the top of the diagram. As such it shows an integrated view of the impacts of wood supply on multiple systems. Having all aspects available in one view presents considerable strategic and tactical advantages.

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Annexure B

30 yr Costs/benefits of Gunns pulp mill

Shows a simple stacked bar chart of losses assessed by community members as directly due to wood supply operations. This data is derived, at least in major part, from the Community Assessment of Impacts diagram (Annexure A). NB this chart is still being expanded as more information from various industries is received.

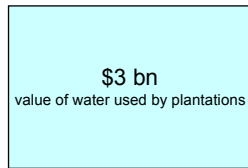
Annexure B of TAP submission to RPDC regarding exclusion of wood supply issues to the draft IIS November 15, 2006

30 yr costs/benefits of Gunns pulp mill

7/11/2006

COSTS TO TASMANIA

Plantations use about 1.5 Mlt/ha water per year. Gunns intends 185,000 ha under plantation. This much water is worth around \$3 bn at today's Launceston prices



Tourism will be impeded by logging natural forests, poisoning waterways, visual amenity losses and hazards due to log truck traffic. Tas could easily lose around \$100 million/yr i.e. about 10% of current income



Conversion of farms to plantations cuts agricultural production and secondary food processing. Gunns expansion of plantations alone will take around 10% of active farms. Losses to agriculture will be around \$110 million p.a. direct plus about \$210 million p.a. secondary losses



Excluded from IIS

Comparing a possible \$6.7 bn benefit with a possible loss of at least \$15.5 bn
N.B. Many likely costs are still not included such as:

- Tasmanian brand losses
- fish industry impacts
- additional health costs
- wine industry impacts
- food industry impacts
- agricultural and other losses due to water losses

These costs are still being quantified by TAP in consultation with communities and industries.

BENEFITS TO GUNNS



Appears in IIS

If Gunns operates the mill for 30 years, they propose a \$6.7 bn 'boost' to Tasmania's economy

If Gunns sells the approved project for \$2 bn, that's all Tasmania will receive as foreign countries are 'vertically integrated'