Gunns Proposed Pulp Mill - Summary

Gunns Limited (Gunns) is proposing to build a native forest based, chlorine bleaching pulp mill in Tasmania, Australia. The pulp mill is currently one of the most controversial issues in Australia and is opposed by the majority of people. The project has not achieved all Federal Government approvals and is currently facing a legal challenge in the Federal Court of Australia.

Gunns banker refuses to fund pulp mill
Gunns is yet to secure the AUS $2 billion in funding they need for the pulp mill to proceed. The Australia and New Zealand (ANZ) Bank, Gunns’ banker for over 12 years, was Gunns asked to provide the funds or alternatively asked to find a syndicate of banks to fund the pulp mill. However after conducting an independent assessment of the project ANZ refused to fund the pulp mill. Gunns has now indicated that ‘financing for the project will involve several components including traditional project debt finance, export credit facilities and specific equipment finance’

Who’s involved
Gunns is working with Andritz from Austria for the supply of the pulp mill’s main equipment. The deal between Gunns and Andritz ‘involves the purchase and commissioning of the mill’.

Finnish company Jaakko Poyry was responsible for the design of the pulp mill and preparation of parts of the impact statement. There is speculation Jaakko Poyry may be involved with providing funding for the project.

No Social License
- The majority of Australian’s are opposed to the pulp mill, a recent poll showed that 61% of all Australians strongly oppose Gunns’ pulp mill.
- Groups from around Tasmania, Australia and internationally are working to stop construction of the pulp mill in order to protect Tasmania’s clean-green future.

Site
- CSIRO pulp mill expert Dr Warwick Raverty, who was on the board of the government accredited assessment of the pulp mill, has said that Gunns chose the ‘worst place possible’ in Tasmanian to build the pulp mill.

Forest destruction
- At full capacity, Gunns’ proposed pulp mill in Tasmania would consume 4.5 million tonnes of wood every year, 4 million tonnes for pulping and 0.5 million tonnes for burning to generate electricity in a wood fired power station.
- At start-up Gunns’ have indicated that 80% of this wood will be sourced from Tasmania’s native forests.
- Over 25 years, the pulp mill will lead to the destruction of an at least 200,000 hectares of irreplaceable native forests.
- Clearfell logging is carried out in Tasmania. Areas that have been logged are then burnt in high-intensity fires to remove wood waste. After logging has occurred on private land native wildlife is poisoned with 1080 to stop them feeding on the regrowth trees.
- Many endangered species will be driven closer to extinction by the pulp mill such as the Tasmanian Devil, the Giant Freshwater Lobster, the Tasmanian Wedge-tail Eagle and the Spotted Tail-Quoll.

• There has been NO assessment by either State or Federal government of the impact Gunns’ proposed pulp mill would have on Tasmania’s forests

Climate Change
• Tasmania’s native forests are some of the richest stores of greenhouse gases on the planet. On average Tasmania’s forest contain up to 1200 tonnes of carbon per hectare.
• Highly conservative estimates show that native forest logging to supply the pulp mill will cause emissions of 10 Mt CO2 per annum, equivalent to increasing Australia’s total greenhouse gas emission by 2%.  

Water
• The pulp mill would consumer 26 billion litres (Gl) of water every year.
• This is equivalent to all 3 major cities in northern Tasmania combined.
• Because Gunns has chose a chlorine bleaching process the water cannot be recycled.

Ocean pollution
• Each day the pulp mill will discharge 64,000 tonnes of effluent containing dioxins and furans — some of the deadliest substances known to science into Bass Strait.
• Bass Strait is a relatively stagnant body of water taking 160 days to flush, which means effluent will build up over time endangering marine life and fisheries.
• The area Gunns intends to dump the effluent is highly bio-diverse and is home to Bottle-nosed Dolphins, Australian Fur Seals and Fairy Penguins.
• This area also support a third of Tasmania’s lucrative fishing industry and this industry would be threatened by toxic emissions.

Fast-track assessment ignored major impacts
• In March 2007 Gunns abandoned the independent assessment that was being carried on the pulp mill proposal.
• Subsequent fast-track assessments ruled independent scrutiny and ignored the major impacts of the proposal.
• The Australian Financial Review reported on the 7th of July 2008 that Australian Federal Environment Minister Peter Garrett rejected claims by Gunns that it has jumped all environment hurdles for the pulp mill.
• Outstanding issues include the impact of the effluent on Bass Strait.

Bad for Tasmanian economy
• Independent economists such as Dr Peter Brain from the National Institute of Economic and Industry Research (NIEIR) have found that the most likely impact of the mill on the Tasmanian economy over 20 years would be negative $0.3 billion not the positive $3 billion claimed by Gunns.

Human health at risk, Australian Medical Association opposed
• The proposed location for the mill, the Tamar Valley, already has some of the worst air pollution in Australia. The Australian Medical Association (AMA) Tasmanian branch says the pulp mill ‘could cause an increase in the already existing morbidity and mortality from atmospheric pollutants’.