

To the Decision Makers in our Federal, State and Local Governments

Letter written by local Chilean scientist who wishes to remain anonymous.

The Tasmanian Premier, Mr Lennon, said that “Tasmania is not Latin America”, in reply to a statement from the House that a Chilean pulp mill similar to the one proposed for the Tamar Valley had caused some troubles. There are, indeed, some important differences but also some close similarities between the Tasmanian and Chilean situations in regard to pulp mills.

The similarities

Celco, the corporation that owns the Chilean pulp mills, is part of the wealthiest and most influential business group in that country. The shares of Celco’s parent corporation have increased by over 300% in the last four years.

The Valdivia Celco mill, with an initial investment of one billion U.S. dollars, and with an annual design capacity of 850,000 tons of Kraft pulp, was presented to the country as a model enterprise and, according to its executives, one of the few in the world to have a tertiary treatment system for the effluent disposal. Sweco Pic was involved in its design.

The environmental resolution approving it assured that the emissions of total reduced sulphide – the characteristic “rotten egg” odour of pulp mills – would not be detectable by the human sense of smell. At the most they would be projected no further than 500 metres.

Years before that pulp mill had been authorised, various ecological and citizen organizations had warned about the project’s negative impacts, in particular the consequences of the disposal of industrial effluents. The political authorities did not heed these warnings, seduced by the economic potential of a large pulp mill.

The differences

The Celco pulp mills are elemental chlorine free and based exclusively on plantation timber on private land. Their largest mill is located in a sparsely populated area, 50 km away from Valdivia, a city similar to Launceston in social and economic characteristics.

The Chilean environmental protection authorities, as well as the public health authorities, are independent and have executive powers to fine and shut down industries.

Chile has an inquisitorial, investigative legal system, in which the courts bear the responsibility for investigating claims, with help from the police or any relevant experts. Furthermore, any citizen or registered organisation, even if not directly affected, may take legal action when the purity of water and/or air are endangered. The courts hear and make judgement in cases of public interest within a matter of weeks. If the court finds a proposed or actual violation of legal requirements, it can then stop, fine or shut down the industry. The court action takes place immediately, although the industry may appeal to a higher court.

The Chilean Government funded the regional university to conduct a thorough baseline study two years before the large Celco mill was commissioned. Eighteen academics, including ecologists, zoologists, economists, chemists, etc., looked at all relevant aspects of the physical, social and economic environment before the start of the mill.

The social and economic effects of the Chilean mills

Following the launch of the Valdivia pulp mill in February 2004, people in towns within 30 km of the mill sought medical assistance due to headaches, nausea and irritated eyes. Schools had to be closed down because the pupils were nauseous, with headaches and vomiting. The sickening smell even reached the city of Valdivia, 50 km away, provoking complaints and protests, eventually leading to the mill being shut down on several occasions, either by court order or by the environmental authorities.

The noxious environmental effects of the pulp mill culminated, after only four months of full production, in the destruction of a RAMSAR listed nature sanctuary of international importance, home to a wide diversity of species of flora and fauna, and 20,000 water birds, including the iconic black-necked swans. The Sanctuary and its swans are part of the identity and image of the nearby city of Valdivia, closely linked to the riparian landscape. Public alarm was alerted with the appearance of dozens of dead or undernourished and blind black-necked swans, with evident neurological alterations that made it impossible for them to fly.

When an investigative team of the World Wildlife Fund visited the wetlands, they stated: “Before the pulp mill, there were more than 5,000 black-necked swans in the Carlos Anwandter Nature Sanctuary. When we visited the core of the sanctuary in August, we could find only four.” The pulp mill was closed for nearly a month in January 2005, fined and ordered to pay the costs of the restoration of the wetlands. However, on the 30th June 2007, a swan with serious neurological disorders was rescued from the waters of the former sanctuary. This shows that, either the waters are still contaminated after three years or that, despite all the controls or penalties, the mill’s emissions are still affecting the area.

Because of a resolution that compels Celco to maintain reduced output as long as it fails to comply with some of the environmental standards, the mill has had to limit its operation to 59% capacity, a monthly earnings loss of US \$27 million. To solve this costly problem, Celco has proposed building a pipeline all the way to the ocean. This would cost US \$45 million, while the construction of a closed circuit for eliminating the waste in the factory itself would cost US \$120 million. This plan has been stalled due to the determined opposition of the 5000 local fishermen, who even boarded vessels carrying out preliminary tests and were prepared to defy the police and naval patrols.

Since then, Celco has built a new pulp mill in a different region, near the town of Nueva Aldea. The mill, designed and built to the highest and latest international specifications, is also chlorine free and based on plantation timber. The consequences have been no different. Unbearable odours, provoking nausea, vomiting and other general health problems affect the inhabitants of the valley near the new mill. Celco’s claimed decrease in odours as production reaches full capacity has not eventuated. The region’s residents complain that their quality of life has deteriorated, that their children feel sick because of the unbearable stench inside and outside their homes, and that the sales of their agricultural products have diminished because the tourists no longer stop. Numerous lawsuits have been filed against Celco by the inhabitants. A local farmer and vigneron states: “Sales have diminished considerably because the tourists are repelled by the horrid smell like rotten eggs. We lose out on the sale of a great amount of fruit and vegetables”. He stated that 80,000 bottles of wine from that region were rejected by Sweden, due to the perception that the wine could be tainted by the presence of the pulp mill.

Another Celco mill, admittedly older and smaller, has also had serious problems. The Licancel pulp mill has been shut down by health authorities since 18th June 2007, after the police, alerted by a fish kill and the death of cattle close to a nearby river, discovered that two illegal channels from the mill to the river contained blue-green effluent. Celco sacked the mill’s three top managers and is now facing a US \$ 730,000 fine and possible permanent closure.

Lessons to be learned

All Kraft pulp mills emit strong sulphurous odours, although not necessarily in a continuous way. These odours do not come so much from the exhaust stack as from the mill building itself. The control of these emissions is extremely difficult.

The effluents are highly toxic to both plant and animal species, and practically impossible to neutralize. The Celco mills use filters and tertiary treatment and still cannot successfully deliver an acceptably low toxic effluent.

The economic benefits of the mills are, if anything, very short lived. The largest Celco mill employs less than 300 workers and during construction local employment was minimal.

Although the Chilean mills are not based on the logging of native forests and, because of their more remote location, do not cause traffic problems and deterioration of the highways, they affect the environment and the regional communities where they are sited in a very negative way.

The most important question

If the Chilean mills, using the highest technology and forced to comply with the most stringent and rigorous controls (which have cost Celco millions of dollars in legal expenses, fines and lost revenue) have caused so much damage to the environment and trouble to the regional communities, what can we expect to happen here in Tasmania? We do not have strong, fully independent environmental and public health authorities, our Government can change the rules and create exceptions at any time and, most importantly, we do not have a protective legal/judicial system.

Common law is an adversarial system, in which the onus of proof is on the claimants. The claimants affected in their health by, say, the noxious fumes or the dioxins produced by a pulp mill would have to prove (against an array of the best solicitors) that their ill health is due to the mill and not to any other cause: an almost impossible endeavour. Even in the most obvious case, it might take the claimants years to receive, if still alive, some compensation. There is nothing they could do, no matter how numerous and how serious their condition, that would force the closure of the mill.

For all the above reasons, it is vitally important for the decision makers to see the full picture and to consider all the implications of allowing the construction of a pulp mill in the Tamar Valley. If the project should go ahead, the consequences of people's resentment at seeing their health and livelihoods affected could be extremely serious. It is important that the decision makers not underestimate the growing public anger, and that they assume personal responsibility if they allow the establishment of the projected pulp mill.