

**Senate Standing Committee on Economics**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Innovation, Industry, Science and Research Portfolio  
Budget Estimates Hearing 2010-11  
31 May 2010

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**AGENCY/DEPARTMENT:** INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

**TOPIC:** Paper Industry

**REFERENCE:** Written Question – Senator Eggleston

**QUESTION No.:** BI-87

What is the impact on the Australian economy of the shrinking of the Australian paper industry?  
(*The Age* 21/4/2010)

**ANSWER**

In 2009 Minister Carr established the Pulp and Paper Industry Strategy Group to undertake a review of the industry and develop a plan to encourage innovation and attract investment in pulp and paper manufacturing in Australia. The Strategy Group comprised senior representatives from the leading pulp and paper companies, unions and the scientific community.

Released by the Minister on 20 April 2010, the Strategy Group's report found that the industry has been in decline over the past five years, with:

- employment falling from 21,490 to 18,730 full-time equivalent staff,
- gross value added falling from \$2,560 million to \$1,996 million,
- exports falling from \$1,176 million to \$1,006 million, and
- imports steady at around \$3,500 million.

The Strategy Group's report includes an assessment by the Allen Consulting Group of the impacts on the industry and the broader economy, should the report's recommendations not be implemented. The assessment found that if the industry continues to decline over the next decade, industry output would contract by 5.5 per cent per year; exports would fall by 16 per cent and employment by four per cent. Economy wide impacts would be small and would be less than 0.1 per cent, per year, over all of these indicators.