



Australian Paper

a member of the Nippon Paper Group

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Gas Market Reform Group
c/o Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Gas Pipeline Information Disclosure and Arbitration Framework

Australian Paper

Australian Paper is a subsidiary of the Japanese-based organisation, Nippon Paper Industries (NPI), which has an overseas network of manufacturing subsidiaries and affiliates in Asia, Oceania, Europe, North and South America and Africa, covering production of pulp, paper, timber and chemicals.

Australian Paper, employs approximately 900 people at its Maryvale pulp and paper manufacturing plant in the Latrobe Valley, 191 at its Preston envelopes and stationary manufacturing and office papers distribution business and a further 108 in its sales, marketing and head office in Mount Waverley. This is a total of approximately 1,200 direct employees in Victoria, with wages and salaries totalling \$150 million annually. In addition, there are a significant number of on-site operations managed and operated by other companies to provide goods and services to Australian Paper and to process by-products from its operations.

Past economic studies by Western Research Institute in 2006 have demonstrated a flow on of a further 143% to 188% to household incomes in the community.

Total sales of Australian Paper's Victorian manufacturing businesses are just under \$800 million, again with a flow on of a further 120 – 152% to the community, much of this in regional Victoria.

AP has a substantial investment in the Australian economy, including an additional \$1 billion outlay over the past 15 years.

Our Maryvale operation is Victoria's largest industrial producer of renewable energy, generating base-load power on a 24 hour, seven-day per week basis, equating to 240 gigawatt hours annually of renewable electricity. This allows us to produce more than half of our energy needs from black liquor bio-fuel. Furthermore, our Maryvale operations spend over \$500 million annually, 90% of it through local businesses and in the community.

Our EITE operations at the Maryvale Mill pulp and paper facility consume some 18PJ of energy annually making us one of the largest, if not the largest, energy users in Victoria. We are Victoria's largest industrial gas user. The recent substantial rise in gas prices is placing unprecedented pressure on our business. It is also evident that Australian Paper will need to

source its future gas requirements from interstate and that this is current not possible due to the high costs of transporting gas.

Australian Paper supports the submission by the Energy Users Association of Australia (EUAA)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Pyle', with a stylized flourish at the end.

Damian Pyle

Procurement Services Manager
Australian Paper