



Australian Paper

a member of the Nippon Paper Group

Senate Finance and Public Administration Reference Committee

Opening Statement: Public Hearing into Commonwealth procurement procedures

Friday 21 March 2014

- Australian Paper welcomes the opportunity to present today to the Senate Finance and Public Administration Reference Committee.
 - Australian Paper's Maryvale mill is the home of Reflex® copy paper and the largest private employer in Victoria's Latrobe Valley with around 900 direct regional jobs and 1300 nationally.
 - We support more than 5,900 flow-on Full Time Equivalent (FTE) jobs.
 - AP Maryvale is also Australia's largest integrated pulp and paper mill with a replacement value of more than \$3 billion and is Victoria's largest producer of base-load renewable energy. We are the only manufacturer of copy, envelope and printing paper in Australia.
 - In full alignment with the *ICT Sustainability Plan* and the *National Waste Policy*, Australian Paper is investing \$90 million in building Australia's only fine wastepaper de-inking and recycling plant. The Maryvale recycling plant will contribute almost 250 more jobs. This plant will start-up in the second half of this year. AP is already stockpiling significant amounts of local waste in readiness for the plant.
 - It is important to emphasise that every year we will be recycling 80,000 tonnes of Australian wastepaper – right now a large proportion of this waste is going into our landfill.
 - This waste would cover an area the size of a tennis court with wastepaper to a height of 1 kilometre every year.
 - The Australian Government's Sustainable Procurement Guide refers directly to the importance of the National Waste Policy which aims, "to enhance biodegradable (organic) resource recovery and reduce greenhouse gas emissions from landfills."
 - Local recycled products reduce Australian landfill. Our landfill increases every time a ream of recycled paper is imported from overseas.
 - The Australian Government's *Information and Communication Technology (ICT) Sustainability Plan* applies to all *Financial Management and Accountability (FMA) Act* agencies and requires "general use copy paper to have a minimum post-consumer recycled content of 50 per cent by July 2011."¹ This Plan makes the combined Australian Government FMA Act agencies the largest user of recycled copy paper in Australia.
 - The Department of the Environment *Sustainable Procurement Guide* states, "Considering the environmental and social impacts from procurement aligns with Australian Government obligations to spend public money efficiently, effectively, economically and ethically."
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- The Australian Government understood these arguments and recognised the importance of the Maryvale de-inking plant by co-investing \$9.5 million in 2012 to make it happen. A quote from the Government's own media release at the time said the plant would "provide Australians with greater access to recycled paper."
- Putting all these things together you would expect that the Australian Government would be predominantly using Australian made recycled copy paper.
- ***Yet I can tell you today that this is not the case.***
- We surveyed the top 22 FMA Act agencies and found that 16 are using only imported recycled copy paper. **This is 3 quarters of the top 22 agencies.**

AGENCY	EMPLOYEES	SOURCE OF COPY PAPER
1. Department of Human Services	33,645	AUSTRALIA
2. Department of Defence	21,761	AUSTRALIA
3. Australian Taxation Office	21,507	INDONESIA
4. Department of Immigration	8,289	INDONESIA
5. Australian Federal Police	6,909	GERMANY
6. Department of Health	4,705	GERMANY
7. Department of Industry	5,956	AUSTRIA
8. Australian Customs	5,393	AUSTRALIA
9. Department of Foreign Affairs	4,719	GERMANY
10. Department of Agriculture	4,712	GERMANY
11. Department of Veterans' Affairs	1,940	AUSTRIA
12. Department of Education	3,973	GERMANY
13. Department of Employment	NA ²	GERMANY
14. Department of Social Services	3,377	AUSTRALIA
15. Department of the Environment	2,286	GERMANY
16. Australian Bureau of Statistics	2,764	AUSTRIA
17. ASIO	NA ³	AUSTRALIA
18. ASIC	1,718	AUSTRALIA
19. Department of Infrastructure	1,530	GERMANY
20. Department of Finance	1,506	GERMANY
21. Bureau of Meteorology	1,481	AUSTRIA
22. Department of the Treasury	1,261	GERMANY

² Staff numbers not available at time of submission.

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- Why is this? There appears to be a breakdown in the consideration of sustainability factors such as LOCAL landfill in procurement decisions.
- It is vital that the government fully applies its own sustainability considerations as part of Value For Money procurement for copy paper across all agencies so that the benefits of initiatives such as local 'closed loop' recycling solutions are accurately assessed and valued.
- Thank you Chair.