

Wilmar Sugar

Wilmar Sugar Australia Limited
ABN 47 098 999 985

Level 1, Triniti 3, 39 Delhi Road
North Ryde NSW 2113

PO Box 145, North Ryde BC
NSW 1670 Australia

Tel + 61 2 9235 6500
Fax + 61 2 8362 9026
info@wilmar.com.au

www.wilmar-international.com



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Dear Sir/Madam,

Support for Energy Efficiency Opportunities repeal – Wilmar Sugar submission

Wilmar Sugar Australia Pty Ltd (Wilmar) is a wholly owned subsidiary of Wilmar International Limited, Asia's largest agribusiness. This submission covers Wilmar Cane Products, with sugar milling and renewable energy interests in north Queensland, Wilmar BioEthanol manufacture and processing, and Sugar Australia Pty Ltd, that includes a joint venture in sugar refining with Mackay Sugar Limited. Wilmar Sugar uses waste fibre from the sugar milling process to generate renewable electricity and is currently the second largest renewable energy generator in Queensland, after hydro.

Wilmar welcomes the opportunity to provide comments on the repeal of the Energy Efficiency Opportunities (EEO) program to the Senate Economics Legislation Committee. Wilmar supports the Government's proposal to repeal the EEO legislation, as market forces drive business decision-making, and EEO introduces significant administrative costs while duplicating existing business processes.

Businesses must consider several factors in determining how to invest limited capital, and energy costs have formed a significant part of the decision-making process in the last ten years. Wilmar has invested in energy efficiency and plant modernisation to ensure it stays competitive in the face of increasing costs and competition. EEO requires reporting and evidence based on these decisions, but not the investment in energy saving; that is driven by market forces. As such EEO effectively duplicates a business-as-usual process. On paper energy savings may appear to be due to this government program, but it is market and cost pressure that has achieved efficiency gains.

EEO legislation imposes significant administrative costs. Regular reviews of energy management (consumption and generation) and a focus on improving efficiency is part of our normal responsible business operation. EEO adds layers of administration over this process, by requiring evidence against all six key Requirements, rather than trying to fit the program to what business is already doing.

In summary, the EEO program introduces an additional cost pressure to business, where significant market pressures and normal business operation already drive energy efficiency. As such, this policy has not created value for Wilmar.

Yours sincerely,

Garry Mulvay
Chairman
Safety, Health and Environment Committee
Wilmar Sugar Australia Pty Ltd