

PROGRESS PUBLIC REPORT

Controlling Corporation

Building Supplies Group Holdings Pty Ltd

Reporting Entity

Carter Holt Harvey Woodproducts Australia Pty Ltd (for Controlling Corporation)

Assessment Period July 2008 to June 2009

Part 1 - Summary of assessments conducted

Table 1.1 - Description of the way in which WPA has carried out its assessments

Carter Holt Harvey Woodproducts Australia Pty Ltd (WPA) is part of the Building Supplies Group Holdings Pty Ltd (BSGH) corporation and is responsible for over 95% of BSGH's energy use. WPA has therefore taken responsibility for reporting all of BSGH under the Energy Efficiency Opportunities (EEO) Act.

WPA has sought to meet the formal requirements of the *Energy Efficiency Opportunities Regulations* by preparing assessment reports for the sites listed in Table 1.2. In some cases assessments were initially completed to satisfy State energy programs. These assessments were modified where necessary to meet the intent and key requirements of EEO legislation. WPA has used qualified in house staff for the assessments supplemented by external specialists.

WPA has for many years sought to improve energy performance. There are many projects that improve energy efficiency not listed here that arise in the normal course of business. Sites that have not yet completed a formal EEO assessment don't stand still on energy efficiency. Projects continue to be implemented and contribute greatly to the improvements in the company's overall energy performance (see Part 3).

Energy use presented for this assessment period has been calculated using factors or methods taken from the National Greenhouse and Energy Reporting (Measurement) Determination 2008. Quantities of imported energy (e.g. electricity, natural gas, and diesel) have been determined from commercial invoices, statements and sub-metering data. Internally generated energy sources (e.g. biomass) have been determined by site specific mass balances.

In this document WPA is reporting on the progress of assessments completed at six sites that comprise 50% of the total energy to be assessed in the first EEO cycle. Those sites scheduled to be formally assessed in the next reporting periods are collecting and analysing performance data in a manner that is consistent with the sites that have already been assessed.

Table 1.2 – Energy use assessed		
Group member and/or business unit and/or key activity and/or site that has had an assessment completed by the end of this reporting period.	Period over which assessment was undertaken¹	Energy use per annum in GJ² in the current reporting year
Oberon MDF	Jan 2006 to June 2007	1561016
Highland Pine	Jan 2006 to June 2007	999920
Tumut Timber	Jul 2007 to June 2008	797435
Tumut PB	Jan 2006 to June 2007	404049
Morwell Timber	Mar 2008 to Dec 2008	461643
Myrtleford Timber	Mar 2008 to Dec 2008	557442
Total energy assessed		4781504
Total energy use of the group in the current reporting year		9651248
Total energy assessed expressed as a percentage of total current energy use		50%

Table 1.3 – Accuracy of energy use data		
Site assessed	Energy data accuracy **	Reasons for not achieving data accuracy to within ±5% **
Oberon MDF	+/-10%	All energy sources other than biomass (e.g. electricity, natural gas) are reported to within ±5% accuracy. Energy use by BSGH is dominated by internally generated renewable bio-mass. As a natural product, higher levels of accuracy are not achievable nor are they necessary.
Highland Pine	+/-10%	
Tumut Timber	+/-10%	
Tumut PB	+/-10%	
Morwell Timber	+/-10%	
Myrtleford Timber	+/-10%	

Items of note:

- The report includes full year data for sites acquired from Weyerhaeuser Australia.
- Biomass accounting methods outlined in the National Greenhouse and Energy Reporting (Measurement) Determination 2008 have been adopted on a site by site basis. Changes to biomass energy factors account for the most significant changes in reported total energy consumption.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New Assessments completed during the reporting period - No new assessment to report as completed for this period.

Part 2B - Update of assessments originally reported in previous reporting periods

Building Supplies Group Holdings Pty Ltd - Total Energy Assessed = 4781504 GJ

Table 2.3 - Opportunities assessed to an accuracy of $\pm 30\%$ or better						
Status of opportunities identified		Number of opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)
			0 – < 2 years	2 – \leq 4 years	> 4 years	
Outcomes of assessment*	Total Identified	27	10601	18235		28836
Business Response*	Under Investigation	6	930	1526		2456
	To be Implemented	3	2160	772		2932
	Implementation Commenced	0	0	0		0
	Implemented	16	3972	15938		19910
	Not to be Implemented	2	3539			3539
Table 2.4 - Opportunities assessed to an accuracy of worse than $\pm 30\%$						
Status of opportunities identified		Number of opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)
			0 – < 2 years	2 – \leq 4 years	> 4 years	
Outcomes of assessment*	Total Identified	27	33952	6359		40311
Business Response*	Under Investigation	14	11374	3912		15286
	To be Implemented	1		6		6
	Implementation Commenced	0	0	0		0
	Implemented	4	504	281		785
	Not to be Implemented	8	22074	2160		24234

Part 2C – Selected Opportunities that have been identified, evaluated and implemented

Table 2.5
Gas Sub-Metering, MDF, Oberon
The gas sub-metering system continues to provide valuable insights into the use of gas across the site. Natural gas is co-fired with biomass hence managing maximum daily demand (a large percentage of total cost) relies on the data made available by the sub-metering system.
Plate Coolers, Timber Mill, Myrtleford
Press platens need to be cooled before they enter a new cycle. This duty was being performed by six electric fans. These fans have been replaced by three evaporative coolers. The evaporative coolers use only 25% of the energy used by the fans saving around \$1500 per year.
Air Survey and Leak Detection, Timber Mill, Morwell
The site engaged the services of a specialty compressed air company to complete an ultrasonic leak detection survey. The results showed that the leak rate was not critical however capacity for improvement was identified. The site's maintenance team has tagged and repaired the leaks. Maintaining leak rate within the "Best operating practice" range should deliver annual savings of more than \$5000 per year.
Lighting upgrades, Timber Mill, Tumut
Various lighting improvements have been made at the Tumut Saw mill. These include installation of photo-cell sensors in external areas, override switches and control systems. It is estimated that these changes have saved over \$20,000 per year.
Lighting Timer, Timber Mill, Oberon (Highland Pine Joint Venture Partner)
A timer system has been installed to replicate the standard operating roster. For safety reasons some lights remain on to illuminate passage ways. If lighting is required outside the normal roster period (e.g. plant maintenance) a manual override switch is available at the maintenance work shop to switch on the mill lighting. The change has reduced consumption by around 15%.

Part 3 - Voluntary Contextual Information

WPA continues to be one of Australia's largest users of renewable energy. Over 70% of the company's energy needs are derived from renewable biomass. The use of a renewable process by-product as a source of energy gives WPA a greenhouse emission intensity (tCO₂e / GJ) that is less than half similar manufacturing processes that rely on fossil fuels.

The low carbon footprint of manufacturing operations is only one part of the positive contribution to reducing carbon dioxide in the atmosphere made by wood products. Wood products are carbon stores, holding the carbon sequestered by forests while in service and for many years beyond.


From an efficiency perspective electricity use is the most important energy indicator in the wood products industry. Electricity is the company's primary energy cost and is responsible for around 75% of greenhouse gas emissions reported by BSGH under the National Greenhouse and Energy Reporting Act. Saving projects reported for EEO are therefore mostly targeted toward electricity.

The timber mills managed by WPA have maintained efficiency levels from the previous year despite a drop in production volumes. Similarly the electrical efficiency of the Panels business was impacted by lower production however overall maintained an electrical efficiency better than the baseline year.

In addition to the EEO program the company's energy use is reported under the National Greenhouse and Energy Reporting Act, the NSW Greenhouse Gas Benchmark Scheme, Victorian EPA (EREP) and NSW DECC (Energy Action Savings Plans).

Part 4 - Declaration

(See paragraph 8 of Schedule 4 of the Regulations and paragraph 22(4)(c) of the Act)

<p>The information included in this report has been reviewed and noted by the Lead Team and is to the best of my knowledge, correct and in accordance with the <i>Energy Efficiency Opportunities Act 2006</i> and <i>Energy Efficiency Opportunities Regulations 2006</i>.</p>	<div style="text-align: center;">  </div> <p>Jim Snelson, Chief Executive - Carter Holt Harvey Woodproducts Australia Pty Ltd</p>
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