



Norske Skog
Boyer

FACSIMILE

To:	General Manager	Fax:	02 62431211
Company:	Australian Competition + Consumer Commission	Phone:	
From:	Arnold Willems	Fax:	02 6214033
E-mail:	Arnold.willems@norskeskog.com	Phone:	02 62610133
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Norske Skog Paper Mills (Australia) Limited
Boyer

Boyer
Pasadena 2240
Australia

ABN: 84 009 477 132
Phone: + 61 3 6261 0111
Fax: + 61 3 6261 4033



Norske Skog
Boyer

Sent by Facsimile: (02) 6243 1211

20 July 2005

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Sir,

Your Ref: A90973 & A90974

I am writing to formally object to the application by the Tasmanian Forest Contractors Association Ltd (TFCA) on behalf of their members to allow them to collectively negotiate terms and conditions for contracts with Norske Skog.

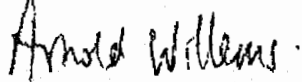
Due to the limited time to respond to the potential 'interim' authorisation, a brief summary of some of our objections are noted below. This will be followed by a more extensive response by the 5th August 2005.

- Our harvesting and transport contracts have recently been reviewed and renewed for a period of five years. These contracts provide security to the contractors and form the basis of viable businesses. Norske Skog gains access to efficient, productive and reliable suppliers, critical to the ongoing viability of our paper mill at Boyer.
- These contracts have been negotiated directly with the Principals who can and often do use specialist business advisors to assist them. These Contracts are tailored to the specific tasks, equipment and technical requirements and meet the individual contractors and Norske Skog's circumstances.
- The contract Principals have not sought TFCA to assist in contractual negotiations. We have had no representation from the TFCA on behalf of these contractors for a least 15 years. Management of the TFCA have spoken publicly that they have no issues with Norske Skog, and do not expect to participate in any negotiation processes in the foreseeable future.
- Our contracts are formal legal documents which have a defined term, task and requirements, annual indexation (which fully recognises the variation in the range of input costs) and quarterly fuel review index which adjusts rates for fuel price movements.
- Many of the Contractors are family businesses that have worked with Norske Skog for 15-20 years and have a number of "generations" actively involved.

- We have a demonstrated history of effective communication and cooperation with our contractors to the mutual benefit of both parties. Currently we are not aware of any outstanding matters regarding our contractual relationships.
- Norske Skog works proactively and closely with our contractors on occupational health and safety and this has been reflected in significantly improved OHS outcomes.

In summary we do not believe that there would be any public benefit to flow from the proposed arrangements and in fact could lead to reduced competition and efficiency within the industry.

Yours faithfully
NORSKE SKOG



Arnold Willems
SUPPLY & LOGISTICS MANAGER