

FOREST PRODUCTS COMMISSION — CONTRACTS OF SALE

944. Hon DIANE EVERS to the minister representing the Minister for Forestry:

I refer to the Forest Products Commission contracts to supply native forest logs in excess of 10 000 tonnes per annum to sawmills.

- (1) Do the contracts require 100 per cent domestic processing of logs supplied by the FPC?
 - (a) If no to (1), please advise the percentages and tonnes for each sawmill.
- (2) Are all sawmills required to value-add 100 per cent of the logs they receive?
 - (a) If no to (2), what percentage is each sawmill required to value-add?
- (3) Are any sawmills permitted to onsell logs to other native forest sawmills or processors?
- (4) Are any sawmills permitted to chip or split whole logs into woodchips or blocks and onsell them?
 - (a) If yes to (4), to which sawmills can they onsell them and under what conditions?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question. The Minister for Forestry has provided the following answer.

- (1) Yes. All current contracts in excess of 10 000 tonnes per annum require domestic processing.
 - (a) Not applicable.
- (2) No.
 - (a) The requirement to value-add varies up to 70 per cent of the log timber received depending on the customer and the grade of log supplied.
- (3) Sawmills are not permitted to onsell logs unless authorised in writing by the Forest Products Commission.
- (4) Yes.
 - (a) The contracts for the supply of sawlogs prescribe a minimum level of domestic processing for sawlogs. Other than those contracts with value-adding restriction, there are no restrictions on the type of product that can be produced. It should be noted that sawlog prices encourage the recovery of sawn timber and higher value products. Low-value logs are available to processors that choose to split or chip logs.