

PINE RESOURCE, PEMPINE PTY LTD

**1242. Hon BARRY HOUSE to the Minister for Agriculture, Forestry and Fisheries:**

I refer the minister to the pine resource previously allocated to Pempine Pty Ltd and ask -

- (1) Is the minister aware that the new owners of the former Sotico Pty Ltd mill in Pemberton made a bid to the receiver for the pine resource following the failure of Pempine?
- (2) Does the Government intend to reallocate the pine resource to a business outside the Warren district?
- (3) If yes to (2), how does the minister reconcile this decision in the light of commitments made by the previous Minister for Forest Products to retain the resource in the Warren district?
- (4) Given that the new owners of the Pemberton mill have refitted the mill to cut pine batons and create much needed new jobs for a second shift, will the minister ensure that a reasonable pine resource will be allocated from government-owned land to ensure the viability of the Pemberton mill's new pine activity?

**Hon KIM CHANCE replied:**

I thank Hon Barry House for some notice of the question.

- (1) No, although this is only very recent.
- (2) Allocation of the public pine resource is by a competitive process. As an outcome of that process it is proposed that it be allocated to Pinetec Ltd, which plans to construct a new sawmill in either Dardanup or Collie. The additional timber to supply the Pinetec mill will be sourced from many plantations in the south west.
- (3) The former Minister for Forest Products made no binding commitments other than statements of opinion. This Government has, as a matter of policy, endeavoured to establish a viable sawmill at Pemberton and to this effect has allocated 40 000 cubic meters of karri first-grade sawlogs, with a prospect of additional second and third-grade resource. It is also seeking to establish a furniture industry in Manjimup. The Government, through its agencies, has worked with the Pempine liquidator to achieve the best possible outcome for the State and for creditors. The development of a pine mill nearer to Collie has significant benefits in a region that has a higher level of unemployment than that of Warren.
- (4) Any refit of the mill for this purpose has been the initiative of the new owner, Auswest. The Forest Products Commission is supplying pine logs suitable for tile batten manufacture to mainly its Busselton mill to meet a shortfall in the availability of karri small sawlogs, but has not made a long-term supply commitment. The long-term supply of state pine sawlogs is largely committed; however, I understand there are quantities of private pine resource that are likely to be suitable for Auswest's requirements. FPC regularly reviews log supply capacity, and, should supply options arise, it will consider how to make it available to the market.