

TIMBER INDUSTRY, LOGGING QUOTAS

94. Hon BARRY HOUSE to the Minister for Forestry and Fisheries:

Whiteland Milling of Busselton is typical of many small to medium-sized independent timber milling operators in Western Australia. When the 10-year contracts were instigated, Whiteland Milling commenced a value-adding program through investment in drying kilns, upgrading the sorting, grading and storage of dry timber, employment of additional staff, automation of saw mill operations for greater efficiency and recovery and re-use of waste mill products. It also entered into contracts to supply jarrah railway sleepers, sourced from third grade logs wherever possible, to South Australia until December 2002.

- (1) Why did the Government not consult with Whiteland Milling or companies like it in the industry, either through the Minister for the Environment and Heritage or the Minister for Forestry and Fisheries, about the re-allocation of logging quotas for the industry following the decision to end logging in old-growth forests?
- (2) Why have negotiations been confined to the major timber companies?
- (3) What action is the Government taking to secure the future of this important sector of the industry?

Hon KIM CHANCE replied:

- (1)-(3) Members must understand that the Government is committed to contracts that expire at the end of 2003. One of the first actions the Government took was to confirm that all contracts would be filled to 2003 - that was its election promise. The Labor Party initiated its old-growth forest policy and got the logging crews out of old-growth forests. I understand why there is some confusion. Members of the Government have spent much time talking to industry, including the small millers, about the process of step down and about achieving better results. The other day Hon Peter Foss referred to an initiative first raised by Mr Trevor Richardson. That process is exclusive of our commitment to honour all contracts to 2003. The only case in which a mill will be subject to a step down prior to the end of 2003 will be when it makes a voluntary arrangement with the Government to spread the volume over a longer period. In the case of Blueleaf Timber Pty Ltd, Nannup, and Sotico Pty Ltd the commitment goes through to 2014. Small mills also have the opportunity to approach the Government with similar propositions; nothing prevents them from doing that. I have not spoken to the owners of the Whiteland mill.

Hon Barry House: They have written to you.

Hon KIM CHANCE: Yes, they have. I hope to speak to them soon. Shortly, I will conduct a round of meetings with small sawmill operators, including, I hope, Whiteland. I have spoken to a number of other small mill operators, and I understand their concerns. They can see negotiations occurring between the Government and the major millers, and they feel as though they are being left out of the loop. It is inevitable that the Government spoke to the large millers first. The smaller operators must consider the volumes of timber involved in negotiations with the likes of Blueleaf which, incidentally, is not a large mill, Sotico and Nannup. That is why the Government negotiates with the major millers. I missed the context of the third part of the question.

Hon Barry House: What action is the Government taking to secure the future of the small to medium-sized independent millers?

Hon KIM CHANCE: The position of the independent millers will become clearer once the indicative volumes have been announced. As I have already indicated in earlier question times, that is only a matter of days away. The smaller millers will then know which part of the industry is left for them to operate in and where their relativities will be. The bottom line is that it relates only to the amount of timber to be left in the period 2004-14. All the negotiations and the Richardson-type flat-lining is about what will happen if other voluntary arrangements are made between now and 2003. The bottom line for Whiteland and other small millers is that if they choose to keep on milling their contract volumes until 2003, they can.