

JARRAH AND KARRI SAWLOGS, REQUEST FOR PROPOSALS, STAGE B

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

I refer to stage B of the request for proposals for the purchase of jarrah and karri sawlogs.

- (1) Will the minister advise who has been successful in the stage B analysis of the request for karri and jarrah sawlogs; and, if not, why not?
- (2) What are the volumes requested by each of the applicants?
- (3) When will the Forest Products Commission complete its negotiations with each of the proponents?

Hon KIM CHANCE replied:

I thank the member for some notice of this question.

- (1) The request for proposals process for the allocation of the jarrah sawlog resource has reached the stage of contract negotiation and determination of financial assistance agreements. The request for proposals is a process for allocating only jarrah sawlogs, not karri. The future karri resource is committed in accordance with the existing agreement with the Greenbushes mill and the Government's commitment to the Pemberton mill. The request for proposals did not include the allocation of jarrah sawlogs to the Greenbushes or Nannup mills, for which the future resource is committed in accordance with existing agreements. The following companies have been advised that their business plans have been accepted: Appadene Forest Products, Australian Craftwood and Timbers Pty Ltd, Cardoso Pty Ltd, G.W. & N.L. Saunders, Inglewood Products Group, Middlesex Mill, Sotico Pty Ltd, Whiteland Milling and Yornup Mill Pty Ltd. The FPC will continue negotiations with these companies.
- (2) The volume of timber sought in applications made by individual proponents is a component of their confidential submissions. This is a competitive process and requires detailed negotiations about a range of issues, including volume and investment assistance. As such, the question of volumes is secondary to the strength of the whole business case. Therefore, it might not be a benefit to the proponents or the industry as a whole to discuss volumes in isolation.
- (3) The timing relies heavily on the forest management plan process, and the final level of sustained yield determined in that process. However, the FPC is now able to present to Cabinet for consideration proposals that can lead to the formation of an agreement to guarantee supply to 2014, similar to the agreements already concluded with Greenbushes and Nannup mills.