

FOREST PRODUCTS AMENDMENT BILL 2021

Second Reading

Resumed from an earlier stage of the sitting.

MRS L.M. O'MALLEY (Bicton) [3.00 pm]: I will briefly recap on the sustainable wonders of wood laminate. The McGowan government's \$350 million investment in the expansion of the softwood industry is welcome news for Wesbeam and many other wood product-related businesses that rely on continuity of supply. In referencing supply, this company, as I mentioned earlier, relies heavily on softwood for the laminating process. Over the past several years, it has had to look at a different wood. Going back quite a while under a previous Barnett Liberal government, the supply of softwoods was incredibly constrained because investment was not made sooner into the expansion of softwood or, as we know it more commonly, plantation wood and, in particular, plantation pine. Wesbeam had to look at its manufacturing and supplement a hardwood—karri. As we know, karri is an incredibly important native forest wood. It is not ideal from a sustainability viewpoint and is something that Wesbeam was challenged by. Nonetheless, in order to continue its business, it had to make this adjustment and accommodation. Just putting that into perspective now with the bill before us, and the commitment of this government to invest such a large amount into the expansion of softwood, this will be incredibly important for Wesbeam in that it will be able to go back to what it was doing when it first set up its business in utilising softwood in its laminating processes. Given this constraint and the important changes that we will be making, there will be a bit of a time lag. Wesbeam will be reliant on access to hardwood in the interim, which it is very aware of and it continues to work closely with government to get around that challenge for a short time.

That leads me to the issue of management of our forests and our forest industries, which is incredibly important. It is important for me to reassure not only a business like Wesbeam, but also the many local environmental groups and industry and association leaders like the WA Forest Alliance. In response to any concerns they have around our ability as a government to manage going forward our forests and our forestry industry, I really want to assure them that there is solid evidence that we have before us in the way that we conduct ourselves as a government. We put the science first and we follow the science, and I want to assure them that that will absolutely continue going forward. As I said earlier, Wesbeam is a great example of why this bill and its features that will enable a sustainable forest products industry are very important for our environment and for our local jobs. It is in the application of the bill through local businesses like Wesbeam that we will see the tangible results of this important amendment.

To gain a better understanding, we need to first look at the current Forest Products Act and its limitations. Presently, the Forest Products Act allows for the Forest Products Commission to register projects and create carbon credits, but it does not allow the FPC to trade carbon credits. In an evolving carbon-based economy this simply does not make sense. The proposed changes to the act will expressly empower the FPC to own and trade in carbon-related assets. The amendments will facilitate the ability of the FPC to register new plantations to obtain carbon credits through the Clean Energy Regulator or other carbon trading schemes. The Clean Energy Regulator is in the process of developing an Australian carbon exchange that will make the trading of Australian carbon credits—ACCUs—simpler to support rapidly increasing demand from the corporate sector. It will help foster growth in Australia's vibrant carbon markets whereby ACCUs credited from approved projects can be traded among individuals and businesses. The FPC will be able to register eligible new plantations from the recently announced WA state government investment of \$350 million with the Clean Energy Regulator's Emissions Reduction Fund or other carbon trading schemes. It can apply to plantations established on FPC-owned land or share farm agreements through third parties.

I want to emphasise the point that third-party agreements and sharefarming opportunities are quite exciting. If we look at the actual viability of production and the opportunities inherent in expanding what landholders and farmers can produce from their land, we see that this is incredibly important and exciting. There is an ability to diversify on-land production to utilise parts of landholdings for agricultural purposes. We all know that at the moment certainly sheep and wheat have never been a stronger investment, but the realities of farming are that that will not always be the case. This is also an important point that I would like to emphasise here.

Sustainably produced Western Australian plantation timber will play a key role in our climate change battle and creating ACCUs. Plantation timber is renewable and has the potential to sequester millions of tonnes of carbon dioxide from the atmosphere. As we heard earlier, it is estimated that the government's \$350 million investment will provide at least an additional 33 000 hectares of softwood timber plantation. Up to 50 million pine trees will be planted, sequestering between 7.9 and 9.5 million tonnes of carbon dioxide equivalent. Sustainable WA plantation timber also has the power to support the state to enter the carbon offsets market, generating revenue and future carbon industry jobs for Western Australians.

The Forest Products Amendment Bill 2021 will support the state into the lucrative carbon offsets market, generating revenue and future carbon industry jobs for Western Australians, as noted earlier. It is also long-term and visionary work. The former Barnett Liberal–National government failed on many levels, it would seem, to have that vision

to look forward and plan ahead for the long term. The main purpose of the bill is to provide the Forest Products Commission with the ability to own, deal and trade in carbon offsets related to resources. Carbon assets are such things as carbon credits provided under commonwealth carbon farming legislation. The Forest Products Amendment Bill 2021 will assist the government in making the most of our \$350 million investment to expand the softwood estate. As an established state agency with experience in commercial forestry operations, it is appropriate that the Forest Products Commission be given this function rather than a larger department or newly established body. Under the bill, the FPC will have no rights in respect of carbon assets and it will be restricted to dealing with physical forest products such as logged timber. The state will have the ability to receive revenue from the sale of carbon assets in rapidly evolving markets in addition to revenue from traditional forestry sales. The bill will also empower the FPC to purchase land for the purpose of establishing plantations to drive development of this growing state industry. As I mentioned, there is an opportunity for sharefarming arrangements and third-party partnership.

The changes to the Forest Products Act will facilitate the state government's budget announcement on plantation expansion to support the future construction industry and mitigate the impacts of climate change. Other changes to the state's planning policy framework may be necessary to support this important initiative—for example, working with other various bodies. The changes to state planning policy guidelines will remove impediments to the development of plantations within some local government areas. The bill further contains a number of ancillary provisions including those that will allow the FPC to sell land and premises it owns, and the bill will amend reporting provisions to provide for the FPC's new functions. The bill will further validate land purchases made by the FPC in good faith prior to the bill being enacted.

The McGowan government is investing in softwood for our future. It will bring much-needed extra construction timber to the WA building industry and make a financial return to the taxpayer of WA. The Forest Products Amendment Bill 2021 is good for the environment, good for industry and good for the state. I commend the bill to the house.

DR D.J. HONEY (Cottesloe — Leader of the Liberal Party) [3.12 pm]: I rise to make a contribution on the Forest Products Amendment Bill 2021. As our lead speaker on the bill indicated, we are not opposing this bill, but I wish to raise some issues in conjunction with the discussion on the bill. I have listened to only grabs of the contributions on this bill, but I was fascinated to hear some of the discussions going on about this bill because we know that this bill is part of the government's response to its atrocious decision to shut down the forestry industry in the south west of the state. There was no communication with the people who were going to be affected or the businesses entering into or, in fact, signing the agreement with the federal government to continue logging in the forests. Those companies had made multimillion-dollar investments in equipment based upon their belief that they had the government's imprimatur for that and that their operations would continue for years to come. Now this is happening. It is nothing more than a cheap virtue signalling exercise that will not achieve the goals, in the large part, as stated by the government.

In this debate we have heard a lot of discussion around global warming and climate change and how stopping logging in native forests is going to increase carbon sequestration. If the minister bothered to read, I think, the fourth report of the Intergovernmental Panel on Climate Change, he would know that it has said that the sustainable logging of forests is the best way to increase carbon sequestration. Why is that? Because forests that are not logged become mature and they stop sequestering carbon past a certain point. Whatever carbon they sequester is reintroduced to the atmosphere through rotting timber, fires and the like. It is not some infinitely increasing thing. That is what happens; that is a fact. Why do we see net sequestration from the sustainable logging of forests? It is because those wood products are used in other places. For example, look around this chamber, members. All around us is stored carbon. That carbon is not going into the atmosphere. It is being stored and it is almost certain that the trees that were used for this chamber—because we have had sustainable logging in our forests for over 100 years—have regrown and are available to cut again. That is a fact about carbon storage and logging in native forests. Members should remember that only one-third of our native forest is actually logged and two-thirds is locked up forever. I was fascinated by the minister's response to this debate when we had private members' business in this chamber a little while ago. He was spruiking so-called facts about this issue. The truth is that stopping logging in the native forest will see, ultimately, less carbon sequestered, not more. We should put to bed that lie. That is a lie. Growing the plantation will, for a period, see more carbon sequestered, but, of course, those products will then be used, many for far less sustainable purposes than we see with the beautiful jarrah timber that is used in this chamber, for example.

What is the outcome of all this? Thousands of jobs will be lost in the south west. It will destroy family businesses—and I mean destroy. Small business people have invested millions of dollars in this industry because they were led to believe by this government that they would have sustainable harvesting contracts for many years to come, but the rug has been completely pulled out from under their feet and their businesses have been destroyed.

The government is a bit worried about doing this because many of the workers in that industry are members of the Australian Workers' Union. I have said in this place many times that I had a great working relationship with the AWU in my previous life when I worked with Alcoa. I had great respect for that union when I worked in that

operation, and I enjoyed working cooperatively and constructively with it in the safe operation of the businesses that I worked in. The government is worried about those union members because they form a significant part of the alternative support base for certain members in this place and for the Labor government generally, so what have we seen? Reasonably generous packages have been given to those workers who were made redundant as part of this disgraceful move by this state government. But the supposed compensation for business is shameful. Those businesses have, in good faith, invested millions of dollars in this industry. Their family livelihoods are tied up in those investments and they are going to get an absolute pittance. We are talking about some minor funding for a transition into something else or to enable them to do something with the equipment, but it is a pittance. There is no compensation. It is completely and utterly inadequate compensation for the millions of dollars of investment that those businesses have made, and when the mill is not operating, they have no hope of recovering that money. They have no goodwill or any such thing that they can sell. That is it! It is gone in a handful of years.

Talking about the AWU and buying its silence, we recently saw that this McGowan Labor government gave a gift of \$200 000 to the AWU, apparently to employ someone to help people with the transition. Tell me why the government has to pay a union to do that. There is a whole raft of public servants and other agencies within government that can be used for that, but, no, the government is giving the union money. The government is buying the union's silence with the \$200 000 and those packages for the workers, but for the people who are affected by this, the small business people, this is a disgrace. I was fascinated to hear the discussion —

Mr D.J. Kelly: If it is such a terrible decision, will you reverse it?

Dr D.J. HONEY: We will talk about that when we come into government. I will tell the minister, if he is quiet for a second, that I think that sustainable milling in that one-third of the forest industry is a very good thing.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Thanks, minister.

Dr D.J. HONEY: Quote that, minister.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister!

Dr D.J. HONEY: The minister can tweet that instead of Wordle!

I was fascinated to hear the discussion before. Talking about planting pine trees, does the minister know what pine trees are? They are a monoculture. Go to a pine forest. There is one positive thing about pine trees. They provide a food resource for the endangered Carnaby's black-cockatoos. They seem to love them. It is not as good as having native forests and trees all through the wheatbelt and on the coastal plain. That this government is obsessed with infill is part of the problem of 60 000 hectares of tree canopy being removed off the coastal plain in the metropolitan area over 10 years.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister!

Dr D.J. HONEY: How is the minister's position on infill? How many hectares of trees have been destroyed every year?

The ACTING SPEAKER (Mrs L.A. Munday): Member for Cottesloe, if you could direct your comments to me, please.

Dr D.J. HONEY: He reminds me of Carnaby's cockatoos. It is this chatter-chatter noise you hear in the trees. Pine trees —

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister, that is enough.

Dr D.J. HONEY: At least I own my mistakes, minister.

Pine trees are a monoculture. They are virtually sterile in terms of any ecological diversity. As I say, they provide some valuable feed habitat for Carnaby's cockatoos, but that would be better provided by native trees.

As I was saying before about global warming, the member for Bicton said science first, and I applaud her for having that approach to things. If you put science first and your motivation is the prevention of global warming and the capture of carbon, you would maintain the logging of native forest. This is not mutually exclusive. The government can increase its pine plantations. It does not have to stop logging in the native forests—that one-third of the native forest that is logged sustainably. It does not have to stop that to do this. The government can invest its \$350 million, but I have some real concerns about the approach the government is going to take here.

There was a good and timely article in *The West Australian* today titled "Land limit sees cash splash come a cropper". The article refers to the fact that many farmers, not all, have significant cash reserves and they are looking for ways

to invest that money. Apparently 14 per cent of agricultural producers said that they would expand into buying property for the next 12 months. The concern the article expressed was that agricultural land values in WA have lifted, so that the price or the value of land has increased by between 30 and 50 per cent in the last 18 months. We already have a constrained land market in this state. The government is buying land, apparently in competition with agricultural producers.

More disturbingly, if there is one area in Western Australia with the potential for really high quality sustainable agricultural production, it is the higher rainfall areas in the south west of the state. As I understand it, that is where the government plans to plant pine trees, so we are going to go from sustainable high-value farming activity to pine trees in that area. I recommend to the minister—I might have said this before—that perhaps the government look at this in another way. Why not buy land in that area that is already degraded? I assume there are thousands of hectares of land that is heavily degraded due to coal mining. That land would be highly appropriate to rehabilitate with pine trees. That would deal with the rising water tables in that area, which is a major issue in those deposits. If the minister likes, at one stage I will also talk to him about soil stability and the issues we have with mine pits, which is a potentially good use for all of that.

Mr P.J. Rundle interjected.

Dr D.J. HONEY: They get beyond the barrier, don't they?

I think there is an opportunity for the government to look at efficient use of the money. If this is just government buying land and growing pine trees, they are going to be very expensive pine trees. This is the opportunity for sharefarming, and that is where government can work with farmers to utilise degraded land on their own properties and then rehabilitate them. Pine trees can be used to rehabilitate and stabilise land productively, and the government provides the pine trees. It is an opportunity to get parallel private investment in all that area.

As I said, I was compelled to speak when I heard some comments made in this chamber by members. The destruction of the sustainable and, I can genuinely say, superbly managed forestry industry in Western Australia by this government is a disgrace. It bought off the Australian Workers' Union. It has paid workers. It is just coincidence. It is good fortune that we have a very competitive job market at the moment.

The government must revisit the compensation for businesses. The compensation the government is offering businesses is grossly inadequate, especially those businesses that had previously consulted or at least dealt with the minister on these matters. The minister was aware of their investment. In good faith, they made multimillion dollar investments, and they have really effectively lost everything on those. With that, I will end my contribution. Thank you.

MS L. METTAM (Vasse — Deputy Leader of the Liberal Party) [3.26 pm]: I rise to make a small contribution to this debate and to reflect on some of the comments made on this side of the chamber. I reiterate that we will not be opposing this bill, which is about the expansion of the softwood site, but I take the opportunity to raise some concerns about the compensation package offered to small businesses, some of which are in my electorate and region. We certainly welcome the support package provided to workers in the industry, but there is real concern about elements of the support package offered for small businesses. I will go into a range of reasons.

From the get-go, the employees' package of \$45 000, as I understand it, is an acknowledgement of the need for, and investment in, training and support, and it has been welcomed. There is \$10 000 available if those individual workers would like to leave the industry straightaway, but there are real concerns across the region about what has been offered to small businesses. These concerns are not just about the financial package offered, but the way this has come about. It has blindsided many in the industry who made multimillion-dollar investments in their businesses on the back of comments the minister made about their future, even 12 months before this decision was made. There are real concerns for the mental health of those small business owners and their families; the people surrounding those individuals are really concerned about their future and what this will mean.

There has been advocacy in the industry and I am sure the minister is aware that there has been some criticism from the Forest Industries Federation WA, in particular. As a representative of FIFWA, a former member for the South West Region has raised some concerns, along with many supporters of the small businesses and people whom FIFWA represents. The concern about small business compensation packages is around the fact that there is no right of appeal. There are very strict eligibility criteria surrounding those packages. I quote from a FIFWA media statement that quotes CEO Adele Farina —

“The eligibility criteria are so restrictive, very few businesses will be able to access the packages and even if a business meets all the eligibility criteria, payment remains at the discretion of the Minister for Forestry.

...

“Sawmills are being offered compensation comprising of a payment based on the 2022 indicative supply volume provided by FPC, which it plucked from the air and falls well short of the base contracted volume. The payout is so insignificant, sawmills are better off remaining in the industry after its closure.”

That is what FIFWA has highlighted. As I have stated, it was the fact that these businesses had already made some investments that they ordinarily would not have undertaken if they had been given fair warning about what was coming.

Sawmills are also concerned. I talked about the restrictive nature and the limitations of what has been offered, but it is extraordinary to see this while at the same time we are seeing the government buying the silence of the AWU in relation to the way that the package has been dealt out. Our shadow Minister for Forestry has certainly been on the front foot and has had much liaison with those in the industry. He has stated that although the workforce package will support workers, it will only make it harder for businesses to survive until mid-2023. Small businesses in the forestry industry will be unable to access any financial support unless they meet a strict set of criteria and continue operations until mid-2023.

There is also broad concern about how this package came about: the series of meetings that were scheduled and then cancelled, the lack of substantial information and the way in which the industry has been supported throughout this period. As I stated, in addition to the economic ramifications for these small businesses and the impact that this legislation will have on their livelihood in the absence of fair and just compensation, there is also real concern in the industry about the mental toll that the legislation will take on families. I urge the McGowan government to look at a fairer package for small businesses and at what it can do to ensure the future for those in the industry who feel blindsided by this decision and are feeling significant turmoil over what the future holds. They would like some clarification and proper financial support, but they also desperately need some real support from the mental health and wellbeing perspective. Many third parties have raised real concerns about the additional ramifications of that.

I pointed to the fact that there are businesses in my electorate and region that have been significantly impacted on by this decision. I received some correspondence from Whiteland Milling in October last year, a business based in Busselton. It states —

Based in Busselton, we are a local, family business that employs up to 40 staff and injects millions of dollars into our local West Australian economy every year. We are very concerned about the future of our workers and all industries that work with us, both directly and indirectly.

Just two years ago, the State government released a plan for the native forest sector from 2019–2030 which gave us all confidence for our future.

The correspondence then quotes a letter from the Minister for Forestry of January 2021. It states —

“Management of our native forests is a key pillar in our battle against climate change, and sustainable forest management can maintain or enhance forest carbon stocks, including by transferring carbon to wood products.” He also said, “The timber sustainably harvested (from Barton 0418) will mainly be used by sawmills in the south-west providing valuable economic activity and jobs to the local community.”

These statements gave those in the industry, such as Whiteland Milling, the impetus to further invest in their business—funds that basically now are redundant. It was on the back of those comments, made in January 2021, that many decisions were made right across the industry. That is why I point to the fact that many felt blindsided by this decision. The fact is that they invested so much without seeing such a decision coming. They then saw a response in which meetings were cancelled, a lack of information was provided and a package was offered that fell very short of ensuring a fair and just outcome, given the circumstances.

The correspondence from Whiteland Milling continues —

Whiteland Milling leases the land for our mill site from the Water Corporation, and due to our mandated closure by this decision, we will need to remove and scrap the entire mill and then clear the site and rehabilitate the land. Initial estimates show this could cost up to \$1 million. The majority of our plant will be worthless as there will be no demand for hardwood sawmill equipment. Not only will we be left with a business that is now worthless, but we will also be in debt to cover these demolition costs.

We don't know where our customers will be able to source timber in the future.

...

The McGowan government had the opportunity to work with us and the rest of the timber industry to provide us longer than two years to forward plan these devastating and potentially bankrupting closures.

...

Whiteland Milling is constantly investing and upgrading plant & equipment. In the past few years alone, we have built a whole new sawmill, four new drying kilns and a new docking system. All these upgrades flow through our local business community ...

...

As an example, in 2020, our total expenditure exceeded \$7 million so when we are forced to close our doors ...

There will be flow-on effects for these other businesses as well. The letter finishes by urging the McGowan government to address the just transition plan and ensure that it is just and takes on board the plight of these small businesses and the families that surround them, as well as their overall wellbeing and welfare, which, as I have stated, is certainly a concern as well.

The Leader of the Liberal Party, the member for Cottesloe, has talked about the contrast that we have seen between the lack of support for these small businesses and the significant support that we have seen for the union. Perhaps that has been a silencing effort to ensure that criticism of these decisions is limited to these small individual businesses. The Forest Industries Federation Western Australia has raised the fact that the union had been missing in action until the government's policy announcement to cease native forestry presented an easy opportunity for the union to increase its membership.

With respect to the package, which is the focus of my concerns, FIFWA also raised the point that the just transition plan requires business owners to be compensated for the loss of their businesses and livelihoods and that the government should perhaps follow the former Gallop government's lead and support a prepayment or pay a pre-announcement market value for businesses forced to close as a result of this policy decision.

Adele Farina, a former member for the South West Region, stated —

“When announcing its policy decision, Premier Mark McGowan said he was building on former Premier Geoff Gallop's legacy.

...

“Far from building on Gallop's legacy, McGowan is trashing that legacy.”

She was referring to the fact that this package falls well short of what was offered by the former Labor government in similar circumstances. It is very concerning how restrictive this package has been for those small operators. We would like to hear from the minister in his reply why and how these figures could be justified in terms of what the package represents. The industry body said they were plucked out of the air.

[Member's time extended.]

Ms L. METTAM: The compensation was based on the 2022 indicative supply, which clearly fell well short of the contracted volume for this industry.

The pleas coming from the industry, the industry body and the communities that surround them are very fair. When Whiteland Milling first wrote to me, it had 40 staff. It is representative of many other businesses that are really struggling in the face of what this package represents. Although we support the package for those workers and it is good to see employees supported in this way, it has certainly been devastating for those small businesses that have been blindsided by this decision. There are real concerns about their future going forward. With those remarks, I urge the minister to consider the pleas of those small businesses in the industry, rethink the restrictive criteria that has been attached and also look at the legacy of the Gallop government when the former Labor Premier was making similar considerations in response to a government decision that obviously had implications for an industry.

It is not a fair approach. It is not a fair way to treat our fellow Western Australians, as we have seen and as is already on the record. In January 2021, the minister made statements about the industry going forward, then blindsided the industry, failed to communicate with the industry, recklessly cancelled meetings with those whose livelihoods were significantly impacted, paid off the union and failed to effectively engage with those who were really hurting from this decision. It is not good enough. It does not illustrate any leadership. The government still has an opportunity to make good on the compensation package. In addition to providing that valuable compensation to the workers of the industry, also provide compensation and an effective package that is accessible for industry to others as well.

I will leave my comments there. I imagine there may be some other speakers.

MR D.J. KELLY (Bassendean — Minister for Forestry) [3.48 pm] — in reply: I thank the members who have contributed to the second reading. I thank members opposite for indicating that they will support the Forest Products Amendment Bill 2021. The government appreciates that. I thank the government members who spoke in support of the bill—the members for Thornlie, Cockburn, Belmont, Hillarys, Collie–Preston, Mirrabooka, Kalamunda, Churchlands and Bicton. I especially acknowledge the member for Warren–Blackwood, who spoke very passionately in support of the government's decision to expand the softwood estate. She also spoke in this place and to me previously about her determination to make sure that the just transition plan as it relates to native forests continues. I very much appreciate the support that the member for Warren–Blackwood has given in advocating for her community.

Members opposite did not raise too many issues around particular provisions of the bill, but they did raise a few general issues that I will briefly respond to. The member for Roe in his contribution indicated he thought it was

more logical for the government to have a strategy to encourage farmers to plant pine trees on their own properties rather than for it to buy land and plant trees. I indicate to the member for Roe that the intention of the government is to buy land so that trees can be planted so that we get not only one rotation for that money but can continue to plant rotation after rotation because we own the land. By having government land, we will guarantee that, hopefully, we will not be in the position that we are in now, with not enough land and not enough supply. Buying government land is very much part of the plan to ensure a sustainable plantation industry going forward. That is not to say we will not be talking to private landowners about entering into arrangements whereby trees are planted on other properties. There will be a mixture, but the government buying land is to ensure very much that in 20 years' time, when the first crop of trees is cut down, that, for example, the private landowner does not decide, "I want to do something else with my land." We would then be in the position of not getting future rotations.

The member for Roe also made the comments —

My concern is that as time goes by, with different varieties of politics and different forms of government, we do not ever seem to be able to have a continuity that will go on for 30-odd years. The real concern for me is the time that it takes.

Member for Roe, we have committed \$350 million over 10 years. Because I agree with the member; we have not had consistency in this policy area. In 2012, the previous government did not plant any pines at all. I think the year before it planted five hectares. There has been an inconsistency. What people have from this government is a long-term financial commitment—a 10-year investment of \$350 million. I agree with the member on the need for long-term planning and policy commitment in this area.

I think the members for Roe and Moore, and probably the member for North West Central, asked some questions about where the land that is to be purchased will be. The members said, "We want to know where the land will be? We want details. People want certainty." Obviously, the government is not going to go out and say, "We are going to buy this block of land once this legislation has passed", because that would have an obvious impact upon the price of that land. We all know—it is no secret—that pines need to be planted in areas where there is sufficient rainfall and it is economically viable as far as the location of transport hubs, mills and the like. Those criteria are no secret. The Forest Products Commission's assessment is that land is available in those areas. We will not be going out and buying up premium agricultural land, which is one of the other issues that was raised, because the price for which that land would be sold makes it unviable for plantation timber. FPC's advice is that there is—the member for Cottesloe talked about degraded land—land available that is not necessarily suitable as premium agricultural land. It may be private property that previously had blue gums on it, for example, that is suitable for FPC to purchase for pines. We are not going to tell members that in this debate, consideration in detail or anything else. We are not going to give members a list of the blocks of land that we will seek to purchase because that would be a nonsense. They will be commercial decisions made by FPC when it goes to market looking for land, as is needed to plant the required trees.

I am not saying there will not be challenges. That is what arises when we have the vagaries of the market. The fact that the price of premium agricultural land has gone up just shows how well many sectors in Western Australia are doing because of the management of the McGowan Labor government. But we do believe that suitable land will be available to purchase under this scheme.

The member for Roe also talked about plantation issues involving Synergy and BP. They are not matters that are really related to this bill. They are completely unrelated to the issues in this bill so I do not intend, member for Roe, to go into the issues around those properties. I know the member has raised the issue with FPC before, but his best bet is to go through the proper channels. Today is not the time.

The member for Moore raised the issue of FPC and paying rates on land. This bill will not change the provisions of the Forest Products Act around payments in relation to land and the policy will not change.

The member for North West Central made some interesting comments around his time in government, when the member for Central Wheatbelt was the minister and I understand he was the parliamentary secretary. It was interesting that he talked about their plan when they realised that there was going to be a supply gap in the future. He said they thought they would need 40 000 hectares, not 33 000 hectares, which is the figure that we are targeting for land purchases under this program. I say to members opposite that we are very hopeful in discussions we have had with the private sector that with the investment we have made we will be able to leverage other private sector investors to come in. It will not be just a government program for land purchasing and tree planting. Because of our investment, we will see other players come into the market. From private investors' point of view, one of the problems is that people were not sure whether there would be an industry into the future. The fact that the government has put a substantial amount—\$350 million—on the table over 10 years gives people confidence that there will be an industry. We are talking to the private sector so we believe that the government's investment will result in other players coming into the market.

Mr P.J. Rundle interjected.

Mr D.J. KELLY: Tree planting, believe it or not, is—the member for Roe is laughing. If we are going to invest in trees, we have to do it for the long term, because it takes a long time for them to grow. That is why the decisions made by the former government not to plant any means we are having to clean up the mess that it created. Investing in trees is a long-term business, and that is why the state government putting a substantial amount of money on the table is such an important part of ensuring that this industry will go forward.

The member for Central Wheatbelt in her contribution today tried to paper over the cracks caused by the lack of action during her time as the minister. She talked about the \$21 million softwood plantation program that the former government announced. I understand that that was really just a repackaging of money that was already in the budget. In fact, there was no new money as part of that package. It was seen by industry as a fig leaf for what was required. As the member for Central Wheatbelt indicated, the government knew at that time that it needed 40 000 hectares. There was no pretext that the \$21 million of existing money that was rebadged would solve the problem. To be honest, it was a press release rather than a policy of substance. Compare that to the \$350 million that we have put on the table.

Debate interrupted, pursuant to standing orders.