

GREENBUSHES TIMBER MILL — TIMBER INDUSTRY ASSISTANCE PACKAGE

**783. Hon SALLY TALBOT to the Minister for Commerce:**

I refer to the advertisement posted on the Gumtree website on 18 July 2016 entitled “Backpackers Wanted for Timber Mill—Greenbushes”.

- (1) Under the previous Government’s \$123 million timber industry assistance package, what funding or resourcing was made available to the owners of the Greenbushes timber mill to facilitate local job creation and upgrade the mill?
- (2) What conditions did that funding place on the owners of the Greenbushes timber mill in creating jobs in the local area?
- (3) Did these conditions include any targets for local employment numbers; and, if so, are these targets being met?

**Hon MICHAEL MISCHIN replied:**

I thank the member for some notice of this question.

- (1) In March 2000, a financial assistance agreement between the then Minister for Commerce and Trade and Blueleaf Corporation Pty Ltd was entered into to assist Blueleaf to purchase the Greenbushes timber mill from Whittakers. The FAA, as amended, provided for a grant of \$636 000; an interest-free loan of \$2.4 million convertible to a grant upon achieving certain employment milestones; and an interest subsidy to assist Blueleaf with a commercial loan it had entered into for the purchase of the Whittakers operations.

In October 2004 a second FAA was entered into between the then Minister for State Development and Blueleaf to assist Blueleaf to purchase and commission a small log line. The FAA provided for an interest-free loan of \$2.2 million converting to a grant over five years on installation and commissioning of the small log line and achieving certain employment milestones.

- (2) The conditions of the funding agreements in the terms of employment were as follows for the 2000 FAA, as amended, to maintain an average of the following FTE numbers: 2000–01 to 2003–04, 53; 2004–05, 73; 2005–06, 83; 2006–07, 91; 2007–08, 93; 2008–09, 93; and, 2009–10, 93.

For the 2004 FAA, to maintain an average of the following FTE numbers: 2004–05, 73; 2005–06, 83; 2006–07, 91; 2007–08, 93; and, 2008–09, 93.

- (3) Except for 2009–10, these targets were met. In 2009–10, the average FTE number maintained was 91.3. However, the minister approved the final loan conversion, taking into account Blueleaf’s previous performance and the impact of prevailing conditions within the timber industry on business activity and capacity to maintain employment levels. These employment targets no longer apply with the obligation ending on 30 June 2010 at the conclusion of the 2000 FAA.