

FOREST PRODUCTS COMMISSION — PRIVATISATION

**689. Mr M.P. MURRAY to the Minister for Forestry:**

I refer to the state government's plans to privatise the Forest Products Commission.

- (1) When does the state government anticipate the entity will be put to tender and what price does it expect to receive for the sale?
- (2) Will the sale contract include a clause to ensure that any potential buyer maintains commercial relationships with local, regional and rural contractors who, in 2013–14, held 96 per cent of FPC contracts?

**Ms M.J. DAVIES replied:**

- (1)–(2) That is my first forestry question, so thank you, member. I thank the member for his interest. He is keenly interested. I know it is conflicting on that side. There are some challenges on that side in this space, so they do not like to talk about it.

Several members interjected.

**The SPEAKER:** Members!

**Ms M.J. DAVIES:** Let me bring the shadow minister up to speed.

**Mr B.S. Wyatt** interjected.

**The SPEAKER:** Member for Victoria Park!

**Ms M.J. DAVIES:** We are not selling the FPC—surprise, surprise! No, we are not—shock, horror!

Several members interjected.

**The SPEAKER:** Hansard cannot follow what is going on in the chamber, so we want a nice, loud answer through the Chair, and no interjections. Thank you.

**Ms M.J. DAVIES:** Sorry, Mr Speaker.

We are not selling the FPC. One section of the FPC's assets, which is softwood plantations, has been listed for a potential sale. That process is currently being carried out through the asset sales process that the Premier talks about regularly, and due diligence is being done. There are some things that need to be taken into consideration as part of that process. It will occur over the next six to 12 months. Some exciting things are happening in the other parts of the forestry portfolio. We have been doing a significant amount of work with our sandalwood contracts. Some contracts are coming to an end in the middle of next year, and we have been working with stakeholders to try to maximise the benefit for not only regional Western Australians but also the taxpayers of Western Australia, and I think there are also some fantastic overlaps in benefits for the wheatbelt in terms of plantation sandalwood. In the member for Kalgoorlie's patch we also have a significant footprint for sandalwood. If we talk about the native forests and the contracts that we have and that FPC manages in that space, we have a forest management plan, and we have processes that are working hard to make sure they are creating jobs and modernising their facilities and technologies. I am sure that the member is well up to speed with that.