

WOODCHIPS, REDUCTION OF VOLUMES

693. Dr EDWARDS to the Minister for Forest Products:

- (1) What is the estimated annual financial loss to the State resulting from Wesfarmers' March 2000 decision to reduce its native timber woodchip volumes from 630,000 tonnes to 270,000 tonnes by 2002?
- (2) Has Marubeni Corporation indicated whether it will abide by this decision?
- (3) Of the 750,000 tonnes of plantation woodchips that Wesfarmers estimated it would export in 2002, how much of this volume will be supplied by CALM?
- (4) What is the estimated revenue to CALM for the supply of its proportion of the 750,000 tonnes of plantation woodchips in 2002?

Mr OMODEI replied:

- (1) The Wesfarmers March 2000 announcement related to woodchips, not logs, and included woodchips from sawmill residue. It is expected that reductions in the quantity of chiplogs sold by the Department of Conservation and Land Management will result in an annual reduced net revenue of approximately \$6.5 million in 2002.
- (2) Marubeni Corporation has purchased WACAP from Wesfarmers and stands in place of WACAP for the performance of WACAP's obligations under the wood supply contract between WACAP and the Department of Conservation and Land Management.
- (3) Wesfarmers is expected to purchase, under contract, a quantity not exceeding 67,500 tonnes and not less than 50,000 tonnes annually.
- (4) Based on the current price between approximately \$2.2 million and \$3 million exclusive of the log harvest and log transport costs.