

GUNNS LIMITED — MANJIMUP OPERATION CLOSURE

4291. Mr M.P. Murray to the Minister for Forestry

In relation to closing down the Deanmill Sawmill and winding down the Manjimup operation by Gunns being announced weeks after Gunns had made it known that it was looking to leave the native timber industry and concentrate on plantation wood, I ask:

- (a) was the Government aware of Gunns' decision before it went public; and
 - (i) if not, and given the role of the Forest Products Commission (FPC), why was the Government not in consultation with Gunns leading up to the decision;
- (b) does the FPC have a legislative mandate to consult with organisations, such as Gunns, to develop the forestry industry in Western Australia;
- (c) are there any plans for the FPC to work with stakeholders to develop the plantation timber industry; and
- (d) what programs does the government have in place to develop the plantation timber industry in Western Australia, and in turn protect south west communities and jobs?

Mr D.T. REDMAN replied:

- (a) The Government was advised confidentially as early as June 2010 that the Gunns board was contemplating a number of options with respect to its Western Australian assets.
 - (i) Not applicable.
- (b) Section 10(r) of the Forest Products Act 2000 states that it is a function of the Commission "to consult with, and provide advice to, the public and the forest products industry as to the policies and programmes of the Commission."
- (c) FPC has an ongoing commitment to work in a commercial relationship with stakeholders for the ongoing development of a commercially viable forest industry. In addition the FPC will work with stakeholders to develop the plantation timber industry through the Science and Industry Development Unit accommodated at the Department of Agriculture and Food WA, which provides policy advice and undertakes research and timber industry development functions.
- (d) The plantation based forest industry has reached a point where the private sector is investing substantially in creating and managing plantation resources as well as the processing of wood. The government believes the industry will be far more robust if the government enables investment and provides advice, research and practical assistance where there is clear market failure.