

QUESTION ON NOTICE

No. 603

Asked on 20 May 2004

MS LEE LONG asked the Minister for Primary Industries and Rural Communities (MR PALASZCZUK)—

QUESTION:

With reference to his department's decision to limit allocations of hoop pine to only ten years which is not long enough to encourage millers and others in the timber industry to continue to invest in hoop pine technology, harvesting, processing and so on—

- (1) Why has he limited this valuable resource to an allocation of such a short timeframe?
- (2) Will he consider increasing the time frame to a more commercially appropriate period – for example 25 years?

ANSWER:

- (1) The impending offer of a non-competitive allocation of hoop pine (*Araucaria*) log timber to established hoop pine processors, for ten years, is a component of the government's *Araucaria Allocation Policy*. The policy aims to provide for equity between, and an appropriate level of resource security for, existing hoop pine processors, whilst providing the State as forest grower with the flexibility to respond to its customers and market conditions, promote market pricing and achieve commercial rates of return. As the recipients of a non-competitive *Araucaria* allocation already have a history of participation in the industry they have already made a significant investments in the processing of the timber. The policy must also comply with legislative requirements, in particular the provisions of Part IV of the *Trade Practices Act 1974 (Cth)* to provide reasonable opportunities, on suitable terms, for new entrants to access log resources.
- (2) There is no proposal to increase the term of the allocation beyond ten years.