



We are a privately owned manufacturing business located near a regional town in Western Australia employing twelve full time staff.

Our products are preserved timber posts, poles and sawn timbers, which are distributed widely throughout Western Australia to the farm merchandise, landscaping and building industries. The business focuses primarily on agriculture for its sales. The main markets are for farm fencing in the livestock industry and trellis posts for viticulture and fruit growing. All of our product is sold within Western Australia.

The preservation business was established in the 1960's and has been operated by several owners since that time, evolving from a native hardwood sawmill on the site. The current owner has operated the business since 2002.

The business is based on the preparation, drying and preservation of plantation softwood logs, namely radiata pine which has been sourced from juvenile thinnings from sawlog plantations.

Most pine sawlog plantations in Western Australia are operated by the Forest Products Commission of WA, with whom the business has a contract to purchase, "preservation logs".

Our role in growing agriculture is to manufacture and supply our products to the farm sector in turn allowing them to pursue their aims of growing livestock for meat and wool and growing plants, fruit and vegetables for food, beverages and fibre.

Over time our role has become increasingly frustrated by the dwindling availability of plantation softwood logs suitable for preservation, particularly logs of a size and quality that match the aspirations of our customers. We are unable to satisfy ongoing demand for larger strainer posts for farm fences and larger poles used in trellising and support structures for fruit and vegetable crops. This has never been more evident than 2019, when we lost the opportunity to supply 6,000 large poles to one fruit growing expansion project nearby. The loss of this one opportunity represents forfeiture of over \$500,000.00 in turnover for our enterprise. Even more disturbing is the prospect that the raw materials will continue to be unavailable into the future.

The growing of pine logs in Western Australia is dominated by the Forest Products Commission, who grow pine plantations on behalf of the state. According to their own "Statement of Corporate Intent 2017-2018", FPC's

strategy is to, “Facilitate a vibrant forest industry to deliver social and economic benefits to the people of Western Australia, particularly in the regions”.

The supply of raw timber to our industry (and others) is being restricted due to the level of commitments to supply, given under certain State Agreement Acts made by previous state governments in Western Australia and the apparent failure by Forest Products Commission to meet those commitments using the level of resources that they have been allocated by subsequent state governments. Of further concern is the general understanding that the existing State Agreement Acts have pricing that is fixed well below the prices that would prevail in an open market. The existing State Agreement Acts have been in place for longer than the growing cycle of pine sawlogs. One of the unanticipated side effects of artificially suppressing the price of logs for so long by favouring certain processors has been to drive out most private investment from the pine sawlog growing industry. This has resulted in the Forest Products Commission’s share of the sawlog estate being further elevated as private growers opt out of pine sawlogs by not replanting. This has placed even more pressure to supply on FPC as other alternatives dwindle.

The exact details of the existing State Agreements Acts are guarded very closely by both the Forest Products Commission representing the state government and by the beneficiaries of the Agreements, which does raise questions regarding transparency in the allocation of public resources.

Unless the dominance over supply of the beneficiaries of the existing State Agreements Acts can be adjusted in the future, there simply will not be enough raw plantation logs and timber available to service the existing agricultural industries in Western Australia, let alone provide the building materials required to participate in the expansion of the primary production sector to achieve a combined \$100 billion value of production by 2030.

Therefore, unless the primary production sectors can substantially replace plantation timber as a building material for their pursuits, the existing state sponsored distortion of the plantation timber market in Western Australia will remain as a long term impediment to the expansion of primary production here.

