

**Question on notice no. 10**

**Portfolio question number: SQ22-000056**

**2021-22 Additional estimates**

**Rural and Regional Affairs and Transport Committee, Agriculture, Water and Environment Portfolio**

**Senator Malarndirri McCarthy:** asked the Department of Agriculture, Water and the Environment on 15 February 2022—

Senator McCARTHY: So it's not a pallet shortage; it's just the fact that the existing ones can't be circulated?

Ms Campbell: That's the main issue—that there's a circulation issue—although there are fewer pallets in Australia than we would like because the manufacturing of pallets has slowed down.

Senator McCARTHY: When you say 'fewer', by how much?

Ms Campbell: I don't have that number. Apparently it's a sleeper issue, but it's been vastly swamped—that's how industry described it to me—with the other issues that we've been seeing across all supply chains over the last couple of months.

Senator McCARTHY: What would be an ideal number in terms of pallets?

Ms Campbell: Sorry, I don't have that number. We can certainly work with industry and take that on notice.

Senator McCARTHY: Yes. If you could also let me know if Victoria is the only state that can be involved in manufacturing that.

Ms Campbell: I will do that. Certainly my understanding is they are the main hardwood manufacturer of pallets, and there are softwood pallets being manufactured elsewhere.

Senator McCARTHY: Where are they manufactured?

Ms Campbell: I will take the detail of where and how the pallets are manufactured on notice.

**Answer —**

Answer attached.

**Rural and Regional Affairs and Transport**  
Answers to questions on notice  
**Agriculture, Water and the Environment Portfolio**

**Question No:** SQ22-000056  
**Hearing:** Additional Estimates  
**Outcome:** Outcome 3  
**Division/Agency:** Agvet Chemicals Fisheries Forestry and Engagement  
**Topic:** Pallet shortage annd manufacturing  
**Hansard Page:** 27  
**Question Date:** 15 February 2022  
**Question Type:** Spoken

**Senator McCarthy asked:**

Senator McCARATHY: So it's not a pallet shortage; it's just the fact that the existing ones can't be circulated?

Ms Campbell: That's the main issue—that there's a circulation issue—although there are fewer pallets in Australia than we would like because the manufacturing of pallets has slowed down.

Senator McCARATHY: When you say 'fewer', by how much?

Ms Campbell: I don't have that number. Apparently it's a sleeper issue, but it's been vastly swamped—that's how industry described it to me—with the other issues that we've been seeing across all supply chains over the last couple of months.

Senator McCARATHY: What would be an ideal number in terms of pallets?

Ms Campbell: Sorry, I don't have that number. We can certainly work with industry and take that on notice.

Senator McCARATHY: Yes. If you could also let me know if Victoria is the only state that can be involved in manufacturing that.

Ms Campbell: I will do that. Certainly my understanding is they are the main hardwood manufacturer of pallets, and there are softwood pallets being manufactured elsewhere.

Senator McCARATHY: Where are they manufactured?

Ms Campbell: I will take the detail of where and how the pallets are manufactured on notice.

**Answer:**

The Department of Agriculture, Water and the Environment has been advised that the return of pallets into circulation has reduced as a result of COVID-19 lockdowns and associated interruptions to supply chains. The department has not been able to establish an 'ideal number' of pallets required.

Industry estimates that the domestic pallet pool consists of around 16 million pallets which support around 56 million pallet uses each year. The department understands that Australia produces around 2 million pallets per year for the food supply chain and around 10 million pallets per year for other products, a large proportion of which are used for delivering product to export markets.

The department has heard claims that timber availability is limiting capacity to produce additional pallets, but the department has not been able to verify the extent of any reductions in pallet production. Forest industries have foreshadowed that reductions in native forest harvesting in Victoria as it transitions out of native forestry by 2030 may result in a reduction in hardwood pallet production.

Softwood pallets are manufactured in South Australia, Western Australia, New South Wales and Queensland. The largest producer of hardwood pallets is in Victoria, with other manufacturing facilities in New South Wales and Tasmania.