

FOREST PRODUCTS COMMISSION — HALF-YEARLY REPORT

1664. Hon Steve Martin to the Minister for Forestry:

I refer to the *Forest Products Commission (FPC) Half Yearly Report*, and I ask:

- (a) why did the FPC report a pre-tax operating profit despite the budgeted forecast loss for the period;
- (b) the report lists plantations as inline with expectations, native forest sales as down, more production of low quality and lower price products and reduced returns for sandalwood. Which sales, if any, were above expectations for the period, and in what dollar amount; and
- (c) the report suggests costs are down, leading to better than budgeted performance. Which costs, and to what dollar amount are costs down relative to what was budgeted?

Hon Jackie Jarvis replied:

- (a)–(c) The FPC reported a pre-tax operating profit as compared to a budgeted forecast loss due to many factors including reduced operating and production cost.

No forest sector achieved any significant sales results above budget expectations.

There were many variances to cost with the most significant being harvest, haul, and processing costs.