

19 October 2018

Mr Roland Mau  
Director  
Secretariat of the Conservation and Parks Commission  
Block 11, 17 Dick Perry Avenue  
Technology Park, Western Precinct  
KENSINGTON WA 6151

**Submission: Draft Mid-term performance review of the Forest Management Plan 2014-23**

Dear Mr Mau

The Forest Industries Federation of WA (FIFWA) is the association for the timber industry in Western Australia. FIFWA is representative of the major companies and businesses that operate in the WA timber industry, including the native timber harvest and haul operators and processors. This submission is made on behalf of those FIFWA members directly involved in the native timber sector of the industry and on behalf of the processors of State-owned plantation estate resource. Whilst we make this industry submission we understand some of our members will also be making individual submissions to emphasise points of particular importance to their own businesses.

We would like to thank you for the opportunity to comment on the Draft Mid-term performance review of the Forest Management Plan 2014-2023, and note that while we are supportive of a number of recommendations in the plan we also raise several concerns, particularly in relation to proposed management responses which we see as having potential adverse impacts on the commercial viability of the timber industry. We have made a number of recommendations (see Appendix 1) as well as outlined our views in relation to the management options presented in the review

If required we are more than willing to provide additional information or answer any questions the Conservation and Parks Commission may have in respect to the industry submission.

Yours sincerely



Matt Granger  
**Chief Executive Officer (Acting)**

Mobile: 0407 448 648  
Email: [m.granger@fifwa.asn.au](mailto:m.granger@fifwa.asn.au)

## **Submission: Draft Mid-term performance review of the Forest Management Plan 2014-23**

Industry is largely unimpressed by the status, recommendations and proposed management responses of the Draft Mid-term performance review of the Forest Management Plan 2014-23 (here after draft mid-term review). They offer nothing in terms of resource security, which is key to the ongoing success of industry. Many of them are vaguely worded, so while industry may support the concepts, we hold little hope that the recommendations will be implemented in a meaningful way.

The comments to follow are intended to be constructive, opening a frank dialogue that will allow for the development of an improved FMP going forward. Ideally this will be a rolling FMP, which will improve resource security for industry and allow for improved silvicultural outcomes for WA's forests (among a host of other benefits).

As noted in the draft mid-term review, industry contributes a significant amount to WA's economy (approximately \$643 million to WA's annual gross regional product, and estimated gross value of \$1.4 billion – more than fisheries and wool combined); various local communities through jobs (approximately 6000 jobs, with over 90% of those jobs in regional areas) and outreach activities like sponsorships of events, donation of resources and so on; in addition to maintaining our healthy forests (Schirmer *et al.* 2017). The FMP underpins much of industry's activities so this review, and the opportunity to shape the next FMP, is of particular importance to FIFWA.

To keep a format consistent with the draft mid-term review, industry comment will address the document section by section, but only where relevant and constructive. Therefore the recommendations to follow do not indicate an order of importance.

### ***Executive Summary (pg vi)***

At a glance, the executive summary delivers a glowing report card, awash with varied shades of green "achievements". Closer inspection reveals relatively little progress and varying degrees of confidence. This is explained away later in the draft mid-term review (lack of resources) and it is discouraging for FIFWA to note that the government agencies responsible for the FMP, which drives industry and underpins contracts, are not allocated more funding for implementation and monitoring - a common theme in this submission.

### ***Climate change and its impact (pg ix)***

Industry is obviously particularly concerned about the impact of climate change through reductions in forest density and whole of forest condition (KPI 1); increases in the incidence of landscape scale bushfires, increased complexity and constraints in prescribed fire (KPI 6); and impacts on plantations from bushfire (KPI 16). Industry is therefore broadly supportive of continuing to review and revise management practices to enhance ecosystem resilience and align with altered productive capacity under a drying climate; continuing to undertake prescribed burning programs to reduce the risk of large bushfires; responding to bushfires to limit the impact on plantations; applying thinning to revised density targets in commercial timber harvesting; and investigating opportunities to apply silvicultural treatments that increase groundwater recharge and streamflow, and improve the resilience of affected ecosystems.

The statement:

“However, it should be noted that 62 per cent of the area covered by the FMP is in conservation reserves or protected areas within which active management by thinning is not supported under the plan. Implementing silvicultural treatments for improved ecosystem health can be achieved in areas available for timber production through the encouragement of markets for other bole volume.”

is of serious concern. The draft mid-term review makes repeated mention of under-utilisation resulting in preferred silvicultural outcomes not being achieved. Combined with the notion above that 62% of the area is generally not treated silviculturally it is therefore crucial that no more available State forest for timber production changes tenure to any kind of reserve. This flows back to resource security and essentially the industry’s sovereign risk, another common theme for our submission.

Unsurprisingly, FIFWA strongly supports the encouragement of markets for other bole volume. Listing specific potential markets (such as biomass, and even the potential for further exploration of overseas markets) in the mid-term review and certainly in the next FMP would be beneficial. More needs to be done to explain the benefits of full utilisation of our forest products. More needs to be done to assure those who are against industry that our forests are managed sustainably and that as new markets emerge, production will continue at a sustainable level. While it is common sense for industry to utilise the entire tree, common sense does not always prevail in public opinion and policy making. Making specific mention of markets, and explaining the holistic benefits of full utilization of other bole volume, will improve social license for industry and ultimately benefit forest health.

**FIFWA recommendation 1:** To facilitate uptake and public acceptance, the mid-term review should specifically encourage the particular market opportunities available for other bole volume, including local and export opportunities.

#### ***Forest products industry (pg ix)***

Industry would like to address the statement “south-west native forest industry operated below the production limits set in the FMP”. When taken out of context by anti-industry proponents this could be used to promote the ridiculous notion of shutting down an industry that is perceived to be struggling. Our native forest industry is not struggling. Indeed, the section of the draft mid-term review addressing KPI 21 makes mention of the socio-economic study revealing that the native forest sector contributed about \$104 million to WA’s gross regional product in 2015-16, and generated 508 direct jobs up the point of primary processing (Schirmer *et al.* 2017). These are significant figures and indicate that if industry was able to increase production, the economic contributions would be even greater.

In the opening paragraph (on page x), the draft mid-term review notes some potential reasons for the production shortfall (challenges in economically accessing low sawlog yielding areas) but fails to recognise the underlying cause of the problem - resource security. FIFWA has repeatedly communicated this with the FPC, (and other levels of government). There are a multitude of reasons why the native forest industry did not operate to the full capacity of the production limits set in the FMP, but many of them essentially boil down to resource insecurity. As harvest and haulage contracts are set to expire in 2023, companies are hesitating to invest and banks are hesitating to offer loans. Without this injection of funds, contractors are restricted, unable to expand their businesses in order to take full advantage of the production limits of their contracts. Resource insecurity increased following the apparent election promise to expand the Wellington National Park. As a result the FPC took the over-cautious step of removing several coupes (Arcadia 03, Arcadia 04 and Mungilup 04) from the 2018 Harvest Plan and the Three-Year Indicative Plan 2018-2020.

Here FIFWA would like to again take the opportunity to suggest that the next FMP be a rolling one. The plan is exhaustively prepared, with complex and thorough sustained yield calculations projecting many decades ahead, to 2070. It therefore seems completely arbitrary that contractors are limited to finite 10 year periods, stifling their business productivity particularly in the last 5 years. We would urge the Commission to consider a plan that is more supportive of industry. With greater security of resource, industry would be more likely to meet (at least) the lower levels of the production limits set in the FMP.

Of course it should also be noted that the production limits themselves, as set in the FMP, are optimistic. Even with the best machines, optimal haulage, and complete market access it is unlikely that production will ever threaten the upper limits for average annual allowable cut. While this is explained in detail in the FMP itself, the draft mid-term review does not expand on the issue in a practical way. FIFWA reiterates that operation below production limits set in the FMP does not indicate an unviable industry.

**FIFWA recommendation 2:** The mid-term review should do more to explain the complex situation that led to industry operating below production limits set in the FMP.

**FIFWA recommendation 3:** The mid-term review should do more to explain the achievable production limits relative to the sustainable limits as theoretically prescribed and set in the FMP.

With serious concern, industry acknowledges that:

“This under-utilisation has also resulted in preferred silvicultural outcomes not being achieved for a large part of the jarrah forest...which will impact on future growth and, all other factors being equal, sustained yields.”

Forest health through sustainable forest management is of paramount concern to industry. An unhealthy forest does not benefit industry, and the concept that sustained yields will decline is galling. This once again highlights the importance of resource security to allow industry to operate at its best and to address the under-utilisation particularly through developing the current residue market opportunities.

The draft mid-term review goes on to note:

“There will also be an increasing reliance by the wood products industry on lower sawlog yielding jarrah forest which is less economically viable.”

Again, this not only underscores the importance of expanding markets for lower grade logs, value adding to those lower grade logs, and higher value product development but also emphasizes the requirement for industry to be allocated equivalent high yielding coupes in compensation for those removed from the 2018 Harvest Plan and Three-Year Indicative Plan 2018-2020.

FIFWA was pleased to acknowledge that softwood supply targets were met (KPI 19), and the various commitments (pg x), but is understandably seriously concerned that:

“the total area of plantations continued to reduce, largely through clearing for other land uses...and extensive bushfires.”

As noted in the draft mid-term review, the reduction in the plantation estate size will have a negative impact on the future supply of wood products from plantations. This looming gap is a dominant concern for industry, and again contributes to resource security issues. The draft mid-term review often refers to the Softwood Industry Strategy for Western Australia (FPC 2016), and FIFWA would like to draw the Commission's attention to our own document, “Western Australia Plantations – The missing piece of the puzzle” (FIFWA 2016). Industry is proactively ensuring that the \$274 million contribution to WA's gross regional product dependent on softwood plantations, and the 863 direct jobs up to the point of primary processing dependent of softwood plantations (Schirmer *et al.* 2017) are not lost. Additionally, industry is proactively working with the Department of Fire and Emergency Services, through a formal Memorandum of Understanding, to ensure that plantation resources are given adequate recognition in fire suppression efforts. We would hope this aspect of the mid-term review (reduction of the total area of plantations) could be used as a tool to further strengthen efforts and support towards increasing the softwood estate in the areas under the FMP.

Another statement of concern:

“...the limited markets for other bole volume from native forests (KPI 16) is a constraint on the delivery of silvicultural treatments for ecosystem health, sustainable industry development and the longer-term socio-economic benefits that flow from this.”

FIFWA noted above that forest health through sustainable forest management is of utmost concern to industry. The same holds here. An unhealthy forest does not benefit industry, and the concept that sustainable industry development is at risk is distressing. This once again highlights the importance of resource security for industry to operate at its best and to be able to access markets for other bole volume. We would again hope

this aspect of the review (limited markets being a constraint) could be used as a tool to further strengthen efforts and support towards improving market access for other bole volume from native forests.

Further to that statement of concern - markets do exist for other bole volume from native forest. This was addressed in FIFWA recommendation 1. Industry is actively participating in biomass trials, market development and is already attracting investment. FIFWA would certainly welcome all efforts to ease the constraint on the delivery of silvicultural treatments and to improve market access, processing technologies and operational efficiencies.

FIFWA is tentatively supportive of the seven management responses listed on pg x and xi, but notes their vague wording. Of particular note:

- Only once is the FPC prompted to work proactively with industry. We urge both departments to work collaboratively with industry to achieve the best outcomes in the smoothest fashion, for all the management options listed here (and indeed for many of those suggested throughout the draft mid-term review).
- FIFWA especially welcomes the statement that “seeking offsets” will occur, seeking to minimise the reduction in forest area. With the amount of available State forest for timber production ever shrinking (through reservation), documents like the mid-term review and the FMP itself must clarify how industry will be compensated, such as by offsetting the loss of coupes through replacement with coupes of equal (or better) values, including predicted volumes, access restrictions and haulage routes.

While these issues will be explored later in this submission, we now note the following recommendations -

**FIFWA recommendation 4:** Where applicable, the mid-term review should specify that the Department and the FPC should work collaboratively with industry.

**FIFWA recommendation 5:** The mid-term review must use strong, specific language to quantify the offsets that will occur when seeking to minimise the reduction in forest area.

#### ***Monitoring and reporting of key performance indicators (pg xi)***

FIFWA notes with interest the admission that:

“Achievement of some of the KPI performance targets is beyond the ability of the Department and the FPC to influence”, and “In many circumstances, these changes would be unable to be mitigated by any feasible management response.”

As previously mentioned, industry strongly supports and indeed relies on healthy forests through sustainable forest management. Therefore we recognise the importance of monitoring climate change, for example, but question the validity of dedicating resources to the development, monitoring and reporting of key performance indicators that can not be achieved by the parties held accountable by the FMP. The FMP is a highly scrutinised document, and anti-industry proponents often use it to support their claims. Non-achievement of KPIs (for perfectly valid reasons) can be deleteriously extrapolated to suggest that the forest is not being sustainably managed.

**FIFWA recommendation 6:** The next FMP should only contain KPIs that are within the ability of the Department and the FPC to influence.

#### ***Resources for implementation of the FMP (pg xi)***

Similar to above, FIFWA recognises that the “FMP requires sufficient resources to enable its implementation” and that these resources have significantly decreased. Again, failure to fully implement the FMP often negatively and unfairly impacts perception of industry as it can be used to falsely suggest that sustainable forest management has not been achieved.

#### ***Commission commentary and recommendations (pg xi)***

Again, FIFWA is tentatively supportive of the 19 recommendations listed on xii to xiv, of particular note:

- Recommendation 2 - That the Department continues to manage the proposed formal reserves consistent with their intended reservation purpose while pursuing opportunities to progress land

category changes as proposed in the FMP. As suggested in FIFWA recommendation 5, here the mid-term review should add a statement specifying land category changes include tenure changes to release available State forest for timber production.

- Recommendation 11 - That an investigation be undertaken to improve the effectiveness of road closures to reduce the impact of unauthorised road access on compromising the disease status of protectable areas. Industry is supportive of actions that improve the effectiveness of road closures. As the reporting for KPI 8 indicates, industry adheres to strict hygiene management plans. With the majority of hygiene breaches occurring due to unauthorised public access, FIFWA is keen to ensure that increased rate of spread and new infestations are not falsely attributed to industry.
- Recommendation 14 - That there is a continued focus of research towards understanding the implications of a drying climate on ecological function, biodiversity and forest health including consideration of treatments to improve the forests resilience in a future dryer climate. This recommendation could be made stronger by including examples, such as mechanical fuel reduction. Other recommendations are given specific deadlines. Keeping this recommendation (and others) vague could be inferred to indicate that the Commission takes it less seriously.
- Recommendation 16 – That the department prioritise reporting on carbon stores over the coming years so that this information will be available for the next draft FMP. This is welcomed by FIFWA, as information on carbon stores will help inform carbon market opportunities and promotes one of the many benefits of our renewable, sustainable industry. Reporting on carbon stored in wood products (which allows a cumulative amount of carbon storage in the biosphere in excess of a steady state, unmanaged forest) is encouraged.
- Recommendation 17 - That the FPC prioritises the implementation of FMP management activities supporting the utilisation of allowable other bole volumes in jarrah forest to meet the forest health and productive capacity objectives of the FMP. Again, to add credibility and strengthen the recommendation it would be beneficial to list specific opportunities here, such as biomass for energy (FIFWA recommendation 1).
- Recommendation 19 - That the Department and the FPC present a progress report to the Commission for KPIs where the performance review target was not achieved or only achieved some of the time, as well as addressing the recommendations of this report, annually by 30 September effective from 2019. FIFWA is supportive of open, transparent and regular communication like this, which can be leveraged to improve social perception of industry.

### ***Key Performance Indicator Reports (pg 3)***

Again, FIFWA is generally supportive and acknowledges the key achievements listed. As this submission is intended to be constructive, FIFWA will take the opportunity to note the achievement “areas of unmapped old-growth forest continued to be identified for protection ahead of disturbance activities.” While industry recognises the importance of the conservation of high conservation value forests to achieve certification and for sustainable forest management in general, it is disappointing that the public nomination process for old-growth forests is being abused. The FEM019 Planning checklist for disturbance activities is thorough and adequate. Anti-industry groups use the public nomination process to disrupt harvesting, which severely negatively impacts industry. As previously communicated by FIFWA, the public old-growth nomination process should have a finite deadline, such as two months following the release of the annual harvest plan. A robust process for public nomination for areas that do not meet old-growth criteria should also be implemented. Too often (and as indeed reported in this draft mid-term review), the net area of available State forest for timber production shrinks. The flow-on effects of the disruptions that follow public nominations of old-growth once again include resource insecurity; and under-utilisation resulting in preferred silvicultural outcomes not being achieved which will impact on future growth and sustained yields.

### ***KPI 1 – Whole of forest condition (pg 5)***

FIFWA notes the decline in vegetation density, reflecting the forest adapting to drier and warmer conditions; and that neither management actions nor authorised activities have contributed to the change. It is therefore crucial to improve market access (and consequently improve resource security) so that appropriate silvicultural treatments can be applied that benefit not only forest health, but the community – through industry. This is broadly reflected in the draft mid-term review but should be emphasised at this point.

FIFWA is nominally supportive of the Commission recommendation and the proposed management response, and offers the following -

**FIFWA recommendation 7:** To strengthen the management response to KPI 1, industry should be specifically mentioned, to work with the FPC, DWER, Water Corporation and other water providers.

***Reserve system (pg 8)***

As communicated to the FPC and to other levels of government, FIFWA strongly objects to the proposed expansion to Wellington National Park. The current FMP already places an excessive amount of forest in reserve. While the concept of being able to “pursue opportunities to progress land category changes” seems as though it could benefit industry (land tenure can change, from a type of reserve to available State forest for timber production), this is rarely the case.

Supporters of expanded national parks would do well to realise the limited resources available to agencies monitoring and reporting on the FMP (pg xi) extend to the maintenance of national parks. With industry investment, State forest is actively managed for fire, disease and track maintenance, as well as routine flora and fauna surveys. Our state's multiple-use forests allow bee-keeping and firewood collection, among other activities banned in national parks. The FMP already adequately protects all levels of biodiversity, through a complex array of reserves – more consideration needs to be given to industry.

It is disappointing to note the specific inclusion of the Wellington National Park in the draft mid-term review, especially as it states is “in addition to reserve changes proposed in the FMP”. While government may suggest they have made a promise through an election commitment, the FMP is essentially a commitment to industry. To see this existing commitment belittled is extremely disheartening.

**FIFWA recommendation 8:** All reference to the Wellington National Park proposed expansion should be removed from the mid-term review.

**FIFWA recommendation 9:** The next FMP should show stronger commitment to industry by specifying the offsets and compensation offered to industry following the upheaval of harvest plans and contracts due to reductions and perceived reductions of available State forest for timber production.

***KPIs 2, 3 4 and 5 (pgs 9-21)***

For general forest health, FIFWA is pleased to note that the majority of targets were met (KPIs 2,3 and 4). The outcome for KPI 5 was less impressive. However, the acknowledgement of additional baiting to mitigate the increased risk of predation following harvesting is appreciated. Similar appreciation is held for the recognition that “there is no evidence to suggest timber harvesting has long term impacts on population viability of temporarily displaced species such as black cockatoos and western ringtail possums.” Publication of information like this helps to broaden public perception of industry, beyond jobs and economic output.

FIFWA awaits the performance assessment reports with concern about potential changes to local scale operations which already “consider appropriate measures to minimise loss of legacy habitat elements”.

***KPI 6 – Distribution of fire age (pg 22)***

FIFWA is tentatively supportive of the Commission recommendation and proposed management responses, and offers the following –

**FIFWA recommendation 10:** The Commission recommendation regarding KPI 6 should be modified so that specific mention is made of plantations as an asset.

As previously mentioned, industry is proactively working with DFES to ensure that plantations are recognised as critical infrastructure. It would be extremely beneficial if policy documents such as the FMP officially recognised plantations as an asset. This is particularly important with the diminishing area of the plantation estate (as noted in the draft mid-term review) and looming supply gap.

**KPI 8 – Weeds, pests or disease pathogens (pg 27), in particular Diseases (pg 32)**

FIFWA is once again pleased to note that compared to other disturbance activities, timber harvesting operations had the most effective hygiene management planning. Unauthorised public access to State forest is a serious concern to industry.

FIFWA is broadly supportive of the Commission recommendations and proposed management responses, noting that like all responses and the overall implementation of the FMP, significant resources will be required. The native forest industry essentially provides a lot of these resources and ensures that disease management is well understood, as it is awarded top-priority. Again, anti-industry groups would do well to note that in general, disease management is significantly more advanced in multiple-use State forest than in national parks.

**KPI 9 – Level of soil damage resulting from timber harvesting**

As previously communicated, industry has no interest in causing soil damage. It is of no benefit to industry to continue harvesting in boggy conditions and it was disappointing to note “Soil damage in excess of prescribed levels was caused by the increased movement of heavy vehicles, in all seasons, associated with the felling and extraction of timber.”

Previous iterations of the soil trafficability index proved to be bureaucratic nightmares, and the current situation obviously is not ideal. The reported status, Commission commentary and proposed management responses all reflect this.

The draft mid-term review lists three reasons as contributing to the rating. FIFWA would like to re-iterate the imperative of safety. Industry will continue to equip themselves with plant that puts operators safely in cabs, and will not return to dangerous manual tree harvesting. Where increased mechanisation intersects with undesirable levels of soil disturbance, realistic and pragmatic risk assessments should be used to formulate protocols.

FIFWA tentatively supports the proposed management responses.

Regarding the first bullet point:

“The Department and the FPC will continue to plan coupes to utilise existing tracks and areas of disturbance, actively monitor disturbance operations and communicate results to each other, and FPC will communicate results to contractors.”

FIFWA urges the FPC to communicate results to contractors in a timely and collaborative manner. Much recent communication with the FPC on any number of topics has been neither timely nor collaborative. Without improved communication, the situation will not improve.

**FIFWA recommendation 11:** The first proposed management response to KPI 9 should be altered to include reference to timely and collaborative communication between the FPC and contractors.

The third bullet point states:

“The Department will continue to work with the FPC to develop guidance for high utilisation operations, further clarify the interpretation of good harvest practices in instances where soil disturbance thresholds have otherwise been exceeded.”

Here FIFWA would like to re-iterate the importance of industry involvement and consultation. Industry experience shows that new procedures are often developed and imposed without consultation and without adequate time to implement required changes.

**FIFWA recommendation 12:** The third proposed management response to KPI 9 should be altered to include reference of the Department working with both the FPC and industry.

The fourth bullet point is particularly concerning. It states:

“The FPC will ensure harvest contractors are trained in the requirements for minimising soil disturbance.”

Read plainly, the statement suggests that harvest contractors are unaware of how to operate without causing excessive soil disturbance – a ridiculous notion. This proposed management response needs refinement. How will the FPC ensure this? How will this be funded? Will the FPC supply new equipment to contractors or will industry be expected to bear the costs? What will the timing be? Implemented with great urgency a month before the end of the current FMP?

**FIFWA recommendation 13:** The fourth proposed management response to KPI 9 should be refined to include more specific information regarding implementation.

***KPI 10 – Stream condition and groundwater level (pg 38)***

FIFWA is pleased to note the acknowledgement that thinning “had indicated a potential benefit to stream conditions”. Industry is supportive of the proposed management response, and notes potential for market access for products produced when the “available silvicultural options” are employed. This once again strengthens the need to ensure the mid-term review (and indeed the next FMP) is able to be used as a tool to improve market access for other bole volume, similar to FIFWA recommendation 1.

***KPI 11 – Effectiveness of silviculture for water production (pg 39)***

The bullet point explaining the status:

“The lack of access to markets for other bole volume that would facilitate silviculture for water production has limited the uptake of this strategy.”,

and the proposed management responses, in particular

“The FPC will seek to secure access to markets for other bole volume to facilitate silviculture for water production.”

both add credence to the need to ensure the mid-term review (and indeed the next FMP) is able to be used as a tool to improve market access for other bole volume, similar to FIFWA recommendation 1. Here, FIFWA would also like to see FIFWA recommendation 4 employed – specific mention of the FPC collaboration with industry would help accelerate the process.

***KPI 12 – Increased knowledge of trends in climate (pg 40)***

For the sake of forest health, and the sustained yields required for a viable industry in the future, FIFWA is broadly supportive of the Commission’s recommendation and the proposed management response.

***KPI 13 – Adaptive response to changing climate (pg 43)***

Regarding ecosystem health and vitality, FIFWA notes with interest the inclusion of mechanical fuel reduction trials, and the potential commercial opportunity for removal of woody weeds and pine wildings. This once again highlights the desperate need to improve market access and is a good example of stating specific information consistent with FIFWA recommendation 1.

Regarding productive capacity, FIFWA is pleased to note that:

“FORESTCHECK monitoring has shown that overstorey tree species in low rainfall eastern forest continued to regenerate as seedlings following timber harvesting and fire, despite declining rainfall and higher temperatures.”

As mentioned above, publication of facts like this help to improve industry’s social license.

Obviously, adaptive response requires revision of policy, guidelines and procedures. However, many of these revisions (including those to fauna habitat zones and silvicultural guidelines) have had significant impact on industry, and in particular its ability to meet production targets. FIFWA asserts that the native forest sector’s inability to meet production targets is in part hampered by such changes. Text that links or mentions this would be a welcome addition. This is a similar assertion to FIFWA recommendation 2.

***KPI 14 – Increased knowledge on the amount of carbon stored in forest (pg 46)***

Understandably FIFWA is supportive of actions that increase knowledge on the amount of carbon stored in forest, as carbon markets are emerging. FIFWA notes that yet again, a lack of resources impedes achievement of the KPI. The impact of this is felt when the draft mid-term review notes that allied work and collaboration

with national and international projects was used in the performance assessment of this KPI. The establishment and reporting on plots in WA would greatly benefit industry.

***KPI 15 – The area of native forest and plantations (pg 48)***

FIFWA notes with extreme disappointment the net decrease of 300 hectares in the net area available for wood production from native forest. Industry has previously put forward their views on fauna habitat zones (and their inclusion in sustained yield calculations) and recognises that is not the forum to implement significant change. However, the notion that this 300 hectares is “only a minor reduction in forest available for harvesting” is absurd. Quite simply, it is a significant reduction in forest available for harvesting, 100 hectares more than the supposed ideal size of a fauna habitat zone. The introduction of fauna habitat zones already resulted in up to 20% of the forest available for harvest removed. Generally, the finalisation of each fauna habitat zone sees the most commercially valuable stands of forest placed in reserve. So while on the outset a loss of 300 hectares may seem minor - there are significant, detrimental impacts through loss of areas with a high predicted volume to an industry already hobbled by underhanded old-growth nominations and removal of coupes to satisfy proposed expansions to our already adequate and generous national park estate. Surely then it is little wonder the native forest sector is failing to meet production targets.

Similarly, the decrease in the size of the plantation estate is extremely concerning. The section on plantations plainly itemises the losses, but does nothing to address the damaging impact this will have.

The Commission commentary is woefully brief. Here, the mid-term review should expand on the impact to industry or at least mention production capacity, sustained yield, the looming supply gap or even carbon storage. Instead, only biodiversity is mentioned. Again, for a draft mid-term review of a document that underpins industry, this is disheartening to say the least.

**FIFWA recommendation 14:** Commission commentary regarding KPI 15 should be expanded to explain the impacts of the loss of net area of forested land, in particular the loss of available State forest for timber production.

The previously included FIFWA recommendation 5 can again be applied. Simply noting the “Department will continue to seek to minimise and mitigate the reduction in forest area” and the “acquisition of forested lands to add to Department managed lands will continue, with a focus on maintaining the net area available for wood production” is not enough. Specific mention should be made regarding the retention or loss of highly productive and high economic value forest. Net available area and predicted volume are not interchangeable concepts.

***KPI 16 – Removal of log products compared to the allowable cut (pg 51)***

Once again, FIFWA would like to assert that removal of log products at a volume less than the allowable cut is absolutely no indication of an industry in decline. Rather, as the bullet points stating what contributed to the rating suggest – it simply indicates an industry concerned with sustainable forest management.

Similar to that for other KPIs, some Commission commentary would be welcome here. The commentary should explain why the FMP average allowable cut is practically unachievable. By doing so, the status will be put in context. Indeed, performance target 16.1 was achieved and remained steady. This a positive outcome. The text below in the draft mid-term review does not infer a similar positive outcome.

**FIFWA recommendation 15:** Commission commentary on KPI 16 to explain why the FMP average allowable cut is practically unachievable.

FIFWA supports the Commission recommendation and proposed management responses. However, for the third proposed management response, FIFWA also urges the application of our recommendation 4 – so that industry can be involved in all stages.

**KPI 17 – Silvicultural outcomes for the area cutover (pg 53)**

FIFWA supports the inclusion of explanatory passages like that included for the status, noting that publication of such information has the potential to broaden public perception of industry beyond that of clear-fell. Similarly, the bullet points stating what contributed to the rating are also transparent and appreciated.

The Commission commentary notes that it “has concerns around the implications of not fully achieving the silviculture objectives in harvested coupes with implications on productive capacity”. The Commission is not alone there, FIFWA shares the same concerns and has communicated them above.

Regarding the second paragraph of the Commission commentary in the draft mid-term review, it would be beneficial to note the current barriers to timely thinning of regenerating native forest and integration of thinning with current operations.

**FIFWA recommendation 16:** Commission commentary on KPI 17 to explain the current barriers to timely thinning of regenerating native forest and integration of thinning with current operations.

FIFWA is generally supportive of the proposed management responses and notes with interest the expanded information included in the third response:

“The FPC will continue to seek to better utilise the available material through securing access to markets for other bole volume, such as the existing energy market, the application of new technologies and processes to reduce production costs and undertake trials of suitability for various engineered wood products.”

This is already in line with FIFWA recommendation 1 and FIFWA once again urges the Commission to use similar, consistent wording throughout the mid-term review document.

**KPI 18 Regeneration of harvested area (pg 56)**

Industry is proud of its sustainability, and being based on a completely renewable resource is key to our reputation. FIFWA is therefore disappointed to note that the performance target for KPI 18.1c was not achieved. Once again, the failure to achieve the target can be attributed to a lack of resources. It is so disappointing that a lack of resources once again negatively impacts the health of our forests and essentially the viability of industry.

Like most of the responses listed throughout the draft mid-term review, fulfilling the first proposed management response:

“Further refinements to the scheduling and prioritisation of silvicultural burning within jarrah forest will be undertaken by the Department and the FPC”

will essentially maintain industry’s social license (through satisfying all the conditions, our sustainable forest management will be acknowledged).

The second proposed management response:

“Delays in establishing regeneration will be factored into subsequent modelling of productive capacity and sustained yields for jarrah”

is vitally important for industry’s future outlook and viability.

**KPI 19 – Plantations are managed to meet obligations under State Agreements and production contracts (pg 57)**

Again FIFWA supports the inclusion of explanatory passages like that included for the “What contributed to this rating section” and the explanation for figure 11, noting that publication of such information has the potential to broaden public perception of industry beyond that of being secretive or hidden.

There is however a disconnect between the performance target for KPI 19 clearly being achieved (and the text below supporting that) and the proposed management response. Here the draft mid-term review notes the “area of plantation resource to support the industry is predicted to decline”. Well, not only is it predicted to decline, the draft mid-term review clearly reported on the current, actual decline in the section addressing KPI 15. At least here industry is acknowledged as “working to minimise the impacts of these forecast shortfalls”.

Further refinement to the Commission commentary would help address the disconnect, especially by explaining the impact of the declining plantation resource estate and predicted shortfalls.

**FIFWA recommendation 17:** Commission commentary on KPI 19 to explain the impact of the declining plantation resource estate and predicted shortfalls.

***KPI 21 – Social and economic benefits from the timber industry (pg 61)***

Industry is proud of its achievements and contributions to WA's economy and local communities. FIFWA notes that the majority of the performance targets for KPI 21 were fully achieved, and the status text briefly outlines the socio-economic impacts of industry.

FIFWA would like to note that industry is already actively working to "improve positive perception of the forest industry in the community" and to ensure that our "contributions beyond employment" are recognised. Documents like the mid-term review can be used as tools in this regard, hence this submission making much mention of broadening awareness and improving industry's social license.

Therefore we would suggest that beyond the various proposed management responses listed for the FPC, the text in mid-term review addressing KPI 21 actually lists at least some of the contributions beyond employment. For example, sponsorship of specific events; donations of resources to specific groups; and provision of fire suppression resources that are regularly and voluntarily deployed to bush fires. This will improve the functionality of the mid-term review and potentially industry's social license.

**FIFWA recommendation 18:** The section addressing KPI 21 to list at least some of industry's contribution to society beyond employment.

***KPI 23 – Maintaining an effective strategic road network (pg 65)***

FIFWA notes with extreme disappointment the failure to achieve the performance target, and that compared to the previous period the direction of progress has decreased.

Yet again, a lack of resources has hindered the achievement. This is incredibly alarming for an industry that relies on well-maintained roads for the safety of many of its employees. The text for KPI 23 mentions improving access for bushfire suppression and to improve public safety. While industry acknowledges the importance of those reasons, our utmost concern is the safety of our employees.

In order for industry to benefit from any additional funding that may be awarded through this mid-term review, industry needs to be specifically mentioned in this section. The strategic road network must consider industry.

**FIFWA recommendation 19:** The section addressing KPI 23 must make specific mention of industry and its requirement for well maintained roads.

***KPI 24 – Extent to which the institutional framework supports the conservation and sustainable management of forests (pg 67)***

While the performance targets for KPI 24 were all fully achieved, FIFWA suggests that outreach could be improved. With performance against KPI 21 noting that industry's social license needs to be improved, there is obvious potential for the "knowledge gained from research" to be better communicated. The "sustained or increased involvement in volunteer contribution and eco-education participation" is positive, but also reveals that more projects with a focus on sustainable forest management (and industry's contribution in particular) are needed.

The proposed management response that the Department will continue to:

"seek opportunities and resources to address identified high priority research topics including those identified through the KPI findings from the mid-term review"

clearly provides the potential for such projects to be developed.

**FIFWA recommendation 20:** The section addressing KPI 24 to include a statement that will allow for the development and delivery of volunteer projects and eco-education opportunities that highlight industry's contribution to sustainable forest management and contribution to society beyond jobs.

### **FIFWA's summary**

Industry (and indeed the Department and the FPC) should be able to use the mid-term review as a useful tool, not only in shaping the next FMP but for shorter term outcomes in the next five years. The comments and recommendations provided are intended to refine the mid-term review beyond a simple report.

We would welcome and support a document that enables us to improve resource security, market access and social license, while reporting on the achievements of KPIs.

### **References**

Conservation Commission of Western Australia (2013). *Forest Management Plan 2014-2023*, Conservation Commission of Western Australia, Perth.

Forest Industries Federation WA (2016). *Western Australia Plantations – The Missing Piece of the Puzzle*, Forest Industries Federation WA, Perth.

Schirmer, J., Mylek, M., Magnusson, A., Yabsley, B. and Morison, J. (2017). *Socio-economic impacts of the forest industry Western Australia*,. Forest and Wood Products Australia.

## Appendix 1

### FIFWA recommendations

**FIFWA recommendation 1:** To facilitate uptake and public acceptance, the mid-term review should specifically encourage the particular market opportunities available for other bole volume, including local and export opportunities.

**FIFWA recommendation 2:** The mid-term review should do more to explain the complex situation that led to industry operating below production limits set in the FMP.

**FIFWA recommendation 3:** The mid-term review should do more to explain the achievable production limits relative to the sustainable limits as theoretically prescribed and set in the FMP.

**FIFWA recommendation 4:** Where applicable, the mid-term review should specify that the Department and the FPC should work collaboratively with industry.

**FIFWA recommendation 5:** The mid-term review must use strong, specific language to quantify the offsets that will occur when seeking to minimise the reduction in forest area.

**FIFWA recommendation 6:** The next FMP should only contain KPIs that are within the ability of the Department and the FPC to influence.

**FIFWA recommendation 7:** To strengthen the management response to KPI 1, industry should be specifically mentioned, to work with the FPC, DWER, Water Corporation and other water providers.

**FIFWA recommendation 8:** All reference to the Wellington National Park proposed expansion should be removed from the mid-term review.

**FIFWA recommendation 9:** The next FMP should show stronger commitment to industry by specifying the offsets and compensation offered to industry following the upheaval of harvest plans and contracts due to reductions and perceived reductions of available State forest for timber production.

**FIFWA recommendation 10:** The Commission recommendation regarding KPI 6 should be modified so that specific mention is made of plantations as an asset.

**FIFWA recommendation 11:** The first proposed management response to KPI 9 should be altered to include reference of timely and collaborative communication between the FPC and contractors.

**FIFWA recommendation 12:** The third proposed management response to KPI 9 should be altered to include reference of the Department working with both the FPC and industry.

**FIFWA recommendation 13:** The fourth proposed management response to KPI 9 should be refined to include more specific information regarding implementation.

**FIFWA recommendation 14:** Commission commentary regarding KPI 15 should be expanded to explain the impacts of the loss of net area of forested land, in particular the loss of available State forest for timber production.

**FIFWA recommendation 15:** Commission commentary on KPI 16 to explain why the FMP average allowable cut is practically unachievable.

**FIFWA recommendation 16:** Commission commentary on KPI 17 to explain the current barriers to timely thinning of regenerating native forest and integration of thinning with current operations.

**FIFWA recommendation 17:** Commission commentary on KPI 19 to explain the impact of the declining plantation resource estate and predicted shortfalls.

**FIFWA recommendation 18:** The section addressing KPI 21 to list at least some of industry's contribution to society beyond employment.

**FIFWA recommendation 19:** The section addressing KPI 23 must make specific mention of industry and its requirement for well maintained roads.

**FIFWA recommendation 20:** The section addressing KPI 24 to include a statement that will allow for the development and delivery of volunteer projects and eco-education opportunities that highlight industry's contribution to sustainable forest management and contribution to society beyond jobs.